7 June 2023

By e-mail: abbe.anderson@health.govt.nz

Tēnā koe Abbe

Re: Draft Prescription for Capitation Payment Rates for Enrolled Persons Receiving Certain Services from PHOs from 1 July 2023

We are writing on behalf of the GP Leaders' Forum in response to the Draft Prescription Notice issued on 20 May 2023. Our member organisations reject the new rates set out in the Notice and offer the counterproposal set out in this letter.

The proposed 5% uplift will not address the emergent crisis in general practice and is likely to compound current workforce and cost pressures. We urgently need investment to correct the erosion of the value of capitation and so to avoid harm to our population.

General practice provides continuous, comprehensive, coordinated care that is shown to reduce the need for hospitalisations and reduce mortality.[1] However, one third of practices have closed books.[2]Half of GPs report that they are burnt-out – the highest number in any country surveyed.[3] The volume and complexity of work being undertaken in general practice continues to increase, with utilisation rates for the beginning of 2023 on average 6% higher compared to the previous year. Patients are waiting weeks to get an appointment. In the latest New Zealand Health survey 11% of people said they could not get a GP appointment because of the length of waiting times – some 478,000 people.[4] Since then the situation has worsened.

People need to be able to enrol with a GP, to be able to get an appointment with their practice in a timely way, and to be able to afford an appointment when they need one. Sadly, this is an increasingly difficult scenario for many New Zealanders, particularly some of our most vulnerable people. The pressures on services and constraints on access are even more accentuated in the rural sector and in some of our most high needs communities, despite the duties to priority populations set out in the Pae Ora Healthy Futures legislation.

General practice needs to be financially sustainable in order to provide continued access and safe and high-quality care to patients. The consequences to the wider health system and to population wellbeing of neglect of primary care investment are catastrophic. If just 6% of GP encounters shifted to emergency department visits, this would double the number of ED presentations.

We want to work with Te Whatu Ora and primary care sector partners with urgency to implement solutions that will address the persistent inequities in current funding, recognise the complexity of

[1] Sandvik H, Hetlevik Ø, Blinkenberg J, Hunskaar S. Continuity in general practice as predictor of mortality, acute hospitalisation, and use of out-of-hours care: a registry-based observational study in Norway. Br J Gen Pract. 2022 Jan 27;72(715):e84-e90. doi: 10.3399/BJGP.2021.0340. PMID: 34607797; PMCID: PMC8510690. https://www.ncbi.nlm.nih.gov/pmc/articles/PMC8510690/

[2] https://gpnz.org.nz/publications/pho-closed-books-stocktake-report-2022/

[3] Munira Gunja et al., Stressed Out and Burned Out: The Global Primary Care Crisis — Findings from the 2022 International Health Policy Survey of Primary Care Physicians (Commonwealth Fund, Nov. 2022). https://doi.org/10.26099/j2ag-mx88

[4] https://www.health.govt.nz/publication/annual-update-key-results-2021-22-new-zealand-health-survey

modern general practice, and help us shift our focus towards keeping people well and achieving the Pae Ora objectives.

This counterproposal is intended to be a constructive approach to a recovery plan for general practice. The starting point for the uplift in capitation should be the findings of Sapere's evidence-based review of capitation undertaken in 2021-22 on behalf of Government which found that general practice was underfunded by 9% on average, before adjustments for need. To begin the stabilisation process for general practice, the price increase across all general practice funding streams from July 2023 should be a minimum of 14%; that is 9% to take account of the independently verified underfunding, plus the 5% offered on the basis of calculations from the same independent source.

When restrictions on patient co-payments are applied this would translate to an actual increase in practice income closer to 7%. The alternative for many practices struggling to maintain services is to apply to increase the fees their patients pay - a further barrier to access, and in contrast to Government policy to remove co-payments for prescriptions.

We welcome the proposed increase in immunisation payments which will come as a real relief to practices. It will be a key factor in supporting the daily mahi in our practices and protecting our tamariki from avoidable harm. However, this work remains underfunded, and we believe an immediate additional premium should be included for the initial six-week childhood immunisation appointment which is a vital component of future wellbeing for pēpē and mothers. We would like to work with you to design and cost that six-week intervention.

In addition, we seek urgent progress on implementation of the review of general practice funding (with appropriate equity adjustments to reflect the higher level of need in priority populations) and on a range of initiatives to build, value and fairly remunerate our general practice workforce. The majority of practice costs are staffing costs. A reasonable increase in capitation, combined with initiatives to grow and support our workforce, are vital if we are to have the people we need to deliver essential, equitable and high quality health care. These suggested initiatives, which can be implemented even within a constrained funding envelope, are set out in the appendix to this letter. We want to work collaboratively and constructively with Te Whatu Ora and Te Aka Whai Ora to further develop and implement them.

We look forward to discussing these solutions to begin the vital 'reset' of general practice with you and your team at your earliest convenience.

Ngā mihi

Dr Bryan Betty
Chair, GPNZ

Dr Fiona Bolden
Hauora Taiwhenua

Dr Tim Malloy
Chair, GenPro

Dr Sam Murton
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Tracey Morgan
Chair, NZCPHCN

Michelle Te Kira
Executive Chair, PMAANZ

APPENDIX: Expectations for the stabilisation and recovery of general practice

Sustainable workforce plan

We need genuine investment in effective and targeted recruitment and retention strategies to grow and maintain the health workforce based on the health needs of the population. We seek a commitment to the quadruple aim that sees the primary care workforce valued and supported on a par with the Te Whatu Ora employed workforce. Specifically:

1. An increase in New Zealand medical school places to provide the supply of domestically trained GPs needed for the population as shown by Te Whatu Ora's own workforce projections
2. A specific focus on training for rural health professionals with additional funding and support for interprofessional rural training initiatives: for rural, by rural, in rural
3. An increase in the number of Nurse Practitioner training places with funding available to practices to provide backfill and offer placements
4. Immediately extend the subsidies and support for international recruitment available to Te Whatu Ora to primary care providers, including relocation packages for new staff and their families (estimated at $50,000 per new GP) and appropriate orientation and cultural safety training
5. Undertaking of a gap identification exercise between the pay and conditions of GP Fellows and Te Whatu Ora-employed SMOs, with a commitment to reaching equivalence by 2025 – funding should value the GP Fellowship qualification
6. Funding for the cost of training and backfill for any practice-based professional (nurses, pharmacists, etc) undertaking prescriber training
7. Resourcing and support for an expanded NZREX GP pathway and consideration of this for domestic graduates
8. Mandating and properly resourcing Community Based Attachments, with a view to extending the amount of time that doctors in training spend in general practice
9. Funding for nursing pay parity (over and above usual annual increases) to 100% by June 30, 2024
10. Regional coordination and funding of NETP placements, in collaboration with PHOs and contracted providers, so that in the 2024 calendar year 20% of these occur in general practice settings
11. Provision for afterhours funding for CSC holder and those aged under 14 to non-enrolling telehealth providers to support this channel for managing workloads using distance workforces
12. Rapid distribution of the $102m funding for comprehensive care team development allocated in Budget 2022 with support from PHOs.

Sustainable funding plan

We expect joint planning with the sector on the development of a new general practice funding model to begin without delay.

13. The Sapere Review includes a methodology for improving the allocation of funding across patient cohorts, and for addressing portions of the WAI2575 findings and improving equity. A joint working group should be convened to advise on the best way to implement the findings of the review and to incorporate them into a funding model that reflects population need and contemporary models of care.

14. The current input-based annual cost calculation (the Annual Statement of Reasonable Fees Increases) does not represent true general practice cost or activity. An independent third party should be appointed to work with GPLF members to identify key factors that can be costed and built into a methodology that reflects true cost changes impacting general practice. These factors would likely include:
    - changes in volume or service per capita
    - increased time associated with clinical administration

- increased management of more complex patients or those needing specialist care (with increasing acuity thresholds and delays for access to secondary services)
- a means of capturing whole team activity
- infrastructure costs, including ongoing infection control measures such as red and green streaming for respiratory illness, IT development and security, physical space for staff in training and business continuity management
- 24/7 after-hours funding and solutions that enable appropriate access alongside the availability of appropriate and safe clinician time.

Other improvements

15. Commitment from Te Whatu Ora not to give notice of termination of the PHO Services Agreement under clause B.38(2) before 1 January 2025 at the earliest in order to limit the uncertainty in relation to planning and staffing.
16. Provide PHOs and their agents with timely and direct access to relevant national datasets, including the national general practice qualifying encounter dataset, by 31 October 2023 to ensure meaningful dialogue on issues and solutions.
17. In conjunction with a new funding model, identify the resources and models of care needed to support the most complex and high needs patients, including extended and flexible consultations.
18. Consistently fund evidence-based practice-level model of care developments, supported by PHOs, including implementation of digital health options, triage arrangements, and targeted proactive care.
19. Work in partnership with PHOs and providers on a range of 'expectations of care', such as time to next available appointment, time for received results to be filed, open notes access, medicine reconciliation, after-hours time to consultation.
20. Work in partnership on the development of a forum with representation from all relevant parties to negotiate in good faith future primary care funding changes beyond the PHO Services Agreement.