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Officials' work on pay relativities 'accelerated': Andrew Little



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Health minister Andrew Little expects soon to consider what to do about primary care staff being paid less than equivalently skilled health workers at DHBs

Health minister Andrew Little expects to receive within weeks an officials' report on pay "relativities" between primary care and DHB health workers.

"Budget 22 did not explicitly deal with pay relativities within primary care and DHB employees," Mr Little told the **Rotorua GP CME conference** in his speech on Friday.

"Central government agencies insist on a framework to deal with this, and I have this week received an assurance that this work is now being accelerated and I should have something on my desk in the next month or so."

Concerns over growing pay gap

Primary care leaders are concerned about a growing gap between pay for primary care nurses compared with DHB nurses with equivalent skills and seniority, but GP rates are a concern too.

The lower pay rates in primary care, where funding is tightly controlled mainly by the Government, are contributing to a workforce crisis that is constricting services for patients.

Leaders meet minister

Seven General Practice Leaders Forum members met Mr Little in his office last Thursday, the day before his conference speech, having been told by health officials that capitation would rise 3 per cent, despite inflation being 6.9 per cent.

The forum members at the meeting were chair and Hawke's Bay specialist GP Mark Peterson, General Practice Owners Association chair Tim Malloy, General Practice NZ chair Jeff Lowe, Hauora Taiwhenua Rural Health Network chair Fiona Bolden, Practice Managers and Administrators of NZ chair Michelle Te Kira, NZ Nurses Organisation chief executive Paul Goulter and RNZCGP president Sam Murton.

In an interview today, Dr Peterson said primary care pay parity and the Government's moves on the issue came up at the meeting.

“He [Mr Little] implied that that needed to be done at an official level in the first instance...He was certainly told...there was a significant pay differential between primary health [and DHB] nurses. He was also told there was a significant differential in pay between general practitioners and hospital specialists.

“He said, ‘I’m waiting for officials to tell me about pay relativities’. There seems to be a process around that which is established and he was waiting for that response.”

Money for pay equity, not pay parity

New Zealand Doctor Rata Aotearoa
analysis of Budget 2022 documents
found the Government has budgeted
\$599.3 million for pay equity in 2021/22
and \$204.19 million a year for the
following four years. The documents do
not detail what the funding is for, but
most is likely for settling the pending
settlement of the DHB nurse pay equity
offer.

There is no readily apparent pay parity
allocation in the Budget to extend DHB
nurse and clerical pay equity rates to
non-DHB health workers.

Other topics addressed by minister

At the conference, Mr Little noted the
Government is the major funder of
primary care – “\$1.3 billion a year
through the Primary Health
Organisation Service Agreement, of
which about \$1 billion goes to GP

practices. Private fees account for about \$600 million of the total annual revenue of GP practices.

“I know there is dissatisfaction with the [agreement] and I agree that it is no longer working. Eventually, it and District Health Board contracts will be replaced with a new set of agreements, which will include standardised terms for all primary and community health providers, supplemented with additional funding for specific services.

“A technical review of the current capitation funding formula is under way, and I expect this to provide the basis for further advice on possible changes. Interim Health New Zealand and the interim Māori Health Authority will work with the primary care sector to consider the options that follow.”

Mr Little says the interim New Zealand Health Plan, due out later this year, will include “actions to support rural health needs such as...a review and implementation of changes to the Primary Response in Medical Emergencies model, which places a significant burden on rural general practice”.

On equity, he mentioned the Wai 2575 report on primary care, from the Waitangi Tribunal ,and said that, increasingly, people are finding it hard to enrol in a local practice or, if enrolled, to get a timely appointment.

“Some cannot afford the consultation fees, and others have difficulty getting time off work to get to an appointment. For some people, poor prior experiences or accumulated debts result in unwillingness to use services. Inequitable access and health outcomes for Māori, and overall negative experiences with primary care services were identified in the Wai 2575 report.

“Health New Zealand will work towards addressing the issues identified by this report, alongside implementing broader measures to address barriers to access and improve outcomes, including changes to the GP capitation formula to address need, growing the range of services offered by Māori and Pacific providers, establishing provider networks and comprehensive primary care teams that deliver more accessible and seamless care.”

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