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PSAAP back with new reps and capitation funding tweaks



Fiona Cassie

fcassie@nzdoctor.co.nz

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PSAAP is starting to get up and running again with 18 new contracted provider agents at the forum table

Reporter **Fiona Cassie** provides updates on recent developments at PSAAP as the primary care negotiations vehicle edges towards engagement

Primary care's controversial contract talks forum is back with the tweaking of capitation rates to reflect last year's nurse disparity and equity funding announcements one of its first jobs.

The 1 May meeting of the PHO Services Agreement Amendment Protocol group was the first outing for the new 18 contracted provider agents nominated under the new representation process lobbied for by general practices.

It was also the first attempt to return to business as usual for the forum since formal PSAAP talks broke down on 1 June 2022 over that year's 3 per cent capitation increase.

Last year's 5 per cent increase was also rejected by contracted providers after being tabled by new funder Te Whatu Ora at informal talks last year while PSAAP remained in hiatus.

The stretched and stressed sector has been warned not to have high expectations for this year's capitation increase either, with the May PSAAP meeting told that details would not be available until after the 30 May Budget.

But contracted provider agent and Christchurch-based specialist GP Angus Chambers says PSAAP was starting to "get itself up and running again" with at least two working groups to be quickly established to look at some targeted funding and contract issues.

The first working group is to look at implementing the new \$4.6 million immunisation recall/precall funding for general practices announced in March, including a proposal for PHOs to also receive additional immunisation funding, says Dr Chambers, who is the chair of the General Practice Owners Association.

Another working group will be looking at how to incorporate last year's nurse pay disparity funding and equity funding announcements into base capitation rates, alongside the next capitation uplift, under the PHO Services Agreement, he says.

Te Whatu Ora last year offered practices about \$8000 per full-time-equivalent nurse to reduce the pay disparity with public hospital nurses as part of the sector's \$31 million share of a \$200 million annual pay disparities fund.

It also, last year, belatedly announced an equity capitation boost of \$37 million over two years (from a 2022 Budget allocation of \$86 million over four years) to Māori and Pacific providers and practices with high Māori and Pacific enrolled patients.

Mark Peterson, a long-standing PSAAP contracted provider agent and GenPro board director, says getting round the table again was the “first of many steps” towards the contracted providers aim of totally revising the sector’s funding contract and the capitation formula.

Dr Peterson and Dr Chambers say Te Whatu Ora has asked the new 18 contracted provider agents to go away and “promptly” select four negotiation representatives and members for the working groups. Under the PSAAP protocol, negotiators need to be appointed when there is a “substantive proposal” made, including renegotiating a major part, or all, of the PHO Services Agreement. Appointed negotiators have to have a mandate from their constituents and, if a proposal goes to a vote, represent at least 75 per cent of the providers who have nominated PSAAP agents and 75 per cent of all enrolled patients.

Eighteen agents nominated

The sector's 18 new PSAAP agents were appointed following a lobbied-for protocol change giving contracted providers, those holding "back-to-back" general practice contracts under the PHO Services Agreement, the right to individually nominate their own agent. Previously contracted providers had two representative agents selected by the three organisations that made up the old Contracted Provider Caucus.

The new process and the new agents, selected under the same representation process as PHOs which currently have 11 agents at PSAAP, was formally ratified at the May meeting.

GenPro, which led the campaign for the new contracted provider agent process, is the nominated agent of slightly over half (267) of the 526 practices taking part in the first nomination round that closed 19 April.

Ten of the 18 nominated agents are PHOs or PHO collectives, after 36 per cent (193) of the practices selected their PHO to be their agent. Corporate practice owner Green Cross Health is understood to be the nominated agent for most of its practices. The other nominated agents include Hauora Taiwhenua Rural Health Network (13 practices) and RNZCGP (7 practices) which, alongside GenPro, made up the former Contracted Provider Caucus. There are also four individual contracted providers who nominated to represent themselves at PSAAP.

General Practice NZ chief executive Maura Thompson says she is not surprised by the proportion of practices nominating PHOs and it could be “higher again” when there is wider awareness of the process.

Rachel Brown, a spokesperson for Te Kāhui Hauora Māori PHO Collective, said the PHO collective, which represents 23 practices to date, put itself forward as an agent to ensure a strong Māori voice was present within the new provider caucus.

Asked how it would separate its two hats as PHO and contracted provider representative, Dr Brown, the National Hauora Coalition chief executive, says most Te Kāhui Māori PHOs are also general practice owners and already effectively represent both sides.

Change agents

- › PHOs have 11 agents at PSAAP.
- › Contracted providers – general practices and those who hold the back-to-back contract – have 18 PSAAP agents.
- › Some PHOs are both PHO agents and contracted provider agents.
- › Four individual contracted providers nominated to represent themselves at PSAAP.

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