

+NEWS |

Primary healthcare's share of Budget 2024 still a work in progress



Stephen Forbes

sforbes@nzdoctor.co.nz

Monday 10 June

2024, 04:19 PM



3 minutes to Read



Te Whatu Ora says it is still finalising its internal budget and can't currently provide a breakdown of how much money has been allocated for primary health in Budget 2024

Te Whatu Ora says it can't provide a breakdown of how much money has been allocated for primary health in Budget 2024 as it is still finalising its own numbers.

The lack of detail on how much general practices and PHOs will get is a cause for concern for General Practice NZ chair Bryan Betty, who says people in the sector need more certainty.

Dr Betty, a Porirua-based specialist GP, says that general practices and PHOs typically have a better idea of how much money they will receive after the Budget.

“There’s usually some indication in the Budget about how much money there is. But we still don’t know what the uplift [in capitation] is at this stage.

“It’s the first time we’ve seen this happen. So, it’s a concern. Practices and PHOs are doing their budgets for next year – so it becomes problematic,” he says.

“There should have been some indication [on the capitation uplift] prior to this point.”

READ MORE

- › **NEWS: PSAAP working group told capitation rise still unknown, despite minister's hint**
- › **NEWS: Cancer drug report never meant to be used as shopping list: Agency head**
- › **NEWS: Prescription fees returning but little new for health in Budget**
- › **NEWS: Smoke and mirrors in Budget 2024 as large sum heads to Holiday Act settlement**

Budget 2024 included \$9 billion for primary, community, public and population health services, an increase from \$8.2 billion in 2023. *New Zealand Doctor Rata Aotearoa* approached Te Whatu Ora to find out how much primary health would receive, but in an emailed response, Te Whatu Ora chief financial officer Rosalie Hughes said the agency was still working on the numbers.



General Practice NZ chair Bryan Betty at Rotorua GPCME 2024 [Image: NZD]

Budget in a Budget

“Budget 2024 has provided funding to help manage cost pressures within the primary, community, public and population health services. We are currently working through the finalisation of our internal budget, following the Budget,” Ms Hughes says.

“We expect a number of specific one-off cost pressures as well as annualised increases to the funded sector to flow from the Budget decision.”

But when *New Zealand Doctor* went back to Te Whatu Ora to say Ms Hughes’ response didn’t answer our questions, we were told it was still a work in progress. In a statement, senior media advisor Dee Sims said: “We’re working through the finalisation of our internal budget. We’ll provide your requested breakdown as and when we can.”

A spokesperson for the minister of health, Shane Reti, said he had nothing further to add.

PSAAP waiting game

A working group set up as part of the PHO Services Agreement Amendment Protocol met on 5 June as part of a post-Budget meeting with Te Whatu Ora and had expected to be updated on the proposed capitation increase and appropriation for 2024/2025. But working group members were told by Te Whatu Ora that the increase, expected to come into effect from 1 July, had not been confirmed and they should keep their expectations low. The next PSAAP is scheduled for 18 June.

PSAAP working group member and General Practice Owners Association executive member Mark Peterson said last week that delays in finalising the agreement were due to this year's Budget being late. The specialist GP says that meant Te Whatu Ora had only just received confirmation of its appropriation.

In a post-Budget interview on 31 May, health minister Shane Reti told New Zealand Doctor that **the Government was keen to see a capitation increase “close” to the estimated 5.88 per cent** calculated under the PSAAP cost-pressure formula.

Analysis takes gloss of Budget numbers

Meanwhile, an email doing the rounds written by Te Whatu Ora director of population health gain, Gary Jackson, takes the gloss off the increase in Vote Health 2024 by accounting for inflation and the country’s ageing and growing population.

Dr Jackson says while the growth in health funding seems like good news, looking into the numbers in more detail shows that the money allocated per head of population has only gone up by about 7 per cent.

That needs to cover all innovations and costs associated with better health treatments, increased life expectancy and higher rates of diseases such as diabetes.

Dr Jackson says the analysis provides insight into why health providers “feel so cash-strapped” despite the large sums of money the Government appears to be allocating to the sector.

“And the long period from 2010-2020 of little effective increase in health funding has built up quite a backlog of things to address. [It’s] quite the challenge in how we go about re-engineering things to be more effective and efficient to make the best use of the funding we have.”

Dr Jackson declined to comment when approached by *New Zealand Doctor* for this story.

READ MORE: From the archives

Last year reporter Fiona Cassie hunted down the figures ahead of Budget 2023 in an attempt to figure out how Vote Health spending landed in primary care

"Funding Puzzler: In search of the five per cent

TELL US WHAT YOU THINK

You can add your comments using the comment function below, or by sending a Letter to the Editor to **editor@nzdoctor.co.nz**

Mary, capture your time to Read, Watch,
Listen or Delve by clicking CAPTURE.

CAPTURE

You can view your CAPTURE RECORD [here](#).