

Media release

For immediate release

1 June 2022

Stalemate as General Practice representatives express dismay at funding increase that will threaten services

General practice leaders have expressed dismay at the offer from Health New Zealand of a 3% increase in funding for general practices from July 1.

Funding negotiations broke down today after government negotiator, through its agents Interim Health New Zealand and DHBs failed to come up with a capitation percentage to ensure the sustainability of General Practice.

Dr Mark Peterson, Chair of the General Practice Leaders Forum (GPLF) said that over the last few years the annual capitation increase had not kept up with the costs of doing business, and the latest offer would rapidly accelerate the widening gap between the government funding of primary care and the costs of providing general practice in the community.

“The percentage offered was quite frankly insulting, and not enough to maintain general practice services in this country which will disproportionately affect our most vulnerable population groups.

“It is frustrating that the cost of providing care to our patients in the community is not recognised or understood by the government and their agents. We can’t continue to operate in an outdated funding model when we’re providing essential care for the majority of New Zealanders,” says Dr Peterson.

Dr Jeff Lowe, Chair of General Practice New Zealand said, “General practice had 20.5 million contacts with patients in 2020 and that is projected to grow to 23 million by 2030. General practice continues to be funded in an outdated model that simply does not cater to communities, whānau, and their complex needs.

Dr Samantha Murton, President of The Royal New Zealand College of General Practitioners said, “We have frequently heard in the media recently from the Minister of Health about ‘traditional’ general practice but the only traditional thing about general practice is the outdated funding model.

“General practice is the delivery of specialist medical care that is based on building trusted relationships. It is complex. It often involves time, listening, and understanding before diagnosis or a treatment plan is formed. It requires a team of professionals working seamlessly together to provide the best possible care for our patients.

Dr Tim Malloy, Chair of GenPro said, “General practice in New Zealand is really struggling, our professional teams - specialist GPs, primary care nurses, and allied health staff are burnt out and COVID-19 has shone a very bright light on what was already well known within the sector – that key decision makers do not understand the complexity and importance of general practice and its criticality to healthcare to all New Zealanders.”

The general practice service is in crisis; perpetuated by workforce shortages, excessive workloads causing burnout, and years of underfunding and lack of pay parity across both medical and nursing functions.

The group is now asking government to seriously consider their funding offer and bring something to the table that will ensure New Zealanders don’t become sicker while waiting for the vital medical services they deserve from their general practitioners.

ENDS

Notes for editors

- The PHO Services Agreement Amendment Protocol (PSAAP) is the agreement between the DHBs and the PHOs for the delivery of primary healthcare. The group who is party to PSAAP met today to discuss and agree future capitation rates - the principal vehicle for how general practice is funded in New Zealand.
- Capitation-based payments are paid to general practice based on the numbers of the enrolled PHO population. This means that PHOs and their general practices are paid according to the number of people enrolled, not the number of times a provider sees patients.
- GPLF’s concerns around funding and sustainability have been increased by the new Health NZ structure, that provides no clarity on its alignment to general practice
- The funding model for general practice is over 25 years old and is not fit for purpose.
- General practice is nimble and has adapted to best serve its community’s complex needs. However, the outdated funding model has not.

For more information

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