



General Practice Owners Association
of Aotearoa New Zealand

3 June 2020

Hon. Dr David Clark
Minister of Health

Dear Minister

A reflection on our COVID-19 responses

I am writing on behalf of the Board of GenPro to reflect upon the past few weeks and the process of securing the engagement of essential General Practice and Urgent Care services during the COVID-19 (C19) pandemic.

It is clearly a triumph that New Zealand finds itself seemingly among the world leaders in its response to the pandemic. That is, in no small part, testament to the General Practice and Urgent Care teams who unhesitatingly put themselves directly in harms way as the country's front line in the war on C19 on behalf of our communities, their whānau and the country as a whole.

Background

On Saturday 21 March 2020 a four-level alert system was introduced in New Zealand to manage the C19 outbreak. The alert level was initially set at level 2 and resulted in immediate advice being issued by the Royal New Zealand College of GPs (RNZCGP) to all General Practices in New Zealand advising that practices should move to virtual consulting wherever possible and delay non-priority care. This was informed partly by evidence emerging from Italy which identified General Practice waiting rooms as high risk venues for the community transmission of the virus. Within 48 hours, the country's network of General Practices had responded and were serving their communities under the new arrangements – new arrangements which included the front-line C19 response and swabbing.

New Zealand promptly moved to Level 4 lockdown at 11:59pm on Wednesday 25 March 2020.

Within the same week it became evident that General Practice revenue had taken a significant hit and sustainability of services was at risk. An urgent meeting of the General Practice Leaders Forum (GPLF) was arranged for Sunday 29 March 2020 and, at the same time, as interim chair of GenPro, I spoke directly with yourself and the Director General of Health to emphasise the need for urgent action/support.

Support Offered

Initial Support

An initial \$15 million [weighted] support payment was very gratefully agreed, payable around 1 April 2020, in order to support the costs incurred in readying General Practice for the significant increase in virtual consultations, communicating the changes to patients and providing for social distancing/safety within practice premises.

“Make safe”

At the same 29 March 2020 meeting, there was discussion regarding “make safe” costs incurred by General Practice to ensure the safety of their patients and staff. This typically included premises adaptations such as protective screens and additional security/staffing costs and other exceptional items. Advice from your Ministry, with DHBs alongside, was that such costs would be an appropriate claim against the \$500 million PPE fund announced by the Government for DHBs.

On 7 May 2020, almost 6 weeks later, and in the absence of any further communication on the matter, GenPro’s deputy chair, Dr Angus Chambers contacted your Ministry to request an update on the process for claiming and reimbursement of “make safe” costs and was advised that the Ministry was unable to provide further advice until after 14 May 2020 due to the budget 2020 protocols and moratorium.

The subsequent Ministry reply, received on 17 May 2020, set out what appeared to be a disproportionately bureaucratic four-tier approval process involving practices collectively, the Ministry, the Treasury and finally Cabinet. That full reply is attached and feels tailored to deliberately discourage Practices from progressing such claims at a time when their focus was the protection of their communities.

Urgent Care

Also on 29 March 2020, there was discussion regarding support for Urgent Care providers as it was noted that they would not be covered within the initial funding support of \$15 million allocated based on enrolled patient numbers.

It was agreed that separate discussions would be held to determine what support may be required/justified by those Urgent Care providers.

GenPro’s deputy chair subsequently worked with the Royal New Zealand College of Urgent Care (RNZCUC) and the Accident & Medical Clinic Association (AMCA) to prepare an analysis and costed submission which was provided to the Ministry and DHBs on 2 April 2020. Again, after no response was received for some weeks, AMCA made a follow-up enquiry and the Ministry advised on 29 April 2020 that it could not respond given the Budget 2020 moratorium.

To date, no such direct funding support has been provided to those essential Urgent Care Centres.

On-going Level 4 Lockdown Support

Following the move to Level 4 lockdown, it became clear that General Practice was at significant financial risk during and continuity of service to the country’s communities was seriously compromised. A prompt response and acknowledgement was very gratefully received on 9 April 2020 (copy also attached) from the office of the National DHB Executives which advised that two tranches of fortnightly support (for the four weeks of anticipated Level 4 lockdown) totalling \$45 million would be payable.

The first tranche of \$22.5 million was paid to practices as stated. However, by 21 April 2020, feedback was being received via the Ministry that Cabinet had declined to support the second tranche payment which, to date, has not been paid to practices.

Reflection

The C19 pandemic and the associated threat to the people of New Zealand was unprecedented in modern times. Such a situation understandably required challenging decisions at short notice and, with hindsight, there will always be decisions and processes which could have been handled better.

General Practice and Urgent Care providers have, as has been acknowledged by the Government, been instrumental in the strong position New Zealand now finds itself.

However, those same essential providers feel let down by the cumulative impact of some regrettable decisions that were made whilst they fought C19 on behalf of the country. They feel that there have been commitments made and then broken – practices had relied on the assurances given with regards the “make safe” costs and the second tranche of level 4 lockdown support – those assurances had been honestly given and honestly received and it is not unreasonable to expect to be able to rely on such statements. Such examples have also led contracted providers to feel that there has been confusion as to when organisations appear to make decisions on behalf of the Government and when they don’t.

Through the eyes of General Practice and Urgent Care business owners there have been significant pockets of disappointment throughout this process which have done little to build trust and the working relationships which we should mutually aspire to for the future. In good faith I conclude by advising that on behalf of those contracted providers, GenPro would hope that future working arrangements rely on greater collaboration and can rebuild the goodwill needed to secure sustainable, viable and high quality general practice for all New Zealanders.

I trust you will accept this correspondence in the spirit with which it is written.

Yours sincerely



Dr Tim Malloy
Interim Chair

cc: Dr Ashley Bloomfield, Director General of Health
GenPro members

17 May 2020 – Ministry response re “Make Safe” costs approximately 8 weeks after first being raised and acknowledged.

Kia ora Angus

Yes you are correct - the discussion about make safe costs was a long time ago.

Since that time, the government has given further direction to Ministries about how funding requests need to work.

When we talked at the start we were attaching conversations to specific announcements (costs for PPE etc) and as time has passed, the processes have been less specific about being attached to things and also very specific about what any investment would cover.

Any COVID-19 investment needs to reimburse or contribute to costs (situation dependent). Costs are determined as the costs over and above normal business costs less any funding received from government that is COVID-19 related (direct investment or eligible COVID-19 government subsidies). Any investments cannot be at an individual business level, it needs to be a group of individual businesses and all businesses need to demonstrate that they meet the criteria. That might all sound complicated and/or bureaucratic so if you need to then ring me to talk it though.

But to give you an example that I think is relevant to your email.

- *Your general practice has had increased costs since COVID-19 began being considered seriously in NZ and your general practice begun getting prepared and responding as if COVID-19 was present amongst your patients.*
- *You have gathered up this cost information and have compared it against other months to show that the costs have been incurred and are COVID-19 related.*
- *You will then need to deduct any funding received that is COVID-19 related, for general practice it would be your practice's share of the \$15M and \$22.4M.*
- *Further you would need to deduct any COVID-19 government subsidies your general practice is eligible for (Wage Subsidy Scheme and/or Leave Support Scheme).*
- *What costs are left for your general practice and all other general practices in this or a similar situation can be combined and a discussion with Clare Perry and the Primary Care team on supplying that information to them.*
- *The Ministry has an agreed process with Treasury for considering evidentiary based costs requests and we would supply the information for general practices as part of that process.*
- *If the template meets the criteria and is supported by Treasury, then the Ministry prepares a decision paper for Cabinet to consider to approve, decline or defer pending further information/instruction.*

So it still requires Government consideration as the emphasis has shifted to total costs incurred by in your case your general practice as opposed to individual costs like PPE. As the weeks progressed it became more apparent that Government was looking for Ministries to treat costs incurred and funding received as totals.

I am happy to talk this through with you and equally Clare Perry can arrange for a conversation should an application be the right way to go.

Nga mihi

9 April 2020 – e-mail from the national office of the DHB Executives re Level 4 Lockdown support

Kia Ora Tatou

By now, you are probably aware of a financial support package that was paid to DHBs/ PHOs either last night or this morning depending on whether banking was with Westpac or BNZ.

This was based on a 2 week payment for the first two weeks of the Lockdown. There will be a second identical payment in two weeks' time, to ensure that the financial impact to General Practices of the first four weeks of the lockdown have been covered. The level of payment is based on \$45million over four weeks and this works out at \$2.34 per ESU for urban practices and \$2.46 per ESU for rural practices.

Communication needs to remain low key and although the money has been found, it was to go to Cabinet for approval today, but may have been delayed to next week. This payment also precedes any compensation for other essential health services that rely on copayments or ACC payments. The funding was only approved yesterday and I was given permission to write to you at lunchtime today, but wanted to acknowledge that because of various sensitivities, this was unable to be communicated to you in the normal manner. The most important consideration was to ensure we got the money out to Practices to ensure there are no job losses or pay cuts. This financial support package which is on top of the original \$15million payment has been designed to ensure all General Practices remain financially sustainable over the Lockdown period.

Nāku noa iti nei