



9 January 2023

Hon. Andrew Little
Minister of Health
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Tēnā koe Minister

On The Brink

Thank you for your letter dated 16 December 2022 in response to GenPro's open letter dated 21 November 2022 and GenPro's associated *On The Brink* publication.

I note your acknowledgement of GenPro's meeting with you on 10 November 2022 where we sought to discuss with you the issues raised in our publication. I am sorry that you seem to suggest GenPro may not have acted in good faith with regards communicating these matters. I would add that previous meetings with yourself or Ministry of Health/Te Whatu Ora representatives held on 2 March 2022, 13 September 2022 and, 18 October 2022, discussed similar concerns. At various times during those meetings, GenPro was assured that collaboration, engagement and input would be sought from mandated representatives of front-line general practice contracted providers to underpin the government's health reform programme – and specifically, the general practice capitation funding review and the development of future general practice contracting frameworks (as well as associated issues of contract representation and nursing pay parity). It is disappointing that despite those reassurances no such engagement or follow-up appears to have occurred to date.

I believe the significant public interest in the fragility of New Zealand's family doctor service requires that such lack of engagement is highlighted together with an examination of information quoted in your 16 December 2022 letter and separate media statements, which might otherwise serve to materially mislead the public.

GenPro's campaign and *On The Brink* recommendations are about ensuring the future availability of essential front-line family doctor services for New Zealanders. This action has been prompted by multiple separate independent data sources (including through Primary Health Organisations - the government's own funding agents for family doctor services) which repeatedly and increasingly shows that patients are unable to access essential services because practice lists are closed, services are being cut and, opening hours are being reduced. The critical knock-on impact for our hospitals' emergency departments and the direct risk to patients' lives is well documented.

It is unfortunate that this reality is not acknowledged in your letter.

Funding Increases

It will be of public interest that the government appears to be celebrating an increase in health funding of nearly 45% whilst its own commissioned independent expert report¹ concludes that general practice remains underfunded, is operating at a loss and, is being supported through significant unpaid hours of those business owners and their teams struggling to provide these essential public services.

It is unfortunate that this expert report and its conclusions are not fully acknowledged in your letter.

It will be of public interest that general practice capitation funding was increased, through imposition, by only 3% in 2022. An increase as part of an annual process which offers no right of negotiation for general practice providers nor any right of dispute resolution. At a time when CPI inflation was running at 7.3% (and remains at its highest levels for approximately 40 years), the impact of such a real-terms funding cut forced front-line providers to take the unprecedented step of issuing contractual Section 14 Notices to their government funding agents advising of unavoidable and direct service impacts for patients.

It is unfortunate that these further real-terms funding cuts and their impact upon services are not acknowledged in your letter.

With regards to the specific methodology used by the government and its officials to determine/inform the annual capitation funding increase - the Annual Statement of Reasonable Fee Increase (ASRFI) - your letter advises that this methodology was reviewed in 2019 but completely fails to mention that it was subsequently reviewed again in November 2021 whereby all parties (including Ministry of Health and DHBs/Te Whatu Ora) agreed a detailed list of where the methodology fundamentally fails to provide a fit-for-purpose process to accurately calculate annual costs pressures facing general practice. I do not believe it would be the government's intention to deliberately rely upon outdated decisions and unfit processes to underpin the funding of essential front-line health services.

Childhood Vaccinations

It will be of public interest that the government has lifted funding for GPs to administer childhood vaccinations by 20 per cent. The reality of this statement is that the 20 per cent increase takes the funding from \$23.20 to only \$27.84 for a service that can include multiple vaccination injections and can involve two qualified nurses for up to 30 minutes together with GP oversight. Additionally, general practices are responsible for maintaining and operating a comprehensive patient administration and recall system, which, for many patients, involves multiple contacts and rescheduling of appointments without any guarantee that the patient will present for the service or that the vaccination fee will actually become payable.

It is unfortunate that your letter does not acknowledge the fact this essential health service for children remains significantly underfunded and subsidised by general practice providers through their own goodwill.

Nursing Pay Disparity

The undervaluing and apparent disrespect for the essential general practice nursing workforce is further emphasised through the lack of government action and funding to address the growing pay disparity between those nurses and their Te Whatu Ora-employed hospital-based colleagues. The New Zealand Nurses Organisation (NZNO) is seeking a resolution to the well-documented 10.72% pay disparity gap between those otherwise equally qualified and equally banded nurses.

GenPro was disappointed to hear the government's announcement that essential front-line general practice nurses would be excluded from additional funding being provided to support pay parity for nurses (and other staff) across primary and community health providers.

We were subsequently also rather surprised to read the response to WQ 43861 (2022) which stated "...the information from the NZNO was in a form that led me to conclude the majority of registered nurses in GP practices were on rates of pay close to or the same as hospital registered nurses. The information from GenPro was based on a survey of 100 of their 950 member practices but with no indication of how the 100 respondents matched the overall profile of the member practices".

We also note that you are quoted in a number of subsequent media reports as saying the evidence from GenPro did not point to any pay disparity between general practice nurses and their Te Whatu Ora hospital-based counterparts.

It is unfortunate that these statements are misleading.

GenPro's submission, which was provided in good faith on 17 October 2022, pointed to nationally agreed MECA agreements which clearly demonstrate the pay disparity.

We also understand from the NZNO, that the information it provided did not indicate that general practice pay rates were "close to or the same as hospital registered nurses".

COVID Funding

It will be of public interest that the government has provided additional funding for COVID (including vaccine administration and COVID care in the Community) through general practices. General practices have been proud to be at the forefront of this country's COVID response. Almost overnight, at the request of the government, general practice stepped up to respond to the COVID pandemic and protect New Zealanders by:

- Investing (at their own risk) in immediately putting themselves at the front-line of the country's pandemic response
- Investing (at their own risk) in major changes to premises and infrastructure to ensure the safety of patients, the public and the health workforce
- Investing (at their own risk) in significant extra nursing and workforce capacity at premium and overtime rates
- Investing (at their own risk) in maintaining day-to-day business-as-usual services alongside the pandemic response
- Investing (at their own risk) in working evenings and weekends to meet the additional and unprecedented workload.

It is unfortunate that the essential role played by front-line general practice in protecting their communities and shielding the wider health system (particularly public hospitals) from the otherwise catastrophic impact of the pandemic, and the associated costs of doing so, are not acknowledged in your letter.

GP Trainees

It will be of public interest that the government is claiming to have increased the actual number of GP trainees from 200 to 300. However, whilst the number of GP trainee places may have increased to 300, approximately half of those remain unfilled and of those that are taken-up there are subsequently high drop-out rates because it remains so unattractive for our medical students to choose to become GPs. It is unfortunate that the actual number of GP trainees, rather than the number of indicative places, is not acknowledged in your letter.

Withholding Data

I must additionally take this opportunity to comment on the recurrent theme throughout your letter suggesting that GenPro is withholding data which government officials have requested. I am somewhat surprised by this suggestion and I would be grateful if you could clarify which data is believed to be outstanding and point me to the correspondence where this was requested. I believe GenPro has been more than transparent and proactive in seeking collaboration, discussion and progress with regards our analysis and data sharing associated with cost pressures, nursing pay disparity and, most recently, our proactive release of *On The Brink* with fully referenced data sources and substantiated recommendations.

Moving Forward

Despite our respective assertions regarding data accuracy and appropriate evidence, I believe potentially the most significant matter of public interest will be the obvious and significant difference in perception between the government (and its officials) and essential front-line health professionals at a time when myriad different data sources and agencies demonstrate that access levels and service cuts are impacting directly upon the health of New Zealanders and the sustainability of the broader health system.

I hope we could agree that a common objective of the government as well as front-line providers of essential family doctor services is to ensure and maintain the health of our communities. Since GenPro was established in 2020, we have made repeated offers to work with government and its officials to support sustainable, viable and high-quality family doctor services for all New Zealanders. Whatever our respective perceptions are as to the reasons for the current lack of engagement and collaboration, I make that offer again now, in good faith, on behalf of GenPro's front-line members in the interests of ensuring essential front-line health services for all New Zealanders.

I would welcome your thoughts as to how we could move the debate forward and work together to secure that common objective.

Ngā mihi



Dr Tim Malloy
Chair

References:

- 1 Productive Release: A Future Capitation Funding Approach – Addressing health need and sustainability in general practice funding. 16 November 2022. Department of the Prime Minister and Cabinet.
<https://dpmc.govt.nz/publications/proactive-release-future-capitation-funding-approach>