13 April 2022

GENPRO
General Practice Owners Association of Aotearoa New Zealand

Hon. Andrew Little
Minister of Health
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Tēnā koe Minister

HIGH PRIORITY: DHB Nursing Pay Equity

The announcement on Friday 8 April 2022 of the proposed settlement for the DHB nursing pay equity claim is good news for recruitment and retention of DHB employed nurses who appear to be in line for a pay increase of between 19% and 21%.

If approved by the vote by nurses, which closes on 29 April 2022, I understand the settlement will be effective as of 7 March 2022 with additional lump sum payments to acknowledge the implementation date of 31 December 2019. A further increase can also be anticipated in respect of the routine 2022 MECA bargaining round - with CPI inflation currently running at 5.9% (Dec 2021).

However, there is a very serious, and potentially unintended consequence of this settlement which would have an almost immediate major impact upon New Zealand's essential population health services unless simultaneously addressed.

General Practice and Urgent Care nursing, which is already facing a recruitment and retention crisis in the face of an $8,000 pay gap (for those with 6 years or more post-registration experience) compared to DHB employed nurses, would see its pay differential rise to a minimum of between 22% and 27% (subject to the individual MECA pay step) for the same level of work and responsibility. Including the impact of the additional DHB lump sum payments and 2022 MECA settlement would take this differential and inequity to in excess of 30%.

General Practice and community-based Urgent Care Centres will see an instant, increased and significant exodus of its nursing workforce who, understandably, would be unable to ignore the 30% increase in pay on offer by moving to a local DHB nursing position. GenPro has already heard from a General Practice this week which is losing a valued and long-standing practice nurse who was instantly poached by the local DHB once the Pay Equity proposals were announced.

General Practice and its nurses are the workforce at the forefront of responsibility for managing New Zealand's population health outcomes including through world-class vaccination programmes (e.g. COVID and seasonal influenza), childhood immunisations, chronic disease/long-term-condition management and other essential community-based health services. New Zealand's largely successful management of the COVID pandemic has been predominantly due to the contribution made by General Practice and their nurses and, as New Zealand's borders are re-opened to infections across the world, future population health controls will be similarly dependent upon the same nursing service.

Likewise, nurses based within Urgent Care Centres make a major contribution to urgent care services and without the availability of such a nursing workforce there would likely be no community-based urgent care service across the country.

The GenPro Board has discussed these significant concerns this week and has identified the following potential options/outcomes with regards this significant and immediate risk to General Practice nursing and the population:

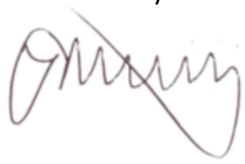
1. **Simultaneous pay equity for General Practice nurses**: Comparably funded by the government, through General Practice capitation funding, for direct inclusion within employment terms (including the Primary Health Care MECA) for all General Practice nurses; or

2. **Significant increase in patient co-payments for ALL patients:** Due to the government-controlled* funding framework for General Practice, without additional capitation funding, General Practice providers will be unable to cover the increased nursing pay required for the maintenance of essential services without a significant increase in patient co-payments across all consultations. This would necessarily include the withdrawal by General Practices from the various schemes and programmes which offer capped low-cost (e.g. for Community Services Card holders) and free access (e.g. Under 14 year-olds); or,

3. **Immediate decline of General Practice nursing care and lack of access to associated population health services:** Which would seriously compromise the scope of practice for generalist doctors such that there would be an immediate and long-term impact upon population health as well as unprecedented increases in referrals and demand for specialist and secondary care services far beyond the capacity of the broader health system.

Given the significant impact and immediacy of this matter, I would welcome an urgent meeting to discuss how continuity of essential General Practice nursing care and population health services can be maintained. I will ask Philip Grant, GenPro Chief Executive, to liaise with your office to arrange a mutually convenient time.

Yours sincerely



Dr Tim Malloy
Chair

** The funding framework for General Practice is based on the following two main revenue streams:*

1. *Capitation Funding: From the government to subsidise the cost of services. The level of such funding is determined and set annually by the government with no right of negotiation or dispute resolution for General Practice providers. The capitation formula, funding envelope and methodology for annual increases have all be widely agreed as out-of-date and lacking.*

2. *Patient co-payments: Which are determined and capped by the government to include free consultations for under 14 year-olds and fixed co-payments for low-cost access consultations for Community Services Card holders and VLCA practices. Annual increases for all other consultations are capped by the government using the "Annual Statement of Reasonable Fees Increase" – a process which again has been agreed as unfit-for-purpose and which has no right of negotiation or dispute resolution for General Practice providers.*