General Practice Owners Association
of Aotearoa New Zealand

On The Brink

Saving New Zealand's family doctor service

#saveyourfamilydoctorservice

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Foreword

Essential family doctor services for patients in New Zealand are at a critical crossroads.

Virtually every one of us has grown up knowing our family doctor team and knowing they are there for us in our time of need. When our tamariki are sick. When our whānau are vulnerable. When our hoa faaipoipo need urgent support or just simply reassurance.

But imagine if those services and support weren't there. Imagine the impact on the health and well-being of us all. Imagine the crisis that would envelop our already stressed hospitals and emergency departments if they became everybody's first point of contact for front-line health advice and support.

New Zealand needs a strong family doctor service because we know that is best for patients, best for population health, best for the wider health system and, best for the taxpayer.

Those same family doctor services that we've all relied upon have faced years of underfunding and neglect by successive governments. Our essential local nurses and doctors have been undervalued and underappreciated. They have had enough and patients are at risk as we face an unprecedented exodus from the service.

But there may still be some hope. There is still a faint pulse and the government must act before it is too late.

Our family doctor services can be saved and revived. In this report we provide our 9-point plan which sets out what is required to ensure patients, their whānau and communities will be able to rely on sustainable family doctor services once again.

Fair pay for family doctor teams

1. Pay parity for nurses
2. Equitable treatment for medical graduates choosing to work in general practice
3. Remove the disadvantages for doctors choosing to serve as family doctors

Increase the workforce

4. Increase the number of GP Registrars
5. Remove barriers for overseas-trained doctors and nurses
6. Expand the capacity and capability of the family doctor workforce

Fair contractual terms for private family doctor businesses

7. Jointly agree fair contracts for services
8. Fully fund new services, new developments and rising demand
9. Invest a greater share of funding in front-line services

Many of these challenges have been discussed and acknowledged for years, together with broad consensus on many of the solutions required. We are now facing the stark reality and impact of that neglect and failure to act.

During one of this country's most significant programmes of health reform, when hundreds of millions of dollars are being invested in management consultants and the restructuring of management tiers, we must also ensure that essential front-line family doctor services for patients are appropriately supported and funded. Before it is too late.

Just imagine.

Dr Tim Malloy
Wellsford Family Doctor and GenPro Chair

Introduction

Family doctor services are the bedrock of New Zealand's primary care sector, incorporating collaborative work by essential health professionals including general practitioners (GPs), nurses, pharmacists, physiotherapists, dietitians, social workers and many, many more.

The world over, there is a wealth of evidence which supports the role of strong, robust and organised primary care delivery in underpinning improved population health and better patient outcomes. In multiple OECD countries and health systems, including the UK, Australia, the US and New Zealand, where increased access to primary care has been provided, people live longer, feel better, and health care is more equitably distributed[1-3].

New Zealand has a network of over 1,000 family doctor services, covering approximately 4.5 million enrolled patients, providing what we call "first-contact healthcare". Family doctor services deliver over 20 million first contact consultations[4] each year plus additional urgent care and ACC consultations which are all predominantly centred around the important personal relationship between each patient and their own family doctor team.

We know that where such systems exist around the world, they support better access to healthcare, better population health, and a more efficient whole-of-health-system.

It has long been the case that the New Zealand health system has relied upon a strong primary care sector to support the Government's desire to keep New Zealanders healthy and out of hospital[5]. High-quality family doctor services are the foundation of a high-functioning health care system and are critical for achieving health care's Quadruple Aim:

- Improving population health
- Enhancing patient experience
- Reducing costs
- Improving healthcare workers well-being.

Family doctor services are most effective when appropriately resourced to provide comprehensive person-centred, relationship-based care that considers the needs and preferences of individuals, their whānau and their communities. Family doctor services are unique in healthcare in that they are designed to support us throughout our life - from babies and healthy children to older adults with multiple comorbidities.

Effective and appropriately resourced family doctor services improve health outcomes for individuals and communities, they are cost-effective, and help to avoid unnecessary, and higher cost, hospitalisations[6].

Very real threat

Despite the well documented benefits of a strong primary care sector for patients and the wider health system, New Zealand's family doctor service is at a critical crossroads. It is on the brink and suffering as a result of prolonged and systemic underinvestment and neglect. Successive governments have failed to support family doctor services and have made real-terms funding cuts to essential front-line patient services provided by family doctors and nurses across New Zealand.

New Zealand's current ED crisis with excessive waiting times and very unfortunate links to patient deaths is as a result of the continued and increasing underinvestment in general practice and family doctor services.

Family doctor services for patients are at serious risk and are already being cut in many areas. Many New Zealanders cannot enrol with a family doctor service and those who can are often waiting many weeks for an appointment with their family doctor or nurse.

There are multiple reasons for this crisis.

Underfunding of patient services

Successive Health Ministers, as well as the current Government's recent Health and Disability System Review[7], have acknowledged that family doctor services are significantly underfunded. The current health reform programme is investing hundreds of millions of dollars into restructuring and duplicating multiple tiers of management while applying real-terms funding cuts to front-line family doctor services.

In July 2022, the Minister of Health "prescribed" a 3% funding increase[8] on family doctor services at a time when basic CPI inflation was running at 7.3%[9]. This is a significant real-terms funding cut imposed on an already underfunded and stressed service, implemented without any negotiation and without consultation.

Family doctor services are currently 'footing the bill' for rapidly increasing costs while not having the time, the resources or even the opportunity to negotiate with the Government, Ministry of Health, Te Whatu Ora, ACC or other health agencies.

At a simple level, approximately 50% of funding for family doctor services comes from a government subsidy for each patient that is enrolled with the family doctor service (capitation funding). The level of this subsidy is set annually and is determined by Te Whatu Ora (previously DHBs and the Ministry of Health) on behalf of the government, without any right of negotiation for the actual providers of those family doctor services.

The remaining 50% (the actual individual range is much wider dependent upon the demographics of each practice's enrolled patients) of funding comes from fees (co-payments) payable by individual patients. However, to compound the dilemma for those providers, the level of fees chargeable are again controlled and capped by Te Whatu Ora on behalf of the government. As at July 2022, when inflation was 7.3%, the annual increase allowable

for those fees was just 2.38%[8]. Again, without negotiation and without consultation.

There may not be any other privately run business sector or industry in New Zealand, providing such essential public services, whose income is so totally dictated by the government without any commercial rights of negotiation or contractual protection for its service viability.

Workforce Crisis

It is well documented that front-line workforce shortages are significantly impacting upon access to, and quality of, patient services – and the workforce challenges show no sign of improving. Family doctors and nurses are leaving the sector in their droves to work in higher paid secondary care (hospital) positions, to take-up higher paid and less stressful positions overseas, or to leave the sector altogether due to stress and underfunding.

New Zealand already has a relatively low rate of full-time equivalent (FTEs) GPs per 100,000 population at just under 74 (Australia sits around 116 per 100,000)[10]. This is predicted to decline to around 70 per 100,000 by 2031.

An increasing proportion of family doctors are now also approaching retirement age. The 2020 GP Workforce Survey[11] highlighted half of the current family doctor workforce intended to retire within the next 10 years, and a staggering 14% within the next two years. For those continuing, a greater proportion are working well into retirement age, with GPs aged over 64 projected to increase to over 21% of the total GP workforce by 2031. That trend is simply not sustainable.

Our continued reliance on overseas-trained doctors is also a substantive risk, with almost 43% of New Zealand doctors prior to the COVID-19 pandemic being international medical graduates[12]. Currently, New Zealand is producing roughly 165-170 specialist family doctors each year. However, the Royal New Zealand College of General Practitioners considers the intake of GP Registrars (GPs in training) needs to increase to 300 per year as a minimum for the profession to be able to meet the demand for services in the 2030s[10].

An initial high level cost benefit analysis suggests the benefits of avoiding a GP shortfall would yield $4 of national benefit for every additional dollar spent on training extra GPs[10].

A number of recent initiatives announced by the government[13-14] aimed to increase the number of GP Registrars, including greater support for the hosting practices and supervising GPs. Further initiatives have been announced to support increased numbers of nurses in training as well as the recruitment of overseas nurses.

However, any investment in such recruitment initiatives will ultimately be wasted if the sector is unable to retain its qualified workforce. There is a big hole and a significant leak from our workforce pool and turning the tap on faster, without fixing the leak, will simply result in that leak becoming a greater torrent as qualified staff continue their exodus to higher paid positions elsewhere.

A fundamental issue for family doctor services lies in recognising the substantial pay gap between that paid to the government's own hospital-based and employed staff, and the pay levels that are affordable for family doctor services, funded through their capitation contracts with the government via Te Whatu Ora.

Nurses in family doctor services already face an $8,000[15] pay gap compared to hospital-based nurses. With recent 2022 DHB MECA negotiations and lump sum payments, this gap is set to grow to in excess of 30% for the same level of work and responsibility.

Similarly, as specialist medical professionals, family doctors have a median income 20-25%[16-17] below those of their hospital colleagues. This has been identified as the biggest barrier to young doctors going into general practice[18], and further exacerbated throughout their careers when compared to hospital specialists.

Rising Demand & Acuity

The pressures and workload associated with the COVID pandemic are well documented. But these served to expose and highlight the pressure which family doctor services were already facing and are continuing to face now that the pandemic subsides.

The 2019/2020 New Zealand Health Survey[10] indicated that close to one million people reported they were unable to obtain an appointment at their usual medical centre within 24 hours, at least once during the previous 12 months. This is despite family doctors providing over 20 million consultations[4] annually.

With an ageing population, increasing levels of chronic conditions, and excessive waiting lists for hospital treatment, more people need to access family doctor services more often. Typically, patients with general needs are assessed as requiring approximately 5.5 GPs for every 10,000 people. However, this increases to 7.9 GPs for every 10,000 high needs patients[19]. And while the funding subsidy received by family doctor services accommodates increases in the number of people they care for, it does not currently reflect these increases in activity levels caused by hospital blockages or rising demand.

Additionally, the non-negotiated and potentially biggest cost of all doesn't get a look in – that is the deliberate and continued shift or transfer of services from hospitals (secondary care) to family doctor services. This includes the increasing requests by secondary care for family doctor services to follow-up diagnostic results, arrange scans, or to co-ordinate on-going care for a patient after a same-day discharge.

The crisis within and across New Zealand's family doctor service has reached a do-or-die moment. This is the last chance for the government to take action and avoid losing these essential patient services for good.

Saving New Zealand's family doctor service

New Zealand's family doctor service, which is the backbone of our healthcare system, can still be saved. But it requires prompt and decisive action. Now is the time for that action.

Fair pay for family doctor teams

1. Pay parity for nurses

   Nurses working in family doctor services should be funded and paid at the same rate as their government-employed, hospital-based colleagues with comparable qualifications and expertise.

   The Minister of Health has committed to *"addressing pay parity to ensure that nursing staff are fairly and equitably paid, regardless of the health setting"*[20] yet the unjustifiable gap remains. It is time to stop undervaluing and insulting our front-line nurses who provide essential family doctor services.

   Funding to underpin pay parity should be directly locked into service contracts with those businesses and employers providing family doctor services.

2. Equitable treatment for medical graduates choosing to work in general practice

   Registrars (medical graduates) choosing to work or specialise in general practice should be funded and paid at levels which are comparable to hospital-based Registrars.

   That should be for the full duration of their training – not solely in their first year as was recently announced by the Minister of Health[14].

   In addition, private family doctor businesses which support the hosting and training of Registrars should not be out-of-pocket for doing so. Their premises costs, training costs and the time of their supervising GPs should all be funded in the same way as hospital-based training expenses are fully funded.

3. Remove the disadvantages for doctors choosing to serve as family doctors

   It is well documented that qualified doctors choosing to serve as specialist GPs can typically earn 25% less than their colleagues choosing to work as a specialist hospital doctor.

   This unjustified differential must be addressed through correcting years of historic underfunding of family doctor services and, enabling our doctors to fairly consider family doctor services as their career of choice again.

Increase the workforce

4. Increase the number of GP Registrars
   Increasing the number of training places is a start, but on its own is not enough.

   We must support the positive exposure of young doctors to family doctor services. Developing this support must begin with creating a mechanism that encourages and supports existing family doctor services to demonstrate the place and value of general practice, and by incentivising young doctors.

   This can be developed through further refinement of existing tools such as voluntary bonding schemes.

5. Remove barriers for overseas-trained doctors and nurses
   New Zealand's reliance on overseas-trained doctors and nurses will not be reduced in the immediate future, and therefore requires a high level of responsiveness and flexibility from immigration and health regulators.

   Family doctor services (as employers) require a reduction in the bureaucracy associated with recruiting overseas clinicians, and require proactive support in attracting these essential professionals to New Zealand.

   This also requires better processes, with fewer barriers, for health professionals who may not have originally qualified in one of the few "comparable health systems" that our registration bodies require. Overseas trained doctors who pass the New Zealand Registration (NZRex) examinations, should be able to secure a prompt and funded family doctor posting with the required clinical supervision and competency assurance programmes.

6. Expand the capacity and capability of the family doctor workforce
   Supporting the training and development of 50 more nurse practitioners[13] by 2024 is not a direct substitution for the doctors and other health professionals we desperately need. It is part of planning for additional capacity and capability which should include:

   a. Ensuring such positions are fully funded (together with associated costs of consulting rooms, supervision and administration)

   b. Regulating and accrediting new healthcare professionals (such as the highly successful Physician's Assistant/Associate model from the US, many of which are already available within New Zealand)

   c. Working with existing providers of family doctor services to consider extended scopes of practice and responsibilities that could be undertaken more cost-effectively.

Fair contractual terms for private family doctor businesses

Family doctor services are developed, underwritten and invested-in by thousands of private individuals, companies and community organisations. If we want those services to continue for patients, then the government must ensure it treats those businesses fairly. That does not currently happen.

7. Jointly agree fair contracts for services
   In line with the government's own procurement framework, the providers of family doctor services should be included in the development of fit-for-purpose contractual arrangements which:

   a. Are fair, jointly agreed and based on recognised commercial principles

   b. Remove the current tiers of middle-men with their own conflicts of interest and requirement to 'clip-the-ticket'

   c. Include mutually agreed, transparent, fair and explicit arrangements for how funding will be increased to cover cost increases

   d. Include mutually agreed, transparent, fair and explicit arrangements for how pay parity for family doctor teams will be matched with their Te Whatu-Ora employed counterparts

   e. Ensure family doctor services' income is sufficient to cover their costs and maintain safe, accessible services

   f. Enable family doctor services to achieve a fair return for the capital investment and risk they have assumed, without needing to subsidise service provision

   g. Appropriately resource administrative and non-service expectations such as supporting broader service planning, locality development, teaching and support of junior clinicians, compliance and accreditation activity and, multi-disciplinary collaboration.

8. Fully fund new services, new developments and rising demand
   Family doctor services should be fully acknowledged for, and fully funded for the range of planned as well as unanticipated additional workload it is facing. This includes:

   a. The deliberate shift of services from a hospital setting to local family doctor services (including minor surgery, biopsies, and bee venom therapy)

   b. The gradual "creep" of expectations such as chasing results following hospital appointments and follow-up consultations historically undertaken in secondary care

   c. The unanticipated impact of long hospital waiting lists which means that patients are increasingly being managed by their family doctor for the consequences of living with disease or injury that requires hospital treatment.

Target funding to where it is needed

9. Invest a greater share of funding in front-line services

   Hundreds of millions of dollars are being spent on management consultants and the restructure of tiers of management whilst patients' lives are put at risk because they cannot access front-line care through their family doctor service. This has got to change so that a greater percentage of the budget is targeted at front-line services for patients. This should include:

   a. Allocating more health reform funding to front-line patient services and less to restructuring tiers of management and management consultants.

   b. Jointly update the family doctor service 'capitation funding model'. The current capitation formula is approximately twenty years out of date and successive reviews have made widely-accepted recommendations for its improvement – which have yet to be implemented. The government should work with providers of family doctor services now to implement previously agreed recommendations (which should include replacing the inequitable VLCA scheme with a single capitation solution).

About GenPro

GenPro is a not-for-profit membership Association representing the owners and providers of New Zealand's essential family doctor services and urgent care centres.

GenPro's members include approximately 400 general practices providing essential family doctor services to almost half of the enrolled New Zealand population. There is no other similar national association with a direct mandate on behalf of individual providers of family doctor services. GenPro is quite simply, by general practice, for general practice.

GenPro's members include a broad range of providers, including:

- Traditional GP owner-operated family doctor services
- Charitable community trust-managed family doctor services
- Nurse owned and operated family doctor services
- Corporate owned family doctor services and urgent care centres
- Iwi owned and operated family doctor services.

As individual private businesses, such owners and providers may not have the time, expertise, resources or even the opportunity to negotiate with the government, Ministry of Health, ACC or Te Whatu Ora to ensure they are appropriately acknowledged, supported, respected and funded to fulfil their essential role within the New Zealand health and disability system.

Joining GenPro supports our collective voice and secures a much needed and credible national representative organisation acting solely for the owners and providers of essential family doctor services.

Our Vision

Sustainable, viable and high-quality General Practice for all New Zealanders

Our Mission

To promote and advocate for sustainable, responsive and high-quality general practice services for the population of New Zealand.

Our Objectives include:

a. To support the sustainability and viability of Members services to ensure the continuity of locally accessible and high-quality, patient-centric care
b. To provide national representation for New Zealand's network of family doctor and urgent care business owners
c. To improve the health of the population of New Zealand and advocate for high-quality, accessible and equitable patient care
d. To support the productivity and efficiency of the whole New Zealand health system
e. To promote, protect and support the innovation capability of Members
f. To help Members promote and improve the efficiency of their businesses.

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