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Key changes to primary care funding at least a year away, says minister



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Primary care cannot afford to wait 12 to 15 months for changes to capitation and the funding model, RNZCGP medical director Luke Bradford says [Image: Levi Meir Clancy on Unsplash]

“I would like to think in the next 12 to 15 months that we will be substantially changing the structure of primary care”

Significant changes to capitation and primary care funding could be 12 to 15 months away, according to health minister Shane Reti.

But RNZCGP medical director Luke Bradford says many practices are in financial strife, and GPs are leaving the sector in droves, so more needs to be done to address the sector’s problems now.

Dr Reti, a specialist GP, appeared on TVNZ’s *Q + A with Jack Tame* on Sunday.

Mr Tame cited a study published in the *New Zealand Medical Journal*, which found **almost 80 per cent of GP respondents nationwide had closed or limited their enrolments between 2019 and 2022.**

“So, there are many thousands of patients who can’t actually get enrolled with a GP at the moment. Is the GP funding model as it stands fit for purpose?” Mr Tame said.

“No, it’s broken,” Dr Reti said. “It’s been broken for a while, and I’ve talked about that for a period of time.”

But when pressed, Dr Reti signalled that changes would not be until 2025.

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Last month, *New Zealand Doctor Rata Aotearoa* asked Dr Reti if there would be new funding in Budget 2024 or more details on the Government’s intentions in next week’s Budget Policy Statement, but he declined to comment.

During the Q + A interview, Dr Reti said many of the shortcomings in the funding model were outlined in the much-discussed 2022 Sapere report. Regardless of whether a patient was healthy or had multiple complex health conditions, their practice received the same capitation funding, he said. “That makes no sense.”

Mr Tame asked if the current funding model incentivised practices not to take on patients with complex health needs.

“Cream-skimming is what you are talking about,” Dr Reti said. “I think practices will receive patients who are in need regardless – that’s my view. I do trust my colleagues, and I don’t think they would intentionally cream-skim. But I also believe they should be remunerated appropriately where the level of work required is high.”

Changes pending

Mr Tame also inquired about the timing of implementing adjustments to primary care funding. “We’re working with that right now,” Dr Reti said. “I think there’s probably two parts to that. There’s new funding and redistribution of existing funding. That’s quite complex because it will have implications for VLCA [Very Low Cost Access] practices, and that part of the structure may no longer exist...

“But I don’t want to wait too long.”

Te Whatu Ora this month announced plans to sign off the reference terms for the next primary and urgent-care funding review stage. In a statement, Te Whatu Ora director living well, Martin Hefford, said the work by consultants Sapere and Synergia was expected to be completed in June. But despite the ongoing work programme, Dr Reti said last month that he didn’t need another review on primary care funding and was instead focused on implementing the findings of the **2022 Sapere report**.

College's perspective

RNZCGP medical director Luke Bradford welcomed the news that Dr Reti had put a time on introducing the changes to funding.

But the Tauranga-based specialist GP says some interim measures will be needed to prevent the ongoing loss of practices and GPs.

“If he’s talking 12 to 15 months, he’s talking about next year’s Budget and something needs to be done before then,” Dr Bradford says. “It’s too long because we are already losing practices and GPs. But if he is going to give us a timeframe and stick to it and be accountable for it – that’s a positive.”

Many VLCA practices are struggling to survive, and ending the scheme as part of an overhaul of funding would be good, Dr Bradford says. The ultimate goal is to have primary care as the cornerstone of the health system, with people being able to see their GP when they want to, he says.

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