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# Capitation review report remains secret until at least next month



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Government officials have been using a draft report for health funding bids but will not release the report until it has been considered by the new health agencies and health minister Andrew Little

Health officials are keeping secret the draft primary care capitation funding review report commissioned from the Sapere Research Group.

That is despite the fact that the report has already been put to work to inform unspecified Budget 2022 bids for health funding.

Health and Disability Review Transition Unit director Stephen McKernan, in a letter to *New Zealand Doctor Rata Aotearoa*, withheld the draft paper under a section of the Official Information Act covering the confidentiality of advice to ministers.

In his letter yesterday, Mr McKernan says peer review of the draft paper has just finished. The peer reviewers were Victoria University of Wellington professor of health policy and management Jackie Cumming, Lis Ellison-Loschmann (Te Ātiawa, Ngāti Raukawa, Kāi Tahu, Ngāti Toa Rangatira) of Flax Analytics, and Matthew Sutton of the University of Manchester.

“...[the draft] will be finalised for consideration by the boards of Health New Zealand, the Māori Health Authority and the minister of health by the end of August.”

He told *New Zealand Doctor* back in March the draft paper would be released in due course.

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## **The Sapere review**

Sapere was asked to look at general practice sustainability, equity for Māori and Pacific health needs, and a move away from average fee for service as an underlying concept.



Health and Disability Review  
Transition Unit director Stephen  
McKernan

*New Zealand Doctor* asked what funding changes or Budget 2022 announcements, if any, had been informed by the Sapere review.

“The review,” Mr McKernan writes, “has been a technical piece of work and was not completed at the time of Budget 2022. However, interim findings were considered by officials in their support of the Government’s Budget proposals.

“A broader work programme around the transformation of primary and community care will likely be established by the Ministry of Health, Health New Zealand and the Māori Health Authority once the review is complete. I anticipate this will involve the broader sector.”

### **Capitation disappointment**

General practice leaders were bitterly disappointed by the outcome of capitation talks with government officials which resulted in the imposition of an increase of 3 per cent – less than half the rate of inflation – from 1 July.

The Government has indicated it will eventually change the primary care capitation funding system, after the Health and Disability System Review final report recommended making “a deliberate move away from the National PHO Services Agreement”.

Mark Peterson, a contracted provider representative at the PHO Services Agreement Amendment Protocol (PSAAP) talks, says the capitation system based on the agreement has essentially been rolled over unchanged.

The agreement requires six months’ notice be given of intention to terminate the agreement. Dr Peterson, a specialist GP in Hawke’s Bay, says Martin Hefford, who represented the then-interim Health New Zealand, flagged to a PSAAP meeting that such notice would be coming, but he didn’t specify when.

“They have it on their list, their target, which officially was two years. I think they hope to do it before that.”

## Capitation rates and more

Asked for his understanding of the Sapere review, Dr Peterson says: “It’s theoretically about the capitation rates and how they are calculated and how they are distributed, [whether] there will be different age bands, some recognition for ethnicity, some different recognition of income states. At the moment it’s just broad-brush Community Services Card.



Contracted provider  
representative Mark Peterson

“I don’t think they were talking about the quantum. They were talking about the how the money might be shared out. I don’t think there was anything in their terms of reference on how much it should be.”

## **Technical review group**

A variety of senior figures in primary care took part in a technical review group associated with the Sapere review.

Mr McKernan's letter says the technical review group was established to assist and challenge the Sapere team. Other than government officials, the members participated as individuals rather than as representatives of organisations.



The members were Helene Carbonatto, the chair and a Transition Unit official; Cathy O'Malley, of the former Nelson Marlborough DHB; Practice Managers and Administrators Association chair Michelle Te Kira; General Practice New Zealand chair Jeff Lowe; RNZCGP medical director Bryan Betty; National Hauora Coalition clinical director Rawiri McKree Jansen; South Seas Healthcare chief executive Lemalu Silao Vaisola-Sefo; University of Otago professor of public health Peter Crampton; former National Hauora Coalition chief executive Simon Royal; then-interim Māori Health Authority official Mara Andrews; ministry deputy director-general, regulatory services, Clare Perry; Transition Unit official Adam Naiman; and Mr Hefford.

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