

## NEW ZEALAND MEDICAL ASSOCIATION

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### Overview

New Zealand is a country of 4.4 million people in the South Pacific. It has now been almost a year since a new Government was elected, led by the National Party, which is centre right, and headed by Prime Minister John Key.

Health expenditure in New Zealand as a proportion of GDP (9%) is similar to that in most other OECD countries. Expenditure on health in real terms has risen consistently over the last decade. In this time there has also been an increase in the number of health professionals, including doctors and nurses, although there are still critical shortages. It is **widely accepted that the major increases in health funding seen in recent years are unsustainable in the long term.**

Life expectancy has risen over the last half century. However, there remain disparities in life expectancy and health status based on ethnic and socioeconomic differences.

Over the past 15 years New Zealand's health system has undergone major restructuring—from a purchaser/provider market-oriented model in 1993 to the current community oriented model. Since 2001 New Zealand has had 21 largely autonomous District Health Boards (DHBs) which are responsible for providing and funding health and disability services in each region.

Primary Health Organisations (PHOs) were set up as local structures for delivering and coordinating primary health care services. They are funded by DHBs. This strategy has seen more resources placed in primary (non-hospital) care. The Government has now begun to look at how we can better coordinate primary and secondary care, and is looking at rationalising health services by shifting more health services delivered in the secondary sector to the primary sector where appropriate. Recently the Government sought expressions of interest from PHOs to

submit proposals to deliver these services to their community.

The Primary Health Care Strategy, released in 2001 and largely supported by the current Government, aims to improve health and reduce health inequalities for all New Zealanders. Improving access to health services was a key goal of the Strategy, and patient subsidies have been increased over time to make primary health care more affordable. The challenge for general practitioners, most of whom are in private practice, has been to keep fees at reasonable levels for patients, while also ensuring business viability.

### About the NZMA

The NZMA is the largest medical professional organisation in New Zealand with approximately 4,500 members. The NZMA represents member doctors from all disciplines within medicine, including medical students. It was established in 1886.

The key roles of the NZMA are:

- To advocate on behalf of doctors and their patients
- To develop health policy initiatives
- To provide services and support to members
- To publish the New Zealand Medical Journal
- To publish and promote the Code of Ethics

The NZMA has strong and effective working relationships with other medical organisations and often acts as a peak organisation for major issues affecting the profession. The NZMA has a strategic programme of advocacy with politicians and officials which is heard at the highest levels of government and strong relationships within the health sector and other government agencies, including the Ministry of Health, Accident Compensation Corporation, Department of Labour, Ministry of Social Development and Ministry of Transport.

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## Main Issues of Concern to NZMA

### Workforce (Slides 1, 2)

For more than a decade, the NZMA has advocated for the Government to address our medical workforce crisis. New Zealand is facing shortages of doctors (and other health professionals), and difficulties in recruiting and retaining staff. The **competitive global health market** means many medical practitioners choose to work in other countries which often pay higher salaries. New Zealand has an over-reliance on overseas trained doctors—around 45 percent of doctors working in New Zealand did not train here. The NZMA has long argued that we need to be self-sufficient in terms of its employment of health professionals. After years of little progress, with governments not even acknowledging a problem existed, we are beginning to see real progress.

A new Government was elected in November 2008 and since then we have seen policy initiatives to address workforce issues including: planned increases in medical student numbers, the voluntary bonding scheme (debt relief in exchange for graduates working in hard to staff areas) and interest free loans for students who stay in New Zealand. There have also been a number of workforce reports released, for example, a report for Senior Medical Officers which makes recommendations to improve working conditions and ensure clinicians are more valued within their workplace. A common theme of all the recent workforce reports has been the need for a **cultural shift to better value doctors**, where for example senior doctors are **encouraged to teach and training time is protected for junior doctors**. The NZMA has urged the Government to act without delay in further implementing recommendations which will improve the recruitment and retention of our medical workforce.

### Health structure

As outlined in our introduction, New Zealand's health structure has undergone many changes in the past 15 years. The NZMA has long advocated for a less fragmented health structure and a reduction in bureaucracy, duplication and waste. A recent report, commissioned by the Minister of Health, recommends a return to a more centralised and coordinated health management system. The NZMA supports the report's aims, although it is disappointed that there is no

intention to reduce, or at least consolidate the 21 District Health Boards. We have long argued that having 21 DHBs has led to inefficiency and duplication of planning, monitoring and funding functions in our health system. However, aims to provide better front line health services for patients are strongly supported by the NZMA. Only last week The Minister of Health announced the formation of a National Health Board, which will work within the Ministry of Health to provide this centralized co-ordination of planning, funding, and service provision. This is a giant stride forward in allowing a more equitable and less wasteful health delivery system in New Zealand.

### Primary health care

The NZMA has always supported the objectives of the **Primary Health Care Strategy**, which aims to improve access to primary health for all New Zealanders. Introduced in 2001, this is an international phenomenon of **providing more health care in the community, and focussing on preventive care & chronic disease management**. The previous government introduced universal patient subsidies which reduced patient co-payments for services. However, we have fought hard to retain the principle that GPs (family practices) be able to set their own fees, and charge a co-payment if necessary (as the government funding does not cover the full cost of visiting a GP). The NZMA is a member of, and strongly supports the General Practice Leaders Forum, which provides a unified voice for general practice. The Forum has regular meetings, and also meets with the Minister of Health.

In the most recent Government budget, funding was made available to DHBs to devolve some hospital services to primary care. The NZMA is supportive of this move as it can effectively deliver more cost-effective health services to the community—closer to the patient. The NZMA is keen to assist facilitating dialogue between the primary and secondary sectors to make progress on this Government policy.

### Secondary/tertiary services

In many areas patients face delays and long waiting lists to get access to publicly-funded secondary and tertiary services. This is particularly a problem in relation to first appointments with specialists, and the long waiting times for many elective procedures. Many are unable to access

specialist treatment, and are returned to the care of their GP for what is called ‘active review.’ This lack of timely access to healthcare causes great distress to many New Zealanders and their families. The NZMA is keen to see a more transparent approach to managing the wait for necessary care.

### Maternity services

New Zealand’s maternity services, while traditionally of a very high standard internationally, have been adversely affected by workforce shortages. Since changes to regulations in 1996, most general practitioners have given up intra partum obstetric care, and the number of doctors practising obstetrics and gynaecology has decreased dramatically. Most maternity care is now delivered by midwives. Many women report difficulties in accessing midwifery services due to a shortage of midwives. Pressures also exist on other medical disciplines, including anaesthesia, radiology and paediatrics, which have implications for the provision of maternity services. The National Government has not yet made any changes to the structure of maternity services. However, the NZMA continues to advocate for the reintegration of maternity services into primary care, as we know that patients and their families need both midwifery and medical care during their pregnancy—which must be seen as part of the continuum of all the rest of their health care !

### Professional regulation

The medical profession is now able to elect some members to sit on the Medical Council of New

Zealand, the registration body for doctors. Previously, appointments were solely made by the Government thereby undermining professional self-regulation. The new Government implemented this trusting change soon after their election, after long time advocacy by the NZMA and other medical organisations.

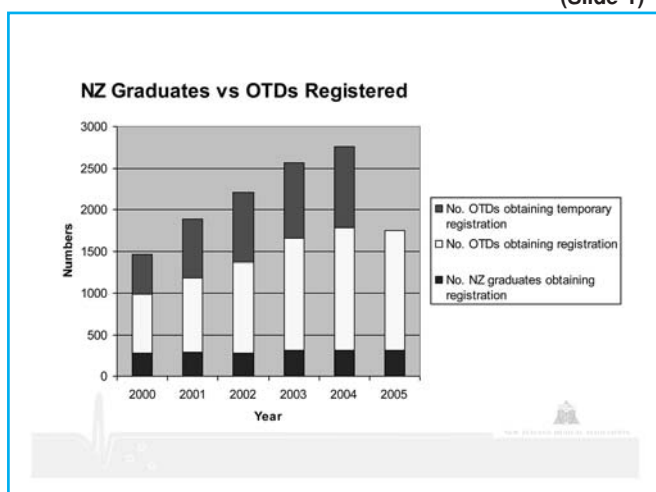
### Public private interface

The NZMA has for many years advocated for governments to establish a clearer policy framework around the interface between the public and private sectors. A substantial proportion of health services in New Zealand are delivered by private sector providers, and there is a need for the respective roles of both sectors and their relationship to each other to be more clearly defined. There are indications that the new Government is more open to this point of view.

**The foundation of our health system is a strong public health service**, but the reality is that we survive on a symbiotic partnership of public and private—the latter being funded from insurance and personal patient income.

Our nation is strongly focussed on minimizing the effects of Global Warming, has strong public health initiatives such as immunization programmes and smoking reduction initiatives. We have a Government that respects the medical profession and is encouraging “clinical leadership” of our health system, but unfortunately is governing at a time that sees affordability of many sensible advances impeded by the current economic recession.

(Slide 1)



(Slide 2)

