

BRIEFING PAPER FOR THE INCOMING MINISTER OF HEALTH THE HON TONY RYALL

The NZMA

Introduction

The New Zealand Medical Association (NZMA) is the largest medical professional organisation in New Zealand with approximately 4500 members. It is pan-professional in that it represents member doctors from all disciplines within medicine, including medical students. Since its inception in 1886 it has played a key role in advocacy within the health sector.

Our National Office at 26 The Terrace, Wellington, supports a governing Board and a number of advisory committees including the General Practitioner Council, Specialist Council and Doctors-in-Training Council.

The key roles of the NZMA are:

- Advocacy on behalf of doctors and their patients
- Development of health policy initiatives
- Providing services and support to members
- Publishing the New Zealand Medical Journal
- Publishing and promoting the NZMA Code of Ethics

Advocacy

We have a structured process of contact with politicians, officials and other bodies to present our views on major health issues, including a range of public health issues. As a part of this, we have had regular meetings with Ministers, including your predecessors.

Health Policy

The NZMA develops initiatives in a range of health policy areas, and makes numerous submissions on policy proposals from the Government and its agencies. We regularly give evidence to select committees on proposed health legislation. Our initiatives and submissions are supported by input from our internal committees and our membership.

The New Zealand Medical Journal (NZMJ)

The NZMA publishes the New Zealand Medical Journal, which was established in 1887. It is New Zealand's foremost scientific journal for the medical profession and is published 20 times per year. Since 2002 the journal has been an online-only publication. The New Zealand media is extremely interested in the NZMJ and it is rare that an issue passes without significant media coverage of at least one article. Last year we introduced a companion hard copy publication, the NZMJ Digest.

The NZMA Code of Ethics

The NZMA Code of Ethics is accepted by tradition and by case law as the Code of Ethics for the medical profession in New Zealand. It delineates the standards of ethical behaviour expected of doctors in this country. The NZMA Ethics Committee has reviewed and revised the Code, consulting widely in the process, and the new version will be released in December. .

Relationships

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 or large groups within the profession. We also have working relationships with other professional organisations within the health sector and with government agencies, including the Ministry of Health, ACC, Department of Labour, Ministry of Social Development and Ministry of Transport.

Current Issues

Health Structure

We have continuing concerns about the structure of the health system in New Zealand. There have been longstanding issues of concern with the Ministry of Health, particularly its inability to engage effectively with the sector and to provide appropriate national policy frameworks for the delivery of services. However, recent changes introduced by the current Director General have improved the situation, and there is optimism that the Ministry is on the path to providing more effective leadership to the sector. There is, however, more progress needed in this regard.

The District Health Boards continue to pose a number of problems. Their very number and disparate governance create an environment where their policies, capabilities and activities differ widely from district to district. This causes unnecessary fragmentation in the quality and delivery of services they offer, particularly in respect of primary health care where, after seven years, some DHBs seem not to have properly grasped the fact that they are not just hospital boards, but have much wider responsibilities for the care of their populations. There is a great need for more national consistency and effective coordination of DHB policies and activities, and this should come through the development of operational policy frameworks by the Ministry of Health in conjunction with the wider sector.

The NZMA has come to the conclusion that proposals to “regionalise” services and/or funding and planning functions, while a step in the right direction, do not go far enough. In our view, the incoming Government should review the DHB structure with the intention of moving to a smaller number of regionally-based DHBs. We believe that this can be achieved without substantial (and undesirable) disruption to the sector.

We are concerned, too, at the number and varying capability of Primary Health Organisations (PHOs), and the lack of understanding that many display towards the provider communities which provide services to PHOs, especially general practices. We believe that an opportunity exists to review the PHO model, to ensure a greater consistency of capacity, and to bring about an enhanced relationship with primary care providers.

Medical Workforce

For a number of years, the NZMA has had grave concerns about the viability of the medical workforce. We accept that the medical workforce has to be considered within the context of the wider health workforce, which also faces many problems, but our specific interest is in ensuring that New Zealanders have access to the medical care they need, in both the short- and long-term. In both respects, the outlook is far from rosy. The comments below summarise our concerns regarding the medical workforce:

Long-term

- Increasing demand
- Ageing workforce
- Doctor dissatisfaction and low morale
- Insufficient medical student places
- Student debt
- Long lead time to train doctors
- Inappropriate reliance on overseas doctors
- Reliance on “doing things differently”

Short-term

- Practices closing books
- Doctors leaving New Zealand
- Industrial environment
- Locum situation
- Over-reliance on overseas trained doctors

In recent years, we have achieved some traction on these issues, and there have been some specific policy decisions which, though relatively fragmented and minor in respect of the size of the problem, have started to address some of the issues. These have included:

- Increased focus on health workforce issues within the Ministry of Health
- Reducing the interest burden on student debt
- Introduction of the “Step-up” programme
- Limited increases in the number of medical student places
- Creation of the Medical Training Board

Importantly, the incoming Government has signalled change in some areas, including the need to train greater numbers of medical students, and the need to further reduce the debt burden through junior doctor debt relief tied to service. We welcome these long overdue initiatives.

We have also welcomed the initiatives which have led to the establishment of the RMO and SMO Commissions. The working environment of many doctors (and not just those in hospitals) has been a significant factor in the morale of the medical workforce, and has contributed to the retention problems present in many areas of the workforce. The NZMA strongly supports the continuation of both commissions, and we believe their work may provide valuable information for the new Government.

However, there is still a conspicuous absence of a comprehensive strategic plan for the medical workforce which will address both the short- and long-term need for medical practitioners in New Zealand. We strongly support the Medical Training Board and believe that it should evolve to undertake these governance and coordination roles. In our view, the Government needs to take immediate and decisive action. The NZMA is ready to work with the Government to address this critical situation.

Professional regulation

There is widespread feeling within the medical profession that the longstanding tenet of professional self-regulation is being substantially undermined. The profession accepts the need for professional accountability, but is extremely disappointed with aspects of the regulatory framework. One specific aspect is that of the composition of the Medical Council. Under the previous Medical Practitioners Act, doctors were able to directly elect a minority of the medical members of the Council. However, the Health Practitioners Competence Assurance Act 2003 provides for all members of regulatory bodies, including the Medical Council, to be appointed by the Minister. There is provision for the Minister to pass regulations allowing for direct elections, but successive ministers have declined to do so. The Hon Pete Hodgson did issue a consultation document on the issue, but his Government declined to make the necessary changes. This is an issue of great importance to the medical profession, on which the NZMA and other national medical bodies have advocated strongly for years.

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. New Zealand cannot afford to under-utilise the potential of either the public or private sectors. One issue of specific interest to private sector specialists and their patients has been the move by some DHBs (currently Capital & Coast and Hutt) to withdraw funding for laboratory tests ordered by private specialists for their patients. Some other DHBs are moving towards implementing similar arrangements. These requirements, which involve a major imposition on patients and result in some patients not getting necessary tests, have been implemented without a national policy debate. We have noted the National Party's stated intention to put a moratorium on further implementation of these arrangements until a review has been carried out, and we seek Ministerial intervention to bring this about.

Maternity Services

New Zealand's maternity services are fast approaching a crisis. There are a number of issues, of which the maternity workforce is arguably the most important and urgent. Since the introduction of the Section 51/88 changes in 1996, most general practitioners have given up intra partum obstetric care and the number of doctors entering the obstetrics and gynaecology branch of medicine has diminished, with the effect that the medical component of maternity care is very fragile. Additionally, many women report difficulties in accessing midwifery services, giving an impression of an emerging workforce crisis. Pressures also

exist on other medical disciplines, including anaesthesia, radiology and paediatrics, which also have implications for the provision of maternity services.

We had hoped that the establishment of the Maternity Services Strategic Advisory Committee by the Ministry of Health would lead to the recognition and resolution of the problems facing maternity services. However, while we welcomed the recent release of the draft Maternity Action Plan, it is a very high level document, and we do not believe that it addresses a number of the key issues facing maternity. For example, it has no specific proposals to bring primary maternity care within the PHO framework, which is essential to achieve continuity of access to medical care, and to make best use of the limited workforce available. We have some well-developed views on the maternity situation and we look forward to discussing them with you and your colleagues.

Primary Care/Primary Healthcare Strategy

The NZMA has always supported the objectives of the Primary Health Care Strategy (which was originally initiated by a national-led Government under the Hon Wyatt Creech), and we have recognised the previous Government's increase in funding of primary care, particularly in respect of higher levels of patient subsidies and consequent improved access to general practice services. However, we have not been happy with a number of aspects of the strategy's implementation, and some of our concerns continue.

Specifically, there has been a failure by the Government and its agencies to engage effectively with general practice, which is the cornerstone of the primary health care system. This has been the case in respect of both the Ministry of Health and DHBs, although it is fair to say that the situation has recently improved to a considerable degree with the Ministry, and to some extent with the DHBs. General practice and its representative organisations can assist the Government in achieving its health goals, and we seek the chance to work more closely with the Ministry and DHBs.

A critical element of difference with the Government has been what we see as the increasing wish of government to impose controls on the setting of general practice fees. The NZMA has since 1938 supported the right of private sector medical practitioners, including general practitioners, to set and charge fees commensurate with the services they provide. This right has come under increasing and unprecedented pressure in recent years.

Our position is clear. General practices are, in the main, private businesses whose viability depends on them making a profit, and their principal source of income is fees charged to patients. Fees have traditionally been constrained by both competition between practices, and by GPs' innate sense of social responsibility towards their patients. Most GPs have a long track record of discounting fees to patients who have difficulty paying. Governments, however, have taken on the responsibility of providing various levels of subsidies to assist patients with access to GPs, and recent governments have substantially increased these levels of subsidy, as well as making them universally available.

General practice has welcomed these increased subsidies and, as shown by surveys conducted by the Consumers' Institute and by the Ministry of Health, passed their value on to patients. However, general practice has also acknowledged that the Government needs assurance that its increased subsidies to patients continue to benefit those patients, and so has accepted that the contracts between DHBs and PHOs have provided for a fees review process, through which the DHBs may, in effect, challenge fees increases made by practices

in respect of fees for standard consultations. It is the general practice view that such reviews should be employed judiciously and should focus on extreme cases or “outliers”, and not used for the purpose of applying arbitrary, costly and bureaucratic obstacles to the reasonable exercise of practices’ right to set and charge a fee. However, the fees review process has in fact become a “fees control” process, and has been used by the previous Government to constrain the overall level of fees, while failing to take full account of cost increases.

In this year’s Budget, the former Government failed to keep to its stated commitment to maintain the value of capitated patient subsidies, which was a key tenet of its arrangement with general practice, in that the increases in subsidies were in line with the Future Funding Track, rather than recognising the real cost increases faced by practices, especially those within the Very Low Cost Access arrangement, whose fee levels are capped.

Given this situation, and the change of government, the NZMA believes that the time has come to re-negotiate the arrangements between the Government and general practice. It is in the interests of both the Government and the medical profession to ensure the continuation of viable general practices which provide a high quality but affordable service to New Zealanders, and we would value the opportunity to discuss this issue with you at an early stage. Our views on this are shared by other general practice representative organisations.

Secondary/Tertiary Services

The continuing inability of many DHBs to meet their commitments in respect of patient access to secondary and tertiary services continues to be of great concern to the profession. This is particularly so in relation to first appointments with specialists, and the long waiting times for many elective procedures. The situation is further complicated by the returning of many patients to the care of their GP under the euphemism of “Active Review” which is code for “you need the procedure but can’t make the waiting list”. This lack of timely access to the care they need causes great distress to many New Zealanders and their families, and we need to see a more transparent approach to managing the wait for necessary care.

Public Health Issues

As part of its health advocacy, the NZMA has a continuing interest in a number of public health issues including:

- Smoking cessation
- Obesity
- Alcohol regulation
- End of life issues
- Youth health
- Drug abuse

Summary

The New Zealand Medical Association is a long-standing and representative voice for its members from across the medical profession. We have a deep interest in sound health policy in the interests of doctors and their patients. We are happy to engage with the Government on a number of health policy fronts over the coming three years.