

U

**Primary health care  
reform in New Zealand:  
how is it faring?**

B

Judith Smith

Canberra, 1 September 2008

# Agenda

- What was the problem to be solved?
- The policy response
- Progress so far?
- Challenges for the next phase

# What was the problem to be solved?

- Cost a major barrier to access to first-contact primary health care (11.4% reported cost as barrier to access in 2001/02)
- Significant health inequalities related to ethnicity and deprivation
- These inequalities mirrored in patterns of access to general practice (inverse care law)
- Increasing levels of chronic disease
- An ageing population
- Workforce pressures

# The policy response

- New Zealand Public Health and Disability Act 2000 set out statutory requirement to reduce health disparities
- Primary health care became a government priority
- New Zealand Primary Health Care Strategy published in 2001
- PHCS has core aims of improving health of the population, reducing inequalities, increasing access to PHC, and strengthening community governance

# Progress so far - implementation

- Established 80 primary health care organisations to plan, fund and develop primary health care
- Additional \$2.2 billion over 7 years
- Capitation funding paid through PHOs
- Intended to lead to a reduction in patient fees
- And to a changed model of care, more focused on prevention and long-term support
- Prescription costs reduced (from \$15 to \$3)
- Additional money for rural services

# Progress so far: achievements

- Significant reductions in the cost of access to first-contact care
- Increased utilisation of primary health care services
- Wider range of preventative services
- Greater focus on management of chronic conditions
- Inequalities in health status appear to be decreasing
- Patient satisfaction with primary health care remains high, by international comparisons

# Challenges for the next phase

- How to strengthen and extend first-contact care at practice and NGO provider level
- How to change models of care to achieve better integrated and more proactive care
- As part of this, giving PHOs the levers to influence public funding of first-contact care
- Engaging general practice more effectively in strategy implementation
- Developing less costly and more consistent after-hours care

## More specifically, there is a need to...

- Set out a rebalanced vision for primary health care, ensuring both patient and population focus
- Work to develop both community *and* clinical leadership in primary health care (moving beyond the 'fees issue')
- Test out different models of integrated PHC provision, including alternative funding and budget-holding approaches

- Clarify the role and functions of a primary health organisation, or of different types of PHO
- Restate the role and expectations of district health boards in relation to PHC
- Better align the system's performance framework to emphasise PHC as a priority
- Explore ways of strengthening leadership and management within PHC (clinical and general)

# Contact details

Judith Smith

Visiting Senior Research Fellow  
Health Services Research Centre  
Victoria University of Wellington

[Judith.smith@vuw.ac.nz](mailto:Judith.smith@vuw.ac.nz)

04 463 6592