



17 May 2017

**Submission to Health Workforce New Zealand  
Investing in New Zealand's Future Health Workforce.  
Post entry training of New Zealand's future health workforce:  
Proposed investment approach**

The New Zealand College of Public Health Medicine would like to thank Health Workforce New Zealand (HWNZ) for the opportunity to make a submission on Investing in New Zealand's Future Health Workforce, post entry training of New Zealand's future health workforce: proposed investment approach.

The New Zealand College of Public Health Medicine (NZCPHM) is the professional body representing the medical specialty of public health medicine in New Zealand. We have 225 members, all of whom are medical doctors, including 186 fully qualified Public Health Medicine Specialists with the majority of the remainder being registrars training in the specialty of public health medicine.

Public Health Medicine is the branch of medicine concerned with the assessment of population health and health care needs, the development of policy and strategy, health promotion, the control and prevention of disease, and the organisation of services. The NZCPHM strives to achieve health gain and equity for our population, reducing inequalities across socioeconomic and cultural groups, and promoting environments in which everyone can be healthy.

### **Position**

The NZCPHM accepts that the current model for allocation of funding for post entry training of New Zealand's future health workforce requires change however **does not support the investment model currently proposed** (proposed model). In brief, this is because of

- Lack of alignment with the New Zealand Health Strategy, in particular 'One Team'
- No evidence provided that an investment approach such as that proposed is successful in shaping workforces or increasing Māori and Pacific workforces
- Lack of overarching strategy or framework for the NZ health workforce
- Lack of cost analysis, risk assessment and appropriate processes for investment and disinvestment
- Lack of confidence that HWNZ has the skills or capacity to undertake such a substantial reform at this time

In this submission we will detail the reasons for our concerns regarding the proposed model and outline an alternative approach.

### **Comments on the proposed model**

1. The NZCPHM is concerned that an overarching strategy or framework for what the NZ health workforce should look like does not exist or at least has not been acknowledged in this

consultation document. Without a strategy or framework it is impossible to define what the proposed funding model is designed to achieve. The NZCPHM recommends a strategy or framework is developed prior to any further work on developing a funding model.

### *Whole investment in post-entry training vs post graduate medical training funding*

2. The NZCPHM notes that HWNZ supports extending the review of the postgraduate medical training funding to include HWNZ's whole investment in post-entry training. While the NZCPHM acknowledges that the health and wellbeing of our population relies on a wide range of practitioners, we do have concerns that reviewing the whole investment in post-entry training is a very large undertaking and this was not the original intent of the review. We also have concerns that there could be unintended consequences, which have not been adequately considered, regarding having all post entry training under one model.

### *Alignment with the New Zealand Health Strategy (NZHS)*

3. The NZCPHM strongly agrees that any new model for funding allocation should align with the NZHS. However the 'One Team' theme (operating as a cohesive team in a high trust system), in particular, needs greater attention in relation to the proposed model. Contestable funding is in direct conflict with this theme and will create a divisive and competitive relationship between those who provide training.

### *Challenges for the health workforce*

4. The consultation paper notes several 'challenges' and 'trends' that the health workforce needs to adapt to, however it is unclear as to how this list has been derived as no references are provided.
5. While the NZCPHM in general supports the 'challenges' and 'trends' identified in this list, we recommend the following additional challenges and trends should be included:

#### **a) The persistent health inequities that continue to exist in New Zealand**

Actions taken to promote health equity benefit society in many ways and the reduction of health inequities has a profound positive effect on the quality of life and longevity of everyone, not just those who suffer the most from material deprivation, or those who are exposed to negative life course events.<sup>1</sup> There is also a profound positive effect on the economy.<sup>2</sup>

Any new funding model must be designed to provide a workforce that can strive for health equity in New Zealand.

#### **b) Wider determinants of health**

It is well recognised that society's health status is closely linked to various social determinants.<sup>3</sup> New Zealand has a very high level of understanding of its own particular set of social determinants and through the efforts of the Ministry of Health has already made some progress in converting this knowledge into action.<sup>4</sup> Given the evidence that

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<sup>1</sup> New Zealand College of Public Health Medicine. Policy statement on Health Equity. Wellington: New Zealand College of Public Health Medicine, 2014. Available at [http://www.nzcpm.org.nz/media/58923/2014\\_11\\_28\\_health\\_equity\\_policy\\_statement\\_revised.pdf](http://www.nzcpm.org.nz/media/58923/2014_11_28_health_equity_policy_statement_revised.pdf)

<sup>2</sup> *ibid*

<sup>3</sup> *ibid*

<sup>4</sup> *ibid*

exists for societal gains from a healthier and more equitable nation, there is the potential for addressing the ever increasing cost of healthcare by minimising the impact these social determinants have on health. A new funding model must consider this 'challenge' in its design.

**c) Primary prevention of illness**

Primary prevention aligns with the NZHS which states, "by focusing on preventing illness ... we can help people ... avoid developing long-term health conditions",<sup>5</sup> providing details of the intended increase in efforts within the area of prevention.<sup>6</sup> Primary prevention has a crucial role in improving the health status of New Zealanders and should be included as a challenge for the future health workforce.

6. The consultation paper acknowledges that Māori and Pacific are underrepresented in most workforces and the NZCPHM is similarly concerned about this. However the consultation paper offers no solution to this 'challenge'.

***Positives of the proposed investment approach***

7. While the NZCPHM does not support the proposed model, there are principles of this model that we do support. The NZCPHM recommends that any future funding model should:
  - Be robust
  - Be transparent
  - Consider the impact of new models of care
  - Consider the impact of emerging technology
  - Meet unmet need and,
  - Have a high return on investment.

***Concerns about the proposed investment approach***

8. The NZCPHM has major concerns regarding the proposed investment approach.
9. The NZCPHM is concerned about the lack of evidence that a contestable approach is effective for workforce planning and funding.
10. Some workforces will not and do not have high quality cost effectiveness analysis. Additionally, there may be a lack of evidence because of a lack of investment in evaluating their workforces' impact.
11. The consultation document provides insufficient detail about the proposed investment approach. In order to implement such an investment approach, consideration needs to be given to how return on investment is going to be measured and over what time period.

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<sup>5</sup> Minister of Health. New Zealand Health Strategy: Future direction. Wellington: Ministry of Health, 2016. Available at <http://www.health.govt.nz/system/files/documents/publications/new-zealand-health-strategy-futuredirection-2016-apr16.pdf>

<sup>6</sup> Minister of Health. New Zealand Health Strategy: Roadmap of actions 2016. Wellington: Ministry of Health, 2016. Available at <http://www.health.govt.nz/system/files/documents/publications/new-zealand-health-strategy-roadmapofactions-2016-apr16.pdf>

12. The consultation documents states “the investment approach will strengthen HWNZ’s sector intelligence....this will inform our understanding of where to target investments.” HWNZ should have processes in place to gather workforce data without relying on the sector to provide this information as part of contestable bids.
13. The NZCPHM has concerns that the investment approach will not ensure a successful health system. A focus on high return on investment will prioritise “cost effective specialties” and does not guarantee that essential workforces will be funded.

#### *Prioritisation framework based on PHARMAC model*

14. The NZCPHM has concerns that the prioritisation framework is based on the PHARMAC model. The NZCPHM believes that alternative prioritisation frameworks should be carefully considered prior to making a choice as to which one to use.
15. It is unclear as to how HWNZ will operationalise the prioritisation framework as this is not clearly outlined in the consultation paper. The PHARMAC model was developed for pharmaceuticals and it relies on known models/approaches and randomised control trial level evidence. Workforces are less evidence informed and therefore using the PHARMAC model for this purpose risks being highly subjective. The information that would be required by HWNZ in order to use this model will be significant and possibly unachievable in the short-medium term. The costs of attaining this level of evidence is likely to be considerable and it is not clear as to who will incur these costs, for example HWNZ or medical colleges?

#### *Process for reviewing HWNZ post entry medical training*

16. The NZCPHM is not satisfied that this has been a genuine consultation and that an appropriate level of engagement with any Colleges was sought. While the NZCPHM is appreciative of some consultation through the Council of Medical Colleges, we are aware that not all medical colleges were invited to the workshops in June and December which does not align with the ‘co-design’ or ‘transparent’ process described. Furthermore, attending a workshop does not amount to the level of engagement required for such a major funding change.

#### *Proposed funding model (sliding scale)*

17. The consultation document states that under the sliding scale funding model, evaluation will be completed on the intended and unintended consequences. The NZCPHM has concerns that no risk assessment has been completed prior to the implementation of the proposed model and therefore recommends that this occurs.
18. The explanation of the sliding scale model is not clear as it proposes to allow new investments to become long-term (5–15-year) sustainable investments but then states that over time, the whole investment will have been and will continue to be, contestable. It is not possible for investments to be sustainable if they are continually contestable.

19. Furthermore, the NZCPHM notes that 5-15 years is not a long term sustainable investment for medical training and suggests this is given greater consideration.

### *Disinvestment process*

20. The NZCPHM is very concerned that HWNZ requires no information from the sector for disinvestment, however it requires proposals for investment.
21. The NZCPHM has strong concerns that a formal process for disinvestment has not been identified despite this being a crucial aspect to the proposed model. It has the potential to have significant impact on the long term sustainability of the workforce and training providers.
22. The NZCPHM is also concerned that HWNZ is proposing to take into account government health priorities when making funding decisions, as these are subject to frequent change and workforce funding should not be a political decision.
23. The proposed model makes no consideration for an increase in budget over time. With an increasing population and increasing numbers of medical students, there must be an increased in the overall budget in the future.
24. It is concerning that the disinvestment process and decisions are carried out prior to proposals being received. It is assumed if HWNZ identifies a certain specialty for disinvestment that it has pre-determined the outcome of any future funding bid.

### *Decision making process for generating and deciding on investments*

25. The NZCPHM has several strong concerns regarding the decision making process for generating and deciding on investments.
26. Firstly the consultation document states “to apply the proposed investment approach in a way that balances the need for rigour with minimising unnecessary administrative burden on everyone”. While this is a necessary and important point, the process proposed appears to be dependent on huge time and resource commitment for both HWNZ and for those submitting proposals. HWNZ does not currently have the capacity and capability to deliver on the proposed model. Furthermore, the costs of this process to the sector have not been analysed - but would appear to be very high, especially for a sector where resources are already stretched.
27. Small organisations will have a significant disadvantage in the proposed process. Larger organisations, or those with greater financial capability, are likely to be able to put forward stronger and more frequent proposals. While the consultation document does state that HWNZ will further develop ways to support potential bidders through the process to keep it accessible, there is no commitment to doing this right from the start and we are concerned

that it would be unfair (and against government procurement policy<sup>7</sup>) to provide extra information to some bidders but not all.

28. Under point 2 of the decision making process it states that anyone (individuals, professional bodies, private providers etc.) can place a bid for funding. This has huge implications that have not been identified in the consultation document. In order to provide training, a provider must be accredited by the Medical Council of New Zealand, a process which is rigorous and lengthy. The NZCPHM is also concerned that this will create fragmentation and possible duplication in the system as providers are competing for funding.
29. The proposed return on investment method is of concern to the NZCPHM as it is highly complex. It is not clear how 'benefits' will be measured, for example some health services will have 'benefits' not only for their own specialty but will create cost savings in multiple other specialties. Benefits and costs will also need to be analysed over a long period of time and include models of care, population size and demographics etc. which will make analysis more complex.

### Alternative Model

30. The NZCPHM believes that there is a need to consider a simpler and more appropriate model to that proposed.
31. The NZCPHM agrees that the process should be commission led as this allows decisions to be made by an independent committee.
32. It is noted that the proposed model already includes an expert advisory committee to assist in decision making. The NZCPHM recommends that the funding decision process should be led by this expert advisory committee rather than market-led through a contestable process.
33. This committee would have the remit to make decisions on investment and disinvestment, actively prioritise current demands and plan for future needs. The committee should also consider solutions to other sector training issues such as geographic mal distribution, why some speciality training programmes have low intake numbers, and how to stimulate regional training.
34. The committee should gather workforce information and then apply decision making tools to balance the various possible outcomes.
35. The expert advisory committee should be a cross sector group with a wide membership drawn from relevant areas of medicine and health, DHBs, Colleges and with membership from other sectors e.g. TEC, Treasury, etc. It would make recommendations to the HWNZ Board for action.

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<sup>7</sup> <http://www.procurement.govt.nz/procurement/for-agencies/key-guidance-for-agencies/the-new-government-rules-of-sourcing/3-approaching-the-market#rule37>

36. This approach would require all stakeholders including Colleges, DHBs, other health professional, unions and advocacy groups to commit to the decisions made by the expert advisory committee. Its decisions would need to be evidence based, well argued, and use transparent processes. Decisions would need to be effectively communicated to the sector before, during and once decisions are made.

Thank you for the opportunity for the NZCPHM to submit on Investing in New Zealand's Future Health Workforce, post entry training of New Zealand's future health workforce: proposed investment approach. We hope our feedback is helpful, and would be pleased to work with HWNZ to develop an alternative model to that originally proposed. Please do not hesitate to contact the NZCPHM if we can be of further assistance.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'F Dumble', with a stylized flourish at the end.

Dr Felicity Dumble, President Elect, NZCPHM