



15 January 2020

Submission to the Medical Council of New Zealand:

Proposed fees for the accreditation of New Zealand-based vocational training and recertification providers

The New Zealand College of Public Health Medicine would like to thank the Medical Council of New Zealand (the Council) for the opportunity to make a submission on the proposed fees for the accreditation of New Zealand-based vocational training and recertification providers.

The New Zealand College of Public Health Medicine (the College) is the professional body representing the medical specialty of public health medicine in New Zealand. We have 223 members, all of whom are medical doctors, including 178 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 partners to achieve health gain and equity for our population, eliminating inequities across socioeconomic and ethnic groups, and promoting environments in which everyone can be healthy.

Background

The NZCPHM recognises the importance and value of the role that the Council plays in regulating and assuring the quality of vocational training and recertification programmes.

We understand that the Council is seeking to introduce fees for this process in line with its decision that all Council activities should be on a 'user-pays' basis. The fee proposed is \$30,736.41 for each accreditation process.

The College does not dispute the Council's decision to impose a fee on accreditation processes; however, we note that the level at which this fee has been set will have a significant impact on our membership fees, budget and long-term sustainability. We request that this fee level be reconsidered.

Specific issues

1) Impact of a fee of this magnitude

A fee of this magnitude will have a significant impact on small New Zealand colleges.

In the case of our College, for example, although we have 178 Fellows, only 148 of these are currently full fee-paying members, with the remainder being currently out of the country or not

working in public health. Since College income relies on membership fees, an additional cost to the College of around \$30,700 could not be absorbed into our regular operation budget without a substantial increase in these fees. At more than \$200 per full fee-paying member, if absorbed in a single year, this increase is a 10% increase on the current full membership fees of \$1,960 (excl. GST).

We note that this fee would be on top of the cost to the College of preparation for the accreditation process; this cost will also not be negligible, given the comprehensiveness of the accreditation criteria.

Whilst a large fee of this nature will be of concern to all smaller New Zealand Colleges, it is of particular concern in the case of public health medicine. Public health medicine is unusual in that the majority of our members are not employed by DHBs, and do not have MECA-determined CPD allowances that include their College membership fees.¹ Many public health medicine specialists are not paid at the same rate as other medical specialists, making large membership fee increases difficult.

Public health medicine is also unusual in that two accredited training and recertification providers are recognised in the New Zealand context. The New Zealand college is a much smaller entity than the recognised Australasian provider, which, in addition to public health medicine, includes specialists in nine other vocational scopes. As a much larger entity, the alternate provider is already able to set fees at a lower level than those of our College.

Since the field of public health medicine is integrally related to its political, social and economic context, we believe there is strong justification for retaining an independent New Zealand-only training body in public health medicine. However, we are concerned that a steep increase in the membership fees for our members driven by the costs of accreditation may result in members switching to the alternate provider, endangering our College's long-term sustainability.

2) Fee standardisation

The Council is proposing a set fee for accreditation, regardless of the size of the College being assessed. The justification given for this is that the cost to the Council is similar for each accreditation process, regardless of the size of the College.

However, we note that the ability to absorb a fee of this amount is not the same in Colleges of vastly different sizes. The introduction of such a fee will put smaller New Zealand colleges at a disadvantage in relation to larger local Colleges and to Australasian counterparts with their much larger memberships and accumulated funds and reserves (eg the RACS had \$78.5 million funds and reserves in 2018² and RACP \$97.2 million³, compared with the NZCPHM's \$1.7 million).

We therefore do not support a single set fee for this process, unless the fee is at a considerably lower level than has been proposed.

¹ In our recent membership survey, only 35% of respondents indicated that they work at least some proportion of their time for a DHB.

² <https://umbraco.surgeons.org/media/3282/financial-report-2018.pdf>

³ <https://www.racp.edu.au/docs/default-source/default-document-library/2018-racp-annual-report.pdf>

3) Fee composition

We understand the need to include direct costs in fee determination, insofar as these relate to accreditation team members' professional fee and travel costs. We are less convinced of the necessity to include, and calculations underlying, Council staff time (how many staff, how much time?).

We are also concerned that no information has been provided regarding the 'indirect cost' component of the fee. It would be useful to know what percentage has been applied, whether this is a percentage of the total of direct labour and direct costs (or whether it is a "ratio of the indirect costs of the Education team / direct salary costs of the Education team" as stated – and in which case, what this means?), and the purpose of the indirect costs. It is difficult to support the inclusion in the fee of an unspecified percentage for unspecified costs.

The consultation document does not provide information about whether the 'direct labour' costs and 'indirect cost' components will effectively subsidise other Council processes (such as the pre-vocational training programme accreditation fees)? Given the high cost of this process, we would not support the use of any funds derived from this process for cross-subsidisation purposes.

4) Relation of fees to the accreditation process

The consultation document does not provide information regarding how the fee will relate to different elements of the accreditation process. For example, will the annual reporting process have an additional fee levied? If specific conditions are set on accreditation, will a fee be payable for assessment of the achievement of those conditions? And if a College lodges an appeal against an accreditation outcome, will a fee to applied to this process?

We note that the nature of the accreditation process makes it difficult to budget around a large fee, since there is no set period for which accreditation is granted (according to current guidelines, accreditation may be granted for up to six years plus a further four years if the fifth year report is approved). We request that the Council clarifies whether, for example, if accreditation is only granted for a period of a year, a further \$30,700 fee will apply the following year?

We suggest that a once-off fee for initial accreditation, followed by a set annual fee which includes all subsequent accreditation processes may be easier for small Colleges to manage.

5) Fees for recognition of Australasian college accreditation

Although the consultation document refers to charges that are levied by the Australian Medical Council (AMC) for the accreditation of Australian / Australasian training and recertification providers, no information is provided regarding whether there is disbursement of a portion of this funding to the New Zealand Medical Council, or whether a charge is levied on Australasian colleges for New Zealand recognition of the accreditation.

Whilst we expect that costs of Council participation the AMC/Council accreditation processes would be covered under the cost-recovery model used by the AMC, it seems likely that there are additional costs relating to New Zealand recognition of this accreditation (for example, the cost of Council consideration of the accreditations granted, administrative costs relating to the accreditation

granted, and costs relating to the establishment, assessment and evaluation of New Zealand specific criteria).

We argue that the fees applied to the New Zealand colleges should not be used to cross-subsidise these processes, and that it would be appropriate, if not already in place, to consider an additional accreditation fee for Australasian colleges seeking accreditation in New Zealand.

Summary

Given the likely high impact that a fee of this magnitude will have on our College and other smaller New Zealand Colleges, we request that the Council reconsider some or all of the following:

- the level (amount) of the fee
- the principle that all colleges should pay the same fee
- the inclusion of indirect costs to the fee model
- the relation of the fee to accreditation processes and the structure of the fee
- the extent to which Australasian colleges contribute to New Zealand accreditation processes.

Thank you for the opportunity for the NZCPHM to submit on the proposed fees for the accreditation of New Zealand-based vocational training and recertification providers. We hope our feedback is helpful and are happy to provide further clarification on matter covered in this submission.

Sincerely,

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

Dr Felicity Dumble, President, NZCPHM