

24 June 2015

New Zealand Productivity Commission
PO Box 8036
The Terrace
Wellington 6143

Submitted online at: www.productivity.govt.nz

To whom it may concern,

More Effective Social Services Submission

Thank you for the opportunity to provide comment on the proposed report titled *More Effective Social Services* published in April 2015.

Background

General Practice New Zealand's ("GPNZ's") fifteen member networks represent approximately 2,000 General Practitioners and 2,000 Practice Nurses providing health care services to over 2.3 million New Zealanders from approximately 800 general practice locations. We support whole of system care that is best for patients and best for system.

As an organisation representing teams of health professionals working together within practices and networks, GPNZ plays a key role in supporting the delivery of high quality general practice services to all New Zealanders. This is underpinned by significant experience, innovation and collaboration across, and within, our member networks.

GPNZ agrees with the recommendations and findings within the Commission's report. Our comments below are supportive of the Commission's report and provide further evidence you may wish to consider.

Comment

The Government has a significant investment of approximately in health and social services. We agree with the Commission that service planning, commissioning and delivery is fragmented. We believe there are a number of opportunities to more closely align and integrate these functions in a way that better serves the general population. New Zealand is a small nation of approximately 4.5 million that is only expected to grow to 6 million by 2050¹. This is slightly larger than Sydney, but our small population is spread over an area that is a similar size to Great Britain or Japan. We believe the distribution of our population is one of the core historical factors that have led to fragmentation of the delivery of social and health services. Efficiency however, needs to be balanced with access and being responsive to the different local community needs, otherwise services (and the Government's investment) risk being ineffective.

Auckland has a different demographic profile to the rest of New Zealand², and the concentration of 34% of New Zealand's population in one city should pose opportunities to consolidate fragmented services. However there is little material evidence that would demonstrate this has occurred.

¹ <http://www.prb.org/Publications/Datasheets/2013/2013-world-population-data-sheet/data-sheet.aspx>

² <http://www.aucklandcouncil.govt.nz/EN/planspoliciesprojects/reports/Documents/aucklandprofileinitialresults2013census201405.pdf>

Where this has occurred (or been attempted) it is often in 'back office' commissioning for example through Health Benefits Limited.

We support a shift in focus that would regionalise service planning and commissioning functions that would deliver more efficient and affordable options for service delivery. This could include a consolidation of the number of Government agencies (for example District Health Boards, Councils etc) and lead to streamlining and greater consistency of rules and regulations on accessing and delivering services.

Within the health sector we are introducing Alliance contracting where decisions are made that are 'best for patient and best for system'. This uses a non-competitive planning approach where different organisations can discuss opportunities for improvement. At this stage, it is largely limited to health funding, but this may be a useful model to extend to wider social services.

We believe regional Alliances may be well placed to determine appropriate service pricing to ensure services are free to consumers at point of delivery and fully reflect the cost of delivering services. At a national level, this should be done through negotiations in good faith and agreement between Government and relevant sector agencies.

The creation of further independent quasi-Government agencies to undertake this role may well be unhelpful. In the early 2000s the Government created regional fee review committees for a review of fees charged for general practice services. Anecdotal evidence from our members show that this process is very resource intensive and arguably ineffective.

We would also support the development of integrated contracting arrangements. There are currently a number national contracts (for example those funded through the Ministry of Health) whose terms and conditions do not align with integrated decision making and delivery. Again our example is Alliancing, where this requirement for partnership between District Health Boards and Primary Health Organisations, is not extended to other services including community pharmacy, Aged Residential Care and ambulance services.

We hope that you find our comments helpful. If you would like to discuss this further please do not hesitate to contact me at michael.howard@gpnz.org.nz.

Yours sincerely

A handwritten signature in blue ink that reads "M Howard". The signature is written in a cursive style and is underlined.

Michael Howard
National Operations Manager