Appendix 3  Media Review

Media reports from *New Zealand Doctor* (*Doctor* since 16 July, 2003) and *New Zealand GP* were reviewed from January 2002 until September 2003. An overview of the major themes arising in articles about PHOs from these journals are presented here in four time periods. Due to time constraints, other media sources were not reviewed.

**January-June 2002**

There was a positive attitude towards the philosophy of the Primary Health Care Strategy, with a recognition that providers (including GPs, nurses and community health workers) needed to be engaged in its implementation, as well as the community (1). There was concern that the role of GPs in particular needed to be acknowledged, and in response, the Director-General of Health stated both the Government and Ministry of Health valued general practice, adding there were no ‘hidden agendas’ to nationalise primary care (2). In light of the major changes for primary health care, a speaker at a primary healthcare conference in Christchurch warned that it takes time and resources to manage change, and expressed some concern the Government was moving too fast (3).

A survey of GPs asked, “Are you, as a GP, interested in working in some way as part of a PHO as they are currently described?” Thirty-nine per cent answered ‘no’; 21% did not know, and 40% said ‘yes’. Of those interested, only 18% thought PHOs would enhance population health and 3.4% thought the development of PHOs would increase their income (4).

At this early stage of PHO development, there were questions about how the new organizations would actually emerge. For example, could current IPAs, Maori providers and other organisations simply transform into PHOs, and if each did so, would this fragment health services rather than promote the intended collaboration? (5) There was some confusion over whether IPAs and PHOs could co-exist (6), and different District Health Boards were thought to be promoting different models of PHOs (7). Concern was also expressed about the resources and expertise needed to establish PHOs, and the addition of more bureaucracy to the health system (8-10).

Funding was emerging as an important issues. During the envisaged five to ten years it would take to implement free or low cost access to primary healthcare services for all patients, the existence of two funding formulae was seen to be inequitable (11-14). This had implications both for patients, and for providers. Patients would receive different funding depending on where they lived (though not necessarily where they sought care), and it was questioned whether the New Zealand Deprivation Index was the best way to identify individual need (15). Providers were anxious that those on Interim funding could lose patients to Access funded practices. They also wondered whether co-payments for patients in PHOs would be capped (16). Competition for funding was seen as contrary to the intended collaboration that PHOs were supposed to bring (17).
Some small Maori and Pacific providers were said to have expressed fears they would be swallowed up and their identity lost within larger PHOs, but they felt they had to move to PHOs if they wanted to survive and offer patients more services at lower cost (11).

July–December 2002

As the first PHOs were officially established, GPs remained generally supportive of the aims of the Primary Health Care Strategy, but were not happy with aspects of its implementation (18-21). GPs were again asked, “Are you, as a GP, interested in working in some way as part of a PHO as they are currently described?” with a drop to 29% answering ‘yes’; 44% said ‘no’; and 26% did not know (22). By November, 50% were interested in working in a PHO, with the rise being explained as possibly due to discussion about the priority patient formula, which 16% of those interested would like to work under (23).

Concern continued that having two funding levels would result in patients moving to lower-cost doctors, affecting the viability of other practices (24). Funding formulae remained uncertain, and the IPA Council and New Zealand Medical Association were proposing an alternative ‘priority patient formula’ (25-30). Co-payment restrictions remained an issue, and there was concern whether capitation payments would be adequate, and inflation-adjusted (31-33). The Minister of Health, Hon Annette King, was reported to have given assurances there would be protections to make sure PHOs with higher funding did not adversely affect other practices during the transition period; that doctors’ fees would not be fixed; and that PHO funding would be regularly reviewed to keep pace with inflation (34).

An article on PHO development in Northland discussed the advantages and disadvantages of small, local PHOs versus a larger regional body (35). Whilst locality-based groupings would know their communities well, infrastructure costs were a concern.

Some Maori health providers were reported to be positive about PHO development, which fitted well with their holistic approach to health and innovative ideas (36). There was also discussion about some of the difficulties of good community consultation (37).

January–June 2003

The philosophy behind PHOs continued to be regarded positively, and there was reported to be a lot of goodwill from GPs to make it work, but there were concerns about a variety of implementation issues, and the stresses and increased workload arising from the changes (38-42). Fifty per cent of GPs expected to be part of a PHO in 2003 (43).

Concerns about PHO contracts and discussions about various versions emerged as a new issue in the media of this period (44-47).

Funding continued to generate a lot of discussion, including inequities for patients under the dual funding formulae, and GP concerns that ‘pepper potting’ of low cost Access
practices would affect the viability of neighbouring practices (48-50). There were concerns about whether funding was sufficient, particularly for administration, with ‘top slicing’ of capitation fees to supplement administration income reported to be occurring (46, 51, 52). GPs were worried that reimbursements for casual consultations elsewhere by an enrolled patient could total more than the capitation payment received for that patient, and the Ministry of Health was reported to be aware of this issue and considering a limit on these deductions (51, 53). There were proposals for priority patient funding trials (under the new name of ‘Care Plus) (54, 55). Annette King was reported to have ‘waved away’ capped co-payments, so that while doctors were expected to ensure increased funding resulted in reduced fees for patients, they remained free to set their own fees (56, 57).

There was said to be little public awareness or understanding of PHOs, and there were calls for a Ministry of Health publicity campaign, particularly about the meaning of enrolment (58-60). In April, the Ministry response was that it had published material intended for distribution in the areas where PHOs were established, but did not want to raise public expectations in places where there were not yet PHOs, or where there were interim-funded PHOs only (61). However in June, the Ministry said a national publicity campaign was now being planned, though details were not yet available (62).

There were reports of new projects underway by PHOs, including community health workers to reach people not currently accessing primary health care, migrant and refugee programmes, Maori health initiatives and primary health care for long term mental health patients (63). The hope that nurses would have a greater role in PHOs needed further exploration, especially as the funding was still generated by GP enrolment (41).

Concern was raised about the viability of GP cooperative after-hours medical centers, which cannot form PHOs because they do not have their own practice population (64). It was also questioned whether small PHOs would be viable in the longer term (65), and discussion of the pros and cons of a single, large PHO in an area versus several smaller ones (66).

One article explored issues for Maori providers in PHOs, including fears of assimilation back into the mainstream (67).

**July 2003ff**

There is a marked increase in media articles about PHOs in this period, with the 24 September 2003 *Doctor* using the cover title “PHObia: Confronting the fears”, and including 11 pages on PHOs. The total number of PHOs was expected to be 55 at 1 October, involving just over 2 million New Zealanders and exceeding the Minister of Health’s earlier expectations (68, 69).

There is continued concern about the implementation process, including funding, HealthPAC problems, and limited patient understanding about enrolment (70-76). The Director-General of Health acknowledged “…there’s room for improvement” and
outlined issues the Ministry was working to resolve, and its publicity initiative to raise public awareness (77).

The ongoing contract discussions were followed, and it was reported in August that agreement had been reached on version 16.1, although the IFC group (IPAC, First Health and CareNet) considered the contract still had limitations, and there were outstanding issues yet to be resolved (78-83). The NZMA and IPAC were also reported to be working on developing a model contract between GPs and PHOs (84).

There were reports about the ‘Care Plus’ pilots starting (85-87) and the changing timing of the rollout of $3 prescription fees and increased funding for under 18s and over 65s (88, 89). The College of Practice Nurses called for a separate funding stream for nurses, saying their role was not expanding as anticipated under PHOs as funding remained essentially tied to GPs (90).

Other issues covered in this period include the particular difficulties faced by small PHOs (91-93), and findings of the HealthPAC and Counties Manukau DHB reviews in Counties Manukau (94-96).

PHOs look set to remain a topic of strong media interest for some time to come.

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