

6. THE FUTURE SHAPE OF PRIMARY HEALTH CARE

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Corporate Plan Output: Policy Advice	

The purpose of this report is to advise the Committee of the Ministry of Health document entitled “The Future Shape of Primary Health Care”, and to seek endorsement of a submission on the issues raised by this document. The deadline for submissions is 26 May 2000.

INTRODUCTION

The Government is currently planning various changes to the health system, including the formation of up to 22 District Health Boards. These Boards will assess local health and support needs in consultation with their communities, and develop strategic plans accordingly. The Ministry is also preparing the New Zealand Health Strategy, which will set out its goals for the health of all New Zealanders, and will be available for consultation in early June. “The Future Shape of Primary Health Care” is a discussion document that will contribute to the development of the New Zealand Health Strategy. The document outlines the following proposals:

- District Health Boards will contract with primary care organisations to deliver a defined range of services at defined levels of quality to a defined population
- Funding for these services will be calculated on the basis of the characteristics of their affiliated population rather than according to the number of services they provide
- People will be encouraged to affiliate with one primary care organisation
- Primary care organisations will be required to have representation from service users, the community and practitioners
- There should be nationally consistent rules for availability and affordability of first-line primary health care services
- There should be greater co-ordination of services in primary health care, between primary and secondary care, and between health and other relevant sectors
- The special relationship between the Crown and Maori should be reflected in service agreements with primary health care providers and organisations

The Government aims to provide a high quality health system, in which all new Zealanders have fair access to services, regardless of their ability to pay. It plans to:

- reduce disparities between the health of different groups;
- meet the needs of communities;
- involve communities in decisions about their local health services;
- give priority to promoting health and preventing disease;
- make sure that resources for health are used effectively.

It is restoring a non-commercial system, and an open and publicly accountable decision-making process. Primary health care is seen as being central to the health system.

DISCUSSION

Intersectoral approaches to health

The document acknowledges that there are other factors at work in poor health, apart from issues of access to primary care. The National Health Committee's report on the social, economic and cultural determinants of health¹ makes clear that poor housing conditions and low income are major contributing factors to poor health status. A good primary health care system will address some of the effects of living in poverty, but it cannot on its own address the causes of these problems. As the NHC report recommends, inter-sectoral initiatives are required which focus on the health impacts of, for example, economic and housing policies, and which attempt to address some of the underlying causes of poor health. The discussion document acknowledges that the primary care sector could act as an advocate to ensure that such initiatives are progressed. The Minister of Health has indicated that these issues will be covered in more detail in the New Zealand Health Strategy. This is to be welcomed, since without such recognition, the health problems associated with poverty, unemployment and inadequate living conditions will always put pressure on the health budget. The Council, through its work with social agencies, and through its role as a major provider of social housing in Christchurch, would be well placed to make a valuable contribution to such initiatives. A current example of the Council's contribution to inter-sectoral collaboration is the Poverty Taskforce, which is being set up by the Council to address some of the issues raised in its recent research on poverty².

Community involvement in primary health care

The Ministry of Health states in this document that there needs to be much more community involvement in primary care than has been the case in recent years. This is to be welcomed. Although the document does not make any specific suggestions for local government involvement, it is clear that local government is included in the concept of community. The Council, representing the people of Christchurch, will have opportunities to make contributions to both District Health Boards' and primary care organisations' decision-making. It is to be hoped that these organisations will work in partnership with the Council, and that they will take advantage of the Council's knowledge of the broader issues affecting the well-being of its residents.

Concepts of health and well-being

The discussion document adopts an understanding of health encompassing physical, mental, social and spiritual well-being. Disease prevention and health promotion are clearly an important part of this equation. The health promotion strategy is not discussed in the document in any detail. It is to be hoped, however, that such a strategy will also be based on a similar understanding of health, and that sufficient resources will be allocated to allow health promotion to encompass a broad approach to improving well-being.

¹ The National Health Committee (1998): "The Social, Cultural and Economic Determinants of Health in New Zealand"

² Jamieson, K (1998): "Poverty and Hardship In Christchurch" (Part of Christchurch City Council Social Monitoring Programme)

Co-ordination and collaboration

The move away from a market model for health care is to be welcomed. The introduction of competition between providers added complexity to an environment where collaboration was supposed to take place. In theory, at least, different providers were “rivals”, competing to provide services to purchasers. A market system relies on the ability to cost services and buy and sell them at an appropriate rate. An increasing awareness of the financial implications of calling in another professional may reduce the incentive to do so. A non-competitive system should help to remove some of the barriers to joint working.

A population-based approach

The report identifies that two of the key approaches to improving overall health are disease prevention and health promotion. A system which aims to reach people before they become ill is clearly preferable to one which relies on people to approach health professionals once they have become ill. A primary care organisation that has responsibility for improving the well-being of all members of its affiliated population, whether or not they consult, would certainly go some way towards achieving this aim. If funding is calculated according to the characteristics of a given population, and targeted at improving poor health status, then it is more likely that those in greatest need will receive the necessary services. This approach should help the Government to achieve its aim of reducing disparities in health. By encouraging individuals to affiliate to particular organisations, the task of identifying the characteristics of these populations will be made far more achievable.

There will be no prescribed form of primary care organisations. They will, however, have to operate according to certain rules, if they are to receive District Health Board funding. They will have to:

- have meaningful patient and community representation in governance processes;
- have appropriate representation from the range of health providers in the organisation;
- be not-for-profit organisations;
- be fully and openly accountable for public funds and ensure that any surpluses are used to improve health status or increase access to agreed health services.

National standards and local needs

The New Zealand Health Strategy will set national minimum standards that District Health Boards will have to meet. At the same time, there is a commitment to ensuring that services are appropriate to local needs: District Health Boards will be responsible for undertaking health needs analysis for their local population, and primary care organisations will have representation from service users and the community. Balancing national standards and local needs will be an important if not necessarily straightforward task. It is nevertheless essential for national standards to be maintained, in order to ensure that health service provision is consistent and equitable throughout the country. The New Zealand Health Strategy will need to clarify the parameters for local initiatives, so that everyone understands the extent to which local variation will be acceptable.

The responsibilities of District Health Boards

District Health Boards will be responsible for providing secondary care through the hospitals under their control, as well as for purchasing primary care from a range of providers, including primary care organisations. The discussion document states that there will be safeguards to ensure that the budget for primary care is not used by the District Health Boards to provide extra hospital services. Such an approach is to be welcomed, since there will always be pressure on hospital resources. If primary care is to play a central role in improving health, then adequate resources must be available to it. The discussion document, however, does not outline the proposed safeguards in any detail. It is to be hoped that the New Zealand Health Strategy will include sufficient detail on this issue to satisfy any concerns about the funding of primary care.

The issue of District Health Board boundaries is not mentioned in the discussion document. If collaboration between local government and the District Health Boards is to be encouraged, however, then it will be important to have consistent boundaries.

- Recommendation:**
1. That the information be received.
 2. That the Committee recommend to the Council endorsement of the attached submission to the Ministry of Health on “The Future Shape of Primary Health Care”.

Chairman’s

Recommendation: That the above recommendation be adopted.