What might we expect as health policy with the new government?

Frank Frizelle

This editorial outlines what I think is likely to be the health policy of the incoming government. This opinion is based on the pre-election policy statements of the parties that are likely to make up the new government under our mixed-member proportional representation (MMP) system.1–3

By the time this is published we might have a new government, or we might not. At the time of writing, the National Party, ACT New Zealand and New Zealand First are most likely to form the new government. I have not examined the Green Party health policy as they appear unwilling or unable to work with the more centre-right parties, perhaps reflecting the heterogeneity of its membership and/or the origin of the Green Party in New Zealand. Their behaviour does, however, distract from the benefits that might be gained by partnership under our MMP system.

The incoming government would appear to have the financial situation foremost in its mind. The National Party have a stated aim to reduce government spending and debt. The present monetary and fiscal situation does appear challenging on a background with large and increasing government debt, and pre-election promises of tax relief. Below are graphs showing the increase in government debt (Figures 1 and 2) and taxation (Figures 3 and 4) both in (US) dollar terms (Figures 1 and 3) and as a portion of the GDP (Figures 2 and 4).4–7 What this essentially means is there won’t be as much money to introduce new policy initiatives.

With this economic backdrop, one can assume that the health policy will be constrained, and this will impact on any politician’s aspirational desires for change in the health sector for a while.

**Figure 1:** New Zealand government debt (in US dollars).4

**Figure 2:** New Zealand government debt as a proportion of the GDP.5

**Figure 3:** New Zealand tax intake (US dollars).6

**Figure 4:** New Zealand tax intake as percentage of the GDP.7
With regard to working out what sort of health policy we might have, as stated above I have made the assumption that this might be in line with the likely three coalition partners’ pre-election policies; however, as we are all aware, there can be a large gap between policy and actual delivery. Where the same policy has been mooted by all three parties I would assume these are likely to occur; however, where there are marked differences in policies I am assuming they are unlikely to be implemented, unless pushed hard by the proposing party.

Some of the proposed policies are a bit nebulous, so I have focussed on action points where there is clarity about what we might see, rather than broad concepts where action points are more opaque. There are many areas that overlap (e.g., cancer treatment and Pharmac or elective waiting lists and staffing). Where this happens, I have elected to outline it in the most relevant area so as not to repeat myself.

Substantial structural change of the recently established Te Whatu Ora – Health New Zealand is unlikely, though we may see some realignment of priorities given the huge investment and disruption in getting it where it is. We may see minor changes such as decentralisation of control, so Te Whatu Ora is more in line with the concepts in the Simpson report, and this change would deal with one of the major criticisms of the present system.

The National Party policy document does not comment on any structural change to the present system, other than their desire to reduce bureaucracy. ACT is keen for private/public partnerships to arrange and fund increased infrastructure. New Zealand First have stated they wish to abolish the Māori Health Authority, and other race-based initiatives.

While this would likely be acceptable to ACT, I suspect the National Party may not be so keen to push this with the present equity focus of the health system reflecting the current values of New Zealand society; however, National may have to accept this policy may well be part of the price required to become the government.

The workforce issue has been taken up by all three parties, all of whose policies are similar and reflect the issues raised in the Te Whatu Ora report of workforce. The New Zealand Medical Journal has previously commented on this report and the workforce issues. None of the policies by any of the parties really bring anything new to the discussion. These policies include increased inflow of overseas-trained health professionals, increased training of our own workforce and increased retention of staff. Increased overseas recruitment is around altering immigration priorities, faster registration and permanent residence.

### Table 1: Probable policies.

<table>
<thead>
<tr>
<th>Policy</th>
<th>National</th>
<th>ACT</th>
<th>New Zealand First</th>
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</thead>
<tbody>
<tr>
<td>Structure of Te Whatu Ora – Health New Zealand</td>
<td>Possible, Reduce bureaucracy</td>
<td>Possible, Reduce bureaucracy, Public/private partnerships</td>
<td>Yes, Abolish the Māori Health Authority</td>
</tr>
<tr>
<td>Workforce</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Health targets</td>
<td>Yes</td>
<td>Nothing stated</td>
<td>Nothing stated</td>
</tr>
<tr>
<td>Primary care</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Mental health</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
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<tr>
<td>Elective surgery</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Pharmac</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Cancer treatment</td>
<td>Yes—targeted programmes, no systemic change</td>
<td>Not directly (elective surgery and Pharmac)</td>
<td>Not directly (elective surgery and Pharmac)</td>
</tr>
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</table>
Training more healthcare professionals is supported by all three parties. The National Party have stressed their intention to increase the training of doctors (with 50 places already announced and another 50 to follow), as well as proposing a Waikato Medical School (120 places), leading to a proposed total of 220 new training posts for doctors. This would involve, of course, Auckland Medical School relocating its medical students out of Waikato Hospital and the surrounding hospitals the Waikato Medical School would use.

The National Party Health Policy also states that this new medical school in Waikato will have a specific focus on training doctors for primary care and the rural community. The National Party policy document also states that the capital establishment cost for a third medical school is expected to be $380 million, with the Crown contributing up to $280 million (pending a final business case) and the remainder being raised by Waikato University. This, of course, does not include the running costs for resources such as staff—which I have been unable to find any estimates of—but, if in line with other similarly sized medical schools in New Zealand, will be at least $25–30 million a year.

Nursing is another healthcare profession also in short supply, and various measures have been suggested to increase nursing numbers. The National Party have suggested a loan repayment bonus and 5 years of bonding being introduced. Such bonding is not new and has previously been used for teachers with some success and with doctors for rural areas with limited success, so it will be interesting to see how this goes in the modern era.

Health targets were a feature of the last National Government’s health policy, and they were successful in addressing various issues, especially in cancer treatment waiting times. These look like they will be making a reappearance. The National Party policy document states:

1. Shorter stays in emergency department—95% of patients to be admitted, discharged or transferred from an emergency department within 6 hours.
2. Faster cancer treatment—85% of patients to receive cancer management within 31 days of the decision to treat.
3. Improved immunisation—95% of two-year-olds receiving their full age-appropriate immunisations.
4. Shorter wait times for first specialist assessment—a meaningful reduction in the number of people waiting more than 4 months to see a specialist (target to be set in government).
5. Shorter wait times for surgery—a meaningful reduction in the number of people waiting more than 4 months for surgery (target to be set in government).

While neither ACT nor New Zealand First have any specific comments about targets, it would appear to complement their policies, so they are likely to reappear soon.

Primary care is in crisis, as outlined by a recent editorial in the *New Zealand Medical Journal* by Bryan Betty et al. All three parties make reference to the need to support the workforce and increase funding. The National Party policy document states: “A recent report from Sapere addressed this and included a number of recommendations for improvement. National will work with the sector to explore implementation of these recommendations in our first year in office. In the interim, National will make $52 million in funding available to GPs through incentive payments for clinics that can lift immunisation rates for children, under 18s and over 65s among their enrolled patients.”

ACT and New Zealand First state that they will increase general practitioner (GP) numbers, and ACT says that it will increase GP funding by 13%: the equivalent of 2.5 million GP visits per year. ACT has also said it will enable physician assistants to take on less complex tasks in order to take pressure off GPs.

While a considerable amount of work previously undertaken by GPs is already undertaken by other healthcare professionals, such as nurse specialists, increased recruitment and retention of doctors into general practice are essential. Increasing local training will be of long-term benefit; however, there is a significant time lag from increasing student numbers to seeing an increase number of GPs (10–14 years) so it is of limited short-term benefit. When competing internationally for staff, income counts, which is an aspect that will need addressing.

Mental health has been a declared focus for the previous Labour Government, who spent over $1 billion on this; however, the challenging situation was well outlined in the recent *New Zealand Medical Journal* editorial by Foulds et al. The National Party policy has been that it will improve the delivery of mental health
services and to be accountable for this by establishing a minister for mental health. They have also suggested investing in community providers who can demonstrate they are delivering better mental health outcomes for more New Zealanders. This is to be facilitated through a Mental Health Innovation Fund (MHIF) of $20 million to match funds distributed to community mental health organisations. National have stated that they will increase the number of psychiatrist registrar places to 50 a year on average (from a current average of around 37) and double the number of clinical psychologists being trained each year from 40 to 80 over the next 4 years.

ACT also recognises the significance of mental health issues in the community and have a policy that states it will establish an organisation called Mental Health and Addiction New Zealand (MHANZ), a standalone agency on a national scale, empowering patients to choose between a range of providers rather than simply accepting what their district health board offers.

New Zealand First does not mention mental health issues in its policy document. With the National Party and ACT both coming out strongly in support for some sort of reorganisation of the provision of mental health services and the suggested funding model to support community delivery it is likely that this will occur in some form. I look forward to seeing who is appointed as minister of mental health.

Provision of elective surgery was problematic prior to the COVID-19 pandemic; now it is worse. The primary issues have been delays in treatment and presentation of illness over the COVID-19 pandemic, and the failure of Te Whatu Ora to be able to resource the services to manage the bloated waiting lists. This issue of the large number of people waiting for elective surgery (managed care) is acknowledged by all three parties in their polices. The National Party have this embedded their health targets.

a. Shorter wait times for first specialist assessment—a meaningful reduction in the number of people waiting more than 4 months to see a specialist (target to be set in government).

b. Shorter wait times for surgery—a meaningful reduction in the number of people waiting more than 4 months for surgery (target to be set in government).

The ACT policy appears to want to use the private sector to fill the gap in the public capacity. They have suggested that the government should help fund common elective surgeries in private hospitals through competitive tender. This links also with their policy of public–private partnerships, which would allow lease-back and building arrangements with large infrastructure investment groups for the refurbishment of existing public healthcare infrastructure and the construction of new facilities.

The New Zealand First policy is to create a GP-controlled waitlist reduction fund of $925 million available each year for GPs to buy approved specialist appointments and operations.

All parties appear to recognise that more capacity is needed to deliver elective surgery (planned care) and the issue is how to do this. It is likely, given the constraints in infrastructure in the public sector, that the only elastic capacity available is in the private sector—though this is limited as well.

Pharmac is a target for criticisms from all parties and its benefit is seldom acknowledged. Pharmac has saved New Zealand billions of dollars and made healthcare in New Zealand more affordable. To the outsider, the decision process appears ponderous and opaque. As such, it is a target for critics. The National Party policy is to effect greater transparency around how Pharmac makes its investment decisions while exploring new mechanisms, including ring-fenced funding, to better accommodate rare disorders.

ACT would like an independent review of Pharmac’s operating model for greater transparency and timeliness in decision making, a more strategic focus and a productivity perspective based on real lives. New Zealand First would be likely to replace Pharmac with a new buying agency and increase its funding from the last budget of $1.2 billion, with an additional $1.3 billion for life-changing medicines.

The other relevant policy issue of New Zealand First is that of their desire to repeal the Therapeutic Products Act 2023 prioritising New Zealand, not global, interests and end MedSafe waste, and instead commit New Zealand to enter into mutual recognition agreements, so that any medicine becomes registered here when approved by any two peer regulators such as: the United States Food and Drug Administration; the European Medicines Agency; the United Kingdom Medicines and Healthcare products Regulatory Agency; Health Canada; the Singapore Health Sciences

New Zealand Medical Journal
Te ara tika o te hauora hapori

2023 Nov 10; 136(1585). ISSN 1175-8716
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Authority; or Australia’s Health Administration. My take on all this is that Pharmac is likely to be reviewed, and will have to explain and speed up its processes. Increased transparency of process will likely become part of the normal outcome for assessment of medications.

**Cancer treatment** has only been touched on very superficially by all parties in their policies despite being an important aspect of healthcare that is common, and where New Zealand is increasingly falling behind countries we would like to align ourselves with, such as Australia. The National Party policies are the most extensive. They have said they will increase access to life-saving and life-extending cancer medicines by investing $280 million over 4 years to fund 13 treatments for solid cancers with “significant clinical benefit”—available in Australia but not in New Zealand—and they will require the Cancer Control Agency to complete the same pharmaceutical cancer gap analysis for myeloma, leukaemia and other non-solid cancers. They have also made some policy for specific cancer streams, e.g., screening changes for breast (increasing the upper age of screening) and bowel cancer (lowering the age of screening), and investing in treatment pathways for ovarian and prostate cancer.

Neither ACT or New Zealand First have any specific cancer-related polices, though many items do overlap (e.g., staffing, medication access, waiting times). Neither ACT or New Zealand First have any specific cancer-related polices, though many items do overlap (e.g., staffing, medication access, waiting times).

No party has made any commitment to addressing the systemic issues of cancer treatment provision, such as following the international trend of developing a comprehensive cancer centre network in New Zealand as previously discussed in the *New Zealand Medical Journal*. There is a remarkable number of **odds and ends** that have ended up in the health polices of various parties, especially the National Party policy. Many of these seem to be, more appropriately, minor operational issues in the health system, rather than government policy issues (e.g., the National Party policy to increase security in accidents in emergency departments). There are a number of issues that have likely gotten on the National Party policy as they appeal to sectors of society that support the National Party, such as action on youth vaping, continuous glucose monitors and increased post-natal hospital time. These are, even collectively, relatively insignificant budgetary issues and are likely to be enacted during the next term.

There is also in the National Party policy document an interim expenditure for Dunedin Hospital infrastructure, until a new hospital can be built. This does make me wonder, however, if there are further delays about to be announced in this major building project. What is not mentioned in the health policies that may be addressed relates to access to dentistry. The various parties that said they would increase access to affordable dental care gained a lot of support. I expect, prior to the next election cycle, we may see some further policy and possible action in this sector.

In summary, whoever makes up the new government is unlikely to be in a financial position to make significant change in the healthcare sector. These health policies are not inspirational. There is a small gap spanning from this policy to where we are today, so delivery should occur. Hopefully, they will work on some more aspirational polices for implementation after the longer term (assuming the government is re-elected), by which time I suspect we will be in a better financial position.
COMPETING INTERESTS
Frank Frizelle is the Editor-in-Chief of the New Zealand Medical Journal.

CORRESPONDING AUTHOR INFORMATION
Frank Frizelle: Editor-in-Chief NZMJ; Professor of Surgery; Clinical Director of General Surgery; Department of Surgery, University of Otago Christchurch, New Zealand. E: Frank.Frizelle@cdhb.health.nz

REFERENCES