

PHO Services Agreement Amendment Protocol

(PSAAP) Meeting 31 October 2024

A meeting of PHO Services Agreement Amendment Protocol (PSAAP) took place on Thursday 31 October 2024. The full day face-to-face meeting focussed on updates related to the Primary Health Organisations Services Agreement (PHOSA) and outputs from working groups.

Health NZ provided context for the meeting, related to the pressures in the health system. There continue to be financial challenges, as well as issues with access to care. Health NZ and staff are undergoing further changes. While this is the case, there was also recognition of the importance of primary care, and the valuable services it is providing, with enrolment and health encounters with general practice continuing to increase.

Three themes emerged at many points during the meeting.

- The need to balance the energy and resources into developing a fit for purpose updated contract, with updates limited to those that are needed to reflect the current settings.
- The PSSAP protocol is a partnership-based agreement, and Health NZ should make greater effort to engage PSAAP members early in joint working groups.
- Growing concern about the passing on of costs to patients

It was agreed that the changes to the PHOSA would focus on the minimum necessary to reflect legislative changes and identified focus areas. The current proposed changes will be circulated to PSAAP for finalisation. Working groups will be set up to look at other focus areas of the PHOSA, such as alliances.

Agreement was not reached on the proposed incentivised milestones to determine SLM Payment 3 for FY 24/5. A key concern was related to data quality. Both PHOs and Contracted Providers rejected the proposed approach, and the alternative proposal presented by them was not acceptable to Health NZ. This will go back to the SLM working group and/or a negotiation team for resolution.

The PHO caucus were unable to agree at this meeting on the proposal from GenPro that 75% of the SLM funding be passed through to Contracted Providers and that it be paid in cash for this financial year. It will require a discussion with the small number of PHOs who provide services in lieu of cash for 50% of SLM payments to determine whether they can quantify the service provided or pay out as cash in the current financial year. The intent of the proposal was supported, and the discussion will continue.

The updated fees review framework was approved. Contracted Providers and PHOs congratulated Health NZ on the positive and collaborative approach through the working group. Changes will be drafted into a Reference Document for inclusion in the PHOSA.

Health NZ has completed initial work on rural funding with some initial principles specified. A working group from PSAAP members will be established to progress this work.

It was noted that the afterhours principles agreed at the July PSAAP meeting have not been fully communicated out to the sector. These principles recognise the importance of continuity of care related to access to general practice and support prioritisation of day-time access over afterhours without financial penalties. Health NZ agreed to write to all PHOs and PSAAP to confirm these principles.

Health NZ described the work being done on after hours/urgent care work programme, the draft PHO expansion framework being reviewed and, on the analysis related to updating capitation weightings. The work on this will be shared with the sector in due course. The next meeting of PSAAP is likely to be early in 2025.