

[New Zealand]

# The Impact of the Global Economic Crisis on New Zealand's Health System

Peter FOLEY\*<sup>1</sup>

NEW ZEALAND MEDICAL ASSOCIATION

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Dr Peter Foley  
Chair, NZMA

### Recession starts to effect New Zealand mid 2008

- At that time work was being undertaken on three health reports:
  - Senior Medical Officer Commission,
  - Resident Medical Officer Commission,
  - Report of the Medical Training Board.
- All of these reports suggested that
  - There was a medical workforce crisis,
  - Medical practitioners were comparatively under-remunerated.
  - Medical practitioners were undervalued.

### New Government Elected October 2008 making following financial promises:

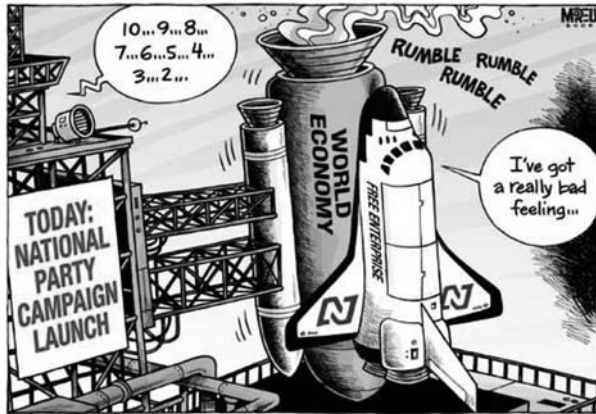
- Two rounds of tax cuts
- Increase in the number of medical graduates by 200 by 2012
- Open and staff 20 new operating theatres in New Zealand
- Establish multi disciplinary integrated family healthcare centres

### Helpful Government

### Unhelpful Times !

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\*1 Chair, New Zealand Medical Association, Wellington, New Zealand (nzma@nzma.org.nz). This presentation was made at the Symposium themed "Impact of Global Financial Crisis to the Health System" held at the 26th Congress of the Confederation of Medical Associations in Asia and Oceania (CMAAO), Bali, Indonesia, November 7, 2009.



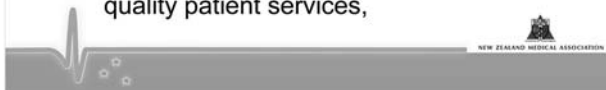
### Direct Effect of the Recession

- Second set of tax cuts set for 2010 cancelled.
- No increase in regulated fees.
- All government departments asked to restrict their spending.



### Effect of Recession or Government Policy?

- Ministerial Review Group (established by Minister of Health)
  - Established January 2009
  - TOR;
    - To assist the Minister and Ministry of Health by providing advice on further progressing the Government's priorities around clinical leadership, productivity and quality patient services,



### Ministerial Review Group TOR cont.

- To review the existing systems for infrastructure and prioritisation, and advise improvements.
- To help meet serious Vote Health financial challenges by providing a fresh examination of health sector spending, with a view to identifying low priority/poor quality spending that can be moved to improve frontline health services.



### Ministerial Review Group - Recommendations

- Establishment of a new National Health Board to oversee the planning and funding of national services and to monitor DHBs.
- A number of measures designed to influence PHO consolidation.
- Greater emphasis on policies to ensure national consistency.



### Ministerial Review Group – Recommendations cont.

- Formation of a national shared services agency to carry out backroom services currently provided by each DHB.
- Formation of an independent national quality agency.
- Consolidation of workforce planning and development.





## Global Recession and Health – final comment

Overall New Zealand's health system has been relatively insulated from the impact of the global recession to date. But with our small economy, the signs are that this is likely to change in the very near future !!!



Money may be short, but health needs are not !!!!

THANK YOU

### Glossary

DHB=District Health Board

MTB=Medical Training Board (set up to plan how better to train our medical students, and how many to train)

PHO=Primary Health Organization

RMO=Resident Medical Officer (junior doctors—houseman or registrars—still in postgrad training)

SMO=Senior Medical Officer (senior specialists in hospital)

TOR=Terms of Reference