

Briefing

Supporting Material for Health Workforce and Employment Relations Deep Dive

Date due to MO:	26 January 2024	Action required by:	N/A
Security level:	IN CONFIDENCE	Health Report number:	H2023034547
To:	Hon Dr Shane Reti, Minister of Health		
Consulted:	Health New Zealand: <input checked="" type="checkbox"/> Māori Health Authority: <input type="checkbox"/>		

Contact for telephone discussion

Name	Position	Telephone
Maree Roberts	Deputy Director-General, Strategy, Policy and Legislation	s 9(2)(a)
Allison Bennett	Group Manager, Health System Settings, Strategy, Policy and Legislation	s 9(2)(a)

Minister's office to complete:

- | | | |
|---|------------------------------------|--|
| <input type="checkbox"/> Approved | <input type="checkbox"/> Decline | <input type="checkbox"/> Noted |
| <input type="checkbox"/> Needs change | <input type="checkbox"/> Seen | <input type="checkbox"/> Overtaken by events |
| <input type="checkbox"/> See Minister's Notes | <input type="checkbox"/> Withdrawn | |

Comment:

Supporting Material for Health Workforce and Employment Relations Deep Dive

Security level: IN CONFIDENCE **Date:** 29 January 2024

To: Hon Dr Shane Reti, Minister of Health

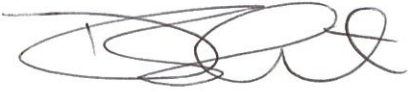
Purpose of report

1. This report provides the material to support the health workforce deep dive discussion with officials.

Summary

2. You have indicated you would like a deep dive discussion on the health workforce. This is scheduled for **Monday 29 January, 1.00-2.30pm**. Officials from The Ministry of Health (the Ministry) | Manatū Hauora and Health New Zealand | Te Whatu Ora will attend.
3. The deep dive is an opportunity to discuss recent advice provided to you on the health workforce and your immediate priorities and commitments. This includes:
 - The health workforce and strategic agenda (H2023032584 refers)
 - The health workforce and employment relations (HNZ00033043 refers)
 - Establishing a third medical school (H2023033203 refers)
 - Increasing the funding cap for the Medicine programme (H2023033205 refers)
 - A new incentive and bonding scheme for nurses and midwives (H2023032970 refers)
 - Review of the Health Practitioners Competency Assurance Act (H2023032966 refers)
 - Re-establishing the Health Workforce Advisor Committee (H2023033415 refers)
4. The slide pack at Appendix Two has been developed to support you in the deep dive. The slide pack provides the necessary background, supporting information, and desired discussion points we wish to raise with you.

a) **Discuss** health workforce strategic overview with officials on 29 January 2024.



Dr Diana Sarfati

Director-General of Health

Te Tumu Whakarae mō te Hauora

Date: 25/1/24

Hon Dr Shane Reti

Minister of Health

Date:

Minister's Notes

PROACTIVELY RELEASED

Appendix One – Agenda for deep dive session

No.	Content	Slides	Time allotted
1	The Health Workforce: Strategic Overview & Direction	3-5	10 minutes
2	Health workforce and Employment Relations: Operational Overview	6	20 minutes
3	Training more doctors: Establishing a third medical school	8-9	40 minutes
4	Training more doctors: Adjusting the funding cap for the Medicine programme	10-11	
5	Increasing the number of nurses and midwives: New Incentive and Bonding Scheme for nurses and midwives	12	
6	Review of regulatory settings: Review of the HPCA Act	11-12	15 minutes
7	Health Workforce and System Efficiencies Committee	13-14	5 minutes

Appendix Two – Slide Pack for Health Workforce Strategic Agenda Deep Dive

Contained in separate attachment.

PROACTIVELY RELEASED

Health Workforce Overview & Government Priorities 2024

Deep-dive discussion with Minister
29 January 2024

Updated 23 January 2024

Health Workforce Overview & Government Priorities 2024

Contents

Slide/s	Topic	Lead Agency
3	<i>Our Aspirations for the Health Workforce</i>	Ministry of Health
4-5	Health Workforce: Strategic Overview & Direction <ul style="list-style-type: none"> <i>Health Workforce: Chapter 1 (Ref H2023032584)</i> 	Ministry of Health
6	Health workforce: Operational Overview <ul style="list-style-type: none"> <i>Secondary Briefing to Incoming Minister: Health workforce and employment relations (Ref HNZ00033043)</i> <ul style="list-style-type: none"> State of play for the health workforce – long- and short-term trends, current pressures Workforce planning – the Workforce Plan 23/24 and opportunities for FY24/25 Employment relations – opportunities in our employment relations approach and strategies 	Health New Zealand
7 8-9 10-11 12	Government Commitments <ul style="list-style-type: none"> <i>Memorandum of understanding to establish a third medical school (Ref H2023033203)</i> <i>Adjusting funding cap for the medicine programme (Ref H2023033205)</i> <i>Bonding scheme for nurse and midwives (Ref H2023032970)</i> 	Ministry of Health
13-14	Review of Regulatory Setting <ul style="list-style-type: none"> <i>Review of the Health Practitioners Competency Assurance Act (Ref H2023032966)</i> 	Ministry of Health
15	Health Workforce and System Efficiencies Committee <ul style="list-style-type: none"> <i>Reestablishment of the Health Workforce Advisory Committee (HWAC) (Ref H2023033415)</i> 	Ministry of Health

Our Aspirations for the Health Workforce

Our aspirations for the health workforce reflect the vision, objectives and direction for pae ora (healthy futures). The aspirations reflect the voices of our communities, whānau, and their needs for wai ora, healthy environments; whānau ora, healthy families; and mauri ora, healthy people.



Availability

Our workforce has sufficient availability to meet Māori and other population groups' service needs.



Accessibility

Our workforce is equitably accessible to provide choice and timely support for Māori and other population groups.



Responsiveness

Our workforce is culturally safe, representative of the community it serves, and flexible to meet the needs of individuals and their whānau.



Productivity

Our workforce is motivated and empowered to achieve equitable health outcomes, in an environment of continuous improvement.



Quality

Our workforce delivers safe, effective and efficient care, and are partners with Māori in providing the competencies needed to achieve outcomes.

The Health Workforce

Strategic Overview

Our workforce is a key enabler in achieving health outcomes for all New Zealanders, however:

Workforce challenges are holding our system back

- There are persistent and significant challenges that impact workforce availability, accessibility, responsiveness, productivity and quality. These include:
 - **Shortages** across all health professions
 - **Maldistribution** of and inequitable access to the health workforce
 - Poor workforce **wellbeing**
 - Lack of **representation** of different cultural groups in the workforce, particularly Māori and Pacific
 - Inconsistent **cultural and disability competencies**.

Our approach to addressing challenges must be multi-faceted

- We require coordinated change across a suite of system levers and stakeholders to address challenges over the medium- to longer-term. These include:
 - Education and training systems
 - Employment settings
 - Commissioning of health services
 - Investment (in people and enablers, inc. IT systems)
 - Legislation (e.g. the Health Practitioners Competence Assurance (HPCA) Act).

The Health Workforce

Strategic Direction

To tackle these challenges a long term systemic response is needed which recognises the interconnected drivers and issues that cause them. Suggested focus areas include:

- I. Improving how we recognise and develop skills and capabilities:**
 - a) increasing collaboration between the education and health systems to design and deliver training that meets health needs and is aligned to workforce requirements
 - b) expanding the role of and support for employers in developing the workforce
 - c) realigning roles and ensuring accountability across professional bodies, RA, employers
 - d) establishing a consistent approach to support health students through studies and placements.
- II. Ensuring that we value and incentivise the health workforce:**
 - a) combining and coordinating incentives to ensure workplaces and roles are more attractive and reflect need
 - b) establishing an integrated approach to employment relations
 - c) structuring the commissioning of services to ensure effective models of care are employed and attractive settings for the workforce.
- III. Providing flexibility while ensuring safety:**
 - a) reducing regulatory barriers and exploring opportunities to enable greater efficiency and collaboration between health practitioners
 - b) improved pathways for health practitioners training in comparable overseas jurisdictions to practice in NZ
 - c) enabling appropriately skilled and qualified health professionals, including the unregulated workforce, to take on a wider range of primary care tasks to reduce pressure on other health practitioners.

Discussion points

- We wish to discuss the longer-term programme of work and direction of travel for the workforce system
 - Do these three focus areas sound right?
 - Are there any gaps or areas you would like us to consider more?
 - What issues in these areas are you interested to consider further?

Health workforce and employment relations

Operational Overview

State of play

- Some growing areas of strength for our workforce – particularly nursing, where internationally-qualified nurses (IQNs) have significantly closed the gap for our hospital & specialist services.
- But we face continued shortages across medicine, midwifery, some nursing specialties (mental health & addictions, critical care), and some critical allied professions (e.g. psychologists, sonographers, anaesthetic techs, occupational therapists).

Workforce planning

- Our first national Workforce Plan in 2023 has worked well from our perspective – it has established common ground across the health system on where our gaps are most acute, and facilitated conversations with immigration and the tertiary sector on where we need growth.
- We are keen to build on early movement in areas like nursing in 2024/25 – and to align our workforce planning activities to Coalition commitments and your priority areas.

Discussion points

- We are keen to understand what worked – and didn't – for you out of our 2023/24 Workforce Planning, and what you'd expect to see for the coming year. Opportunities:
- Adopting a formal prioritisation framework so we can target investment and growth at workforces with the most acute pressures – with a common qualitative and quantitative approach across all professions.

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Government Priorities and Commitments

You have signalled your immediate priorities and commitments to develop skills and capabilities in the health system, focused on:

Training more doctors

- We understand your objective is to train 220 more doctors by 2030, which includes the recent increase of 50 places implemented this year and the anticipated 170 new places to be made available through:
 - **Establishing a third medical school with Waikato University** (120 new placements) to increase supply of primary and community care doctors serving provincial, rural and high-needs communities.
 - **Increasing the funding cap for the Medicine programme** by 50 new places, distributed across the Universities of Auckland and Otago.

Increasing the number of nurses and midwives

- Your manifesto commitments included delivering more nurses and midwives through:
 - **a new financial incentive and bonding scheme**, provided they remain working in New Zealand in the same profession over 5 years.

Training more doctors

Establishing a third Medical School

Memorandum of Understanding (MoU) with Waikato University

- The MoU between the Ministry and University of Waikato which sets expectations for developing the programme of work to establish a third medical school is scheduled to be signed on 16 February.

Developing the case for change

- The Ministry is developing the case for change, which **will explore**
 - **Education and training capacity** - increasing domestic supply and ensuring we have sufficient availability to meet our population needs
 - **New training pathways** – reduce barriers for training in rural and primary and community and improve accessibility and responsiveness of our workforce
 - **Health system capability** – develop health system capability to enable productivity and quality of our workforce e.g. through access to inter-professional learning

Discussion points

- We wish to understand and confirm your vision and objectives for establishing a third medical school and how we can build a robust case for change.

Training more doctors

Establishing a third Medical School

Next steps

- Work with the University of Waikato to develop the work programme, including which parties will need to be involved, resourcing requirements and governance, programme milestones, key dependencies and approach for the cost benefit analysis.

- s 9(2)(f)(iv)

Timeline and milestones

- The draft programme milestones and indicative timeframes are provided below. The final programme timeline and milestones will be confirmed as part of Cabinet's decision at the end of Q1.
- The proposed phased approach will allow us to build to a complete case for change over the course of the programme and further identify and consider the cost-benefits.

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Training more doctors

Adjusting the funding cap for the Medicine programme

Funding cap for Medicine

- Government funding of medical school enrolments for domestic students is limited by a cap.
- This is because of the high costs associated with training medical students including postgraduate years 1 and 2 placements and salaries.
- The current cap is set at 589 places annually (This includes the recent uplift of 50 places starting from 2024).

Funding implications & process

- The cost profile of increasing the funding cap for medicine is dependent on the extent and pace at which the funding cap is increased.
- Increasing the funding cap requires additional funding sought as part of the Budget process and appropriated across Votes Tertiary Education (tuition subsidies) and Social Development and Revenue (student loans and allowances).
- The process to secure an increase in the funding cap is usually led by the Minister of Health in consultation with impacted portfolio Ministers, before a final decision by Cabinet.
- The increase of 50 places starting from February 2024 was estimated to cost a total of \$235m over 10 years across all affected portfolios.

Discussion points

- We wish to discuss your preference on the extent and pace at which you would like to increase the funding cap for medicine.
- There are different options to increase the cap:
 - you could choose to increase the cap to your desired amount from 2025 or
 - phase the increase over time to get to your desired number of additional places.

Training more doctors

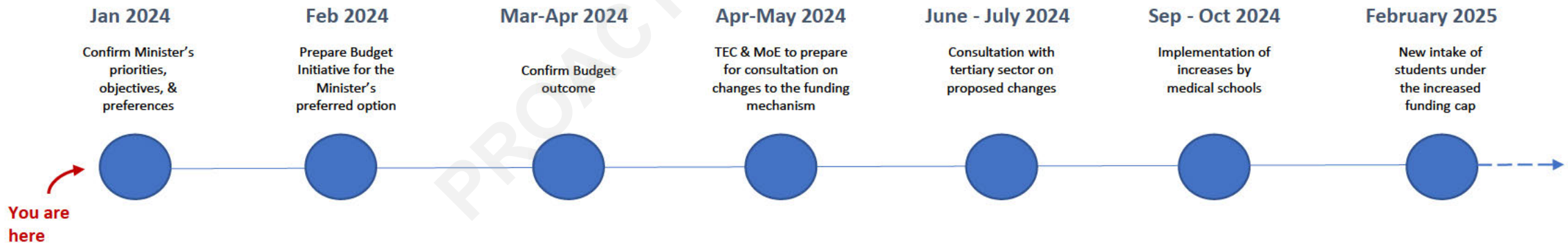
Adjusting the funding cap for the Medicine programme

Next steps

- Depending on your preference, we can progress with developing the Budget 2024 initiative to increase the funding cap for Medicine by 50 additional places, starting from 2025.
- The Budget initiative could also include a scaled option that proposes a reduced number of additional places i.e. 30 additional places, starting from 2025.

Timeline and milestones

- An indicative timeline and milestones for increasing the funding cap for the Medicine programme is provided below. The exact timeframes will be dependent on the preferred approach to implementing the increase, e.g. if phased or not.



Increasing the number of nurses and midwives

New Incentive and Bonding Scheme

Context

- Opportunity to improve representativeness of our workforce and increase the number of practising domestically-trained nurses and midwives.
- You have indicated you would like further advice on the options for a bonding scheme.
- The bonding scheme can be varied according to its simplicity to implement, scope, and when to implement.

Key points

- The bonding scheme as proposed would require legislative and administrative change to cover a person's student loan repayments and add any Government paid repayments back to their student loan if they leave early.
- A broader range of nurses and midwives could be reached if the scheme is wider than student loan holders.
- There are other opportunities to improve completion rates for nursing and midwifery students, but further work would be needed.
- A simple to implement scheme could be implemented by the end of 2024.

Next steps

- We will provide you with further advice on incentives and further opportunities to improve recruitment and retention
- Your preferences will be reflected in draft Budget 2024 initiative. This will consider how to phase funding required for the scheme.

Discussion points

- We wish to confirm your objectives and priority for establishing a new bonding scheme.
- We want to understand your appetite for:
 - a scheme that is simple to implement
 - reaching the broadest range of nurses and midwives possible
 - approaches that could seek to address educational attrition

Review of Review of Regulatory Settings

Review of the HPCA Act

The review of the Health Practitioners Competency Assurance Act (HPCA Act) has been initiated to address issues preventing the health workforce from being sufficiently agile to meet New Zealand's growing health needs e.g. professional siloing and rigid operational systems and structures.

The focus of the new review will be on:

Increasing patient safety

- Current interpretation of safety is narrow and places burden on individual practitioners.
- Future Act must treat patient safety as a responsibility of the whole system and consider the safety risk of service supply shortages.

Ensuring 'right-touch' regulation

- Current approach to regulation creates gaps in some areas and unnecessary burdens in others.
- Right-touch regulation can increase flexibility in delivering low-risk services, and more training pathways.

Creating a sustainable, 'people-centred' regulatory model

- Current perverse incentives for RAs to have limited regard to wider health system needs.
- Current unsustainable funding model for smaller RAs, inhibiting innovation and improvement.
- Future regulatory model should include: regulators considering the **system-wide implications** of their role; greater integration between **regulated and unregulated** workers; and a **sustainable funding model** for regulation.

Supporting Government priorities

- Creating more efficient pathways for overseas-trained practitioners to practice in New Zealand.
- Enabling appropriately-skilled and qualified professionals to take on primary care tasks.

Discussion points

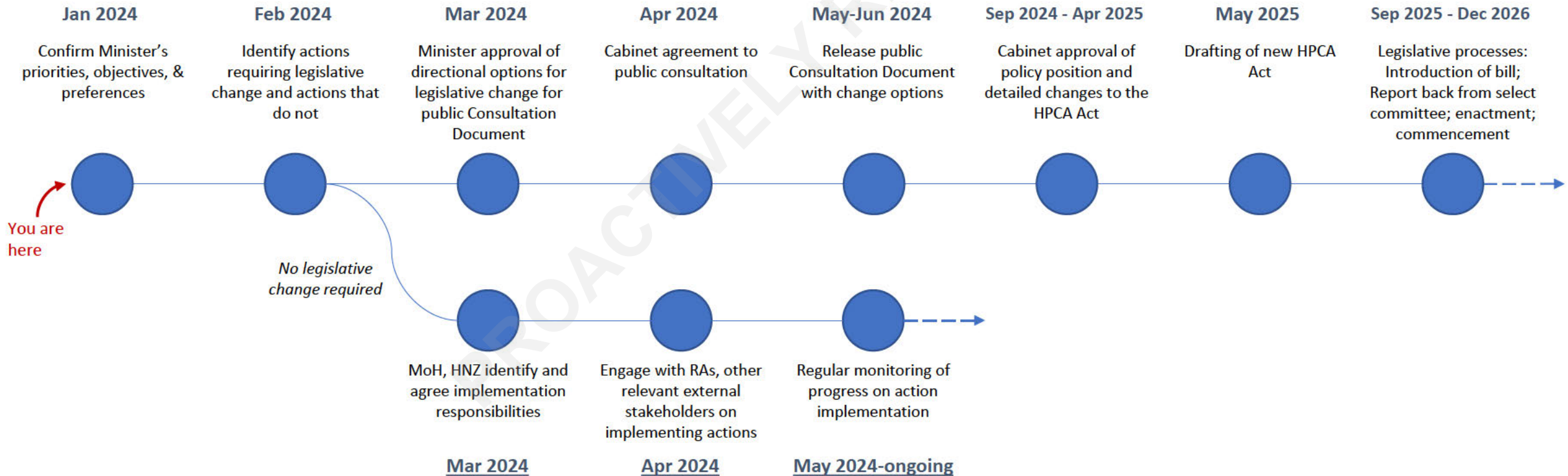
- Current settings embed professional silos and rigid structures prevent the health workforce from being sufficiently agile to meet growing health needs.
- We can start to make smaller, short-term improvements to regulatory settings under the current HPCA Act while progressing the review, including considering options to:
 - Improve regulatory governance and cultural capability of board members and candidates
 - Improve effectiveness of RA performance reviews
 - Expedite appointment and disciplinary processes.

Review of Regulatory Settings

Review of the HPCA Act

Timeline and milestones

- An indicative timeline and milestones for making significant improvements to the health workforce regulatory framework is provided below. The exact timeframes to establish and implement a new Act will depend on the complexity of the required changes and the prioritisation of this work.



Health Workforce Systems Efficiencies Committee

Context

- The Health Workforce and System Efficiencies Committee (the Committee), will be established with an updated Terms of Reference and appointment of new members.
- You have agreed the Committee will drive broader system-level priorities across the workforce agenda with an overarching view of the health system.

Next steps

- Ministry officials will provide you with further advice on timeframes for the recruitment and appointment process, and the progress of this work in late January 2024. This will include:
 - seeking your agreement to the updated draft Terms of Reference
 - the proposed advertisement for recruitment
 - thank you letters to previous members
 - letters for you to seek candidate nominations from your caucus colleagues and the leaders of the Coalition parties.