

# 2 The organisation of medical services in New Zealand

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New Zealand has a public health system which funds about 75 percent of the country's health service costs. The remaining costs are privately funded, largely by fees for general practice and private specialist consultations and part charges on drugs and other services. Most of public health funding, around 70 percent, goes towards personal health costs, 25 percent towards disability support services and a small proportion, less than 2 percent, to public health costs.

The public funding, raised by taxation, pays for a proportion of the cost of consulting a general practitioner, meets most community service and laboratory costs, provides a subsidy for prescribed drugs, provides a means tested subsidy for continuing care for elderly people and meets all public hospital costs.

Compared with Britain, for example, a relatively low proportion of primary health care costs (40 percent) is met through public funding. This has an adverse effect on access to primary health care. The copayment prevents some patients, especially those with financial difficulties, seeking medical help when it is needed. This may affect patients with acute illness, those who need follow up after hospital discharge or those who need treatment for a chronic condition.

## Health service structure

The **Ministry of Health** is central to the organisation of health services in New Zealand. The Ministry provides advice to the Minister of Health, acts on behalf of the Minister, plans and funds public health services and is responsible for funding and monitoring the 21 District Health Boards.

The **District Health Boards** (DHBs) are funders and providers of publicly funded services for the population of a geographical region. Each DHB has one or more hospitals and has responsibility for community services in the region. The DHB has a board of elected members and members appointed by the Minister of

Health. Each board has a chief executive officer who is responsible for the employment of all staff in the organisation.

The New Zealand health system, as in any country, is complex with a number of different committees and government agencies. Some organisations and activities which may have a direct bearing on the new registrant's practice are described further.

### The Medical Council of New Zealand

The Medical Council of New Zealand (the Council) is the statutory body responsible for ensuring public health and safety through ensuring competence, including the registration of suitably trained medical practitioners. The Council does not have a disciplinary role but does have an essential role in ensuring practitioners are competent to practise medicine in New Zealand. This is achieved by a number of processes including accreditation of NZ and Australian medical schools, ensuring adequate supervision and training of new graduates, requiring supervision of those on provisional registration and ensuring continuing professional development of those doctors who have general, but not vocational, registration. The Council also has a responsibility to ensure that a doctor's practice is not impaired by ill health.

### Education and vocational training

Formal postgraduate qualifications are generally obtained through the **colleges** or the **universities**, or through the advisory body for that branch of medicine. Postgraduate specialist training leading to vocational registration in medicine, surgery, general practice, psychiatry and other clinical disciplines is organised through the colleges. The colleges are comprised of specialists in the discipline and the medical councils of NZ and Australia accredit the vocational training and continuing professional development programmes (CPD). All colleges run CPD programmes and all doctors must participate in a programme to maintain professional standards and to recertify with the Council. The Council recognises a Branch Advisory Body in each vocational branch of medicine – for the traditional specialties these are the colleges, but new branches of medicine may not be associated with a formal college. Public hospitals have responsibilities for the continuing professional training of all staff and particularly new registrants. Funding for first year graduates and those in training is provided to the hospital through the **Clinical Training Agency** (CTA). The CTA and universities only fund education for New Zealand residents and citizens.

### The office of the Health and Disability Commissioner

The office of the Health and Disability Commissioner (see chapter 23) is responsible for promoting and protecting the rights of consumers of health and disability services. Any person may make a complaint directly to the Commissioner. The Commissioner resolves complaints at the lowest appropriate level through advocacy, mediation or investigation. In cases involving a serious breach of a patient's rights the doctor may face charges before the Health

Practitioners Disciplinary Tribunal (HPDT). The HPDT is partly funded by doctors, through the Medical Council of New Zealand, but is independent of the Council.

### **Medical liability**

All doctors require medical practice indemnity which can be obtained through the Medical Protection Society, the New Zealand Medical Professionals' Medical Indemnity Insurance, or the New Zealand Resident Doctors' Association's professional liability insurance programme. The costs of practice indemnity for hospital doctors will be met by the employing DHB.

### **Accidents**

New Zealand has a no fault, publicly funded accident insurance system (see chapter 5). A patient whose health is adversely affected by an accident or by a complication of treatment may be entitled to accident compensation and should be advised accordingly.

### **Drug purchase and prescribing**

Pharmac is a crown entity which manages the purchasing of pharmaceuticals in New Zealand and manages the pharmaceutical schedule. The schedule details the subsidy available on prescribed medicines and the additional costs the patient must meet for the drug. New registrants should be aware of these patient costs when prescribing.

### **Medical research**

The Health Research Council coordinates and funds publicly funded health research in New Zealand through the Ministry of Research, Science and Technology. Information about other sources of medical research funding is best obtained from university research offices or research deans.

### **Doctors' associations**

The New Zealand Medical Association is the doctors' group which represents the interests of the medical profession in NZ. Membership is voluntary but does carry a number of advantages including the opportunity for new registrants to meet with colleagues in many different areas of practice. There are other medical professional groups including special clinical interest groups, Te ORA (the Māori Doctors' Association) and the Medical Women's Association.

### **Organisation of services for the new registrant in hospital practice**

Hospital medical services are organised in teams. The acute medical and surgical services, for example, will have a number of teams sharing new patient intake and on call duties. Each team will have one or two consultants, a registrar, a house physician, and students in the teaching hospitals. In smaller hospitals there may not be a registrar and the house physician will be responsible directly to the

consultant. New registrants will have a job description which details responsibilities, learning objectives, support available and the on call reporting lines. The medical team is just one component of the larger multidisciplinary team responsible for patient care. The new registrant, as a resident medical officer, usually has a key role in ensuring effective communication among the various health professionals involved in the care of the team's patients.

Resident doctors do have union support available through the **Resident Doctors' Association**. The **Association of Salaried Medical Specialists** provides a similar function for senior salaried doctors.

### The new registrant in general practice

The majority of general practitioners in New Zealand work in group practices. After hours cover is provided by the group practice or through an after hours service organised for an area by the doctors.

**Primary Health Organisations** (PHOs) are funded by DHBs to provide primary care for an enrolled population under a capitation formula which may vary according to the socioeconomic mix of the population served. PHOs have wide health professional and community representation on their boards.

Many general practices are also associated with larger organisations called **Independent Practice Associations** (IPAs). Most IPAs are not for profit companies which have an important role in quality assurance and general practitioner continuing education.

### Final comment

The New Zealand health system is secular, predominantly publicly funded and has well defined and protected patient rights. This means that all patients, irrespective of socioeconomic status, sex, race, religion or age, are entitled to the best affordable professional service available, from their doctor, from their hospital and from their community services.

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