

Policy | 2014

Primary Health Boost

HIGHLIGHTS

Labour will:

- Increase primary health funding by \$60 million a year, directed at Very Low Cost Access general practices, maternity services, and health NGOs.
- Increase the number of New Zealanders having access to affordable GP visits through the Very Low Cost Access scheme by 50% to two million.
- Set aside a billion dollars every year to invest in vital public services, particularly health and education, to ensure service levels are insulated against demographic and cost pressures

The Issue

Labour is committed to affordable, accessible primary and public healthcare. Investing in these services improves the lives of our people and saves money by addressing health needs earlier before they require hospital treatment.

Labour has always believed that ability to pay should be no barrier to people getting the healthcare they need. Under the current government, an increasing number of people can't afford to go to the doctor.

According to the Ministry of Health's annual survey, over half a million adults didn't visit the GP when they needed to because of cost in 2013, a 5% increase compared to 2012. Nearly 60,000 children didn't go to the doctor because of cost last year, a 30% increase over the previous year.

Primary health providers report that they are under increasing financial pressure and are being forced to increase charges because the current government has failed to provide enough funding.

In four of the current government's six budgets, spending on health has fallen in real terms, according to Treasury.

A step change is needed in funding levels.

Labour's plan

Expanding and improving the Very Low Cost Access programme

The Very Low Cost Access programme was introduced by the previous Labour Government to offer extra subsidies to general practices in high needs areas that agree to keep their fees under set limits.

VLCA practices' fees may not be higher than: \$0 for children 0 to 5 years old; \$11.50 for children 6 to 17; and \$17.50 for adults aged 18 and over.

In practice, many charge less than the allowed maxima.

1.3 million New Zealanders - 30% of the population - were enrolled at VLCA practices, which made up 30% of the total number of practices. Currently, government funding for the VLCA programme is \$50 million a year.

Labour has a target of 2 million people benefiting from affordable medical care through the Very Low Cost Access programme, a 50% increase on current enrolments.

To achieve this, \$40 million per year of the primary health boost will go to the VLCA scheme. Labour will boost the VLCA subsidy by 20% and relax the funding formula so that it is easier for practices to access it.

This will mean existing practices will be able to cut fees further or enhance services and will result in more practices joining the VLCA programme.

Non-VLCA practices charge an average of \$39 for a GP visit by an adult and \$23 for children aged 6+, while VLCA practices charge \$15 for adults and \$8 for children on average. So, extending the VLCA programme to 700,000 more people represents an average saving of \$24 per visit for adults and \$15 for children.

People will not have to change doctors. This policy is about extending the reach of the VLCA programme to more people.

Labour will:

Revamp the VLCA programme, making it more flexible and easier to access.

Increase funding for the Very Low Cost Access scheme by \$40 million per year so that two million New Zealanders can get free or heavily discounted GP visits.

Boost for other primary health services

Labour will invest \$20 million a year in other primary health services, which have been starved of funding under the current government. This funding will be split among maternity services and health NGOs.

Labour will increase funding for maternity services and health NGOs by \$20 million per year.

Maintaining and improving health services

The current government has failed to invest enough in health to keep up with cost increases resulting from the growing and aging population plus inflation. In four of the current government's six budgets, spending on health has fallen in real terms, according to Treasury.

In addition to the \$60 million primary health boost, Labour will invest a billion dollars each year into maintaining and improving vital public services, particularly health and education.

Over half a billion dollars a year of this funding will go to health. This will insulate health services against cost pressures from the growing and aging in population, as well as inflation. It will also allow Labour to provide real increases in a number of smaller health areas such as public health and aged care. Further details of these policies will be announced soon.

Further initiatives to make primary healthcare more affordable

Labour will be announcing further measures to make primary healthcare more affordable at our campaign launch.