

ASMS ISSUES PAPER

HWNZ proposes competition for vocational training funds

Health Workforce New Zealand (HWNZ) has proposed a major shake-up of post-graduate vocational training that could have a profound effect on the provision of district health board (DHB) services. HWNZ is part of the Ministry of Health and is the Government's main adviser on health workforce issues. This proposal is vigorously promoted by HWNZ Chair Des Gorman. The purpose of this publication is to ring an alarm bell over the seriousness of the threat of this proposal to vocational medical and dental training.

The proposal has major risks for the medical and dental professions. Unfortunately, HWNZ has opted to marginalise both professions in the development of its controversial proposal and cast them in reactive roles. Further, it lacks a thought-out problem definition; instead it resembles a solution that has lost its way in its search for a problem. At the very least the outcome would be very bureaucratic, high transaction cost, destabilising and with a high risk of poor decision-making.

HWNZ claims its proposal has been co-designed with the DHBs. However, while some DHB representatives may have gone beyond their mandate, this is untrue. There is considerable trepidation over the proposal among DHBs.

HWNZ's case

HWNZ says the current way training is funded subsidises employers (usually DHBs) for a portion of the training costs "based largely on historic and current hospital-based service needs" rather than areas where there is a need to "strategically invest in training to meet future needs." To address this, HWNZ wants to introduce a process of competitive tendering, with a 'rolling proportion' of HWNZ training funding each year being open to bidders from both public and private sectors.

Further, current funding, which is described as biased towards postgraduate medical training, would shift towards more postgraduate education for nurses, midwives and allied health professionals and unregulated health workforces. Since the proposal is based on a fixed budget, areas for 'disinvestment' would need to be identified by HWNZ to enable 'investment' in areas deemed to have higher priority.

Priority areas for post-entry workforce training would be identified in what HWNZ calls a 'PHARMAC-like' process model where training investment decisions are based on a range of factors including government health priorities, workforce trends and measures of unmet need.

ASMS' assessment

From the Association of Salaried Medical Specialists' assessment, HWNZ fails to recognise that the tendency for DHBs to focus their training around immediate service needs is a downstream effect of a range of factors, a key one being across-the-board, long-term specialist shortages. There is no room for 'disinvestment' without having a negative impact on services, especially when health needs are increasing. Staff shortages, and the consequent stressful working environment impede good quality training. The workplace environment and the quality of training and mentoring are important factors in graduates' choice of career path.



Notwithstanding that the proposed solution does not address these issues, in our analysis the proposal is unworkable and potentially damaging because:

- The competitive 'return on investment' model being proposed, requires much more data and information than HWNZ possesses, or indeed any bidder for the contracts would possess. The administration cost of this proposal is not considered. The winner in this is the increased size of HWNZ bureaucracy.
- HWNZ's idea of a PHARMAC-like agency, which under its proposal HWNZ would become, to determine where workforce investment is to be made does not bear scrutiny. Making decisions based on the known costs and efficacy of medicine is vastly different to making decisions on the range of factors discussed here.
- The 'disinvestment' process would be undertaken by HWNZ, which the document says 'needs to be' transparent but makes no attempt as to how that might happen. Again, all this would require a level of sector intelligence and money which HWNZ does not have.
- The unavailability of disinvested specialties as a career choice for medical and dental graduates would likely result in an increase of graduates leaving New Zealand.
- The proposal to extend current funding for post-entry medical training to a range of other disciplines will logically see more disinvestment than investment in medical training.
- In the event of a specialty becoming more vulnerable and under increased stress due to disinvestment, remedial measures are likely to require recruitment of international medical graduates (IMGs) from overseas, contrary to HWNZ's aims to reduce dependency on IMGs.
- The proposal to introduce competitive tendering for contracts will create fragmentation in the system and is contrary to the aims of the New Zealand Health Strategy. The likely high administration costs of assessing and monitoring contracts is not considered.
- The effect of making part of the training funding contestable each year would introduce a great deal of uncertainty into service planning and would require increased demands on senior doctors in continually having to justify training positions.
- The proposal has an ideologically based belief in the use of a form of market forces to shape vocational training and a misplaced belief in how much HWNZ funding is an effective lever for positive change (much of vocational training is funded directly by DHBs).

The way forward

ASMS does support the proposal to develop a national health workforce strategy, however. It is well overdue. And we make a number of recommendations about its content, including that:

- it takes into account the underlying workforce issues outlined in our submission
- it is used to make a 'business case' for better investment in the health workforce overall
- it recognises the considerable benefits of the current apprenticeship model where training is highly integrated with service provision
- it recognises this model needs to be supported, with refinement to address particular needs (eg, smaller specialties such as dermatology and palliative care where the service orientation of the model is too blunt an instrument to address training needs), rebalancing between generalism and sub-specialism, and with engagement to be led by those who do the training. The current system needs to become more directional in respect of training but not overhauled in the way this proposal would).



We note that many of the concerns we raise about HWNZ's proposal are shared by other submitters such as the Medical Council, the Council of Medical Colleges, the New Zealand Medical Association and the Resident Doctors Association.

Our full submission is available on the ASMS website:

<https://www.asms.org.nz/publications/surveys-and-submissions/submissions/>

