ASMS

ASSOCIATION OF SALARIED MEDICAL SPECIALISTS

TOI MATA HAUORA

ASMS submission to Te Kōmihana Whai Hua o Aotearoa Productivity Commission on Improving Economic Resilience

17 April 2023

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Introduction

Toi Mata Hauora Association of Salaried Medical Specialists (ASMS) welcomes the opportunity to provide a submission to the Productivity Commission's on its Issues Paper, *Improving Economic Resilience Enhancing* focusing on the economic resilience of industries and communities to persistent supply chain disruptions.

ASMS is the union and professional association of salaried senior doctors and dentists. We were formed in April 1989 to advocate and promote the industrial and professional interests of our members, most of whom are employed by Te Whatu Ora Health New Zealand as medical and dental specialists, including physicians, surgeons, anaesthetists, psychiatrists, oncologists, radiologists, pathologists and paediatricians. We have over 5,600 members.

ASMS is working for an equitable, accessible public health care system that meets the needs of all New Zealanders.

Our submission considers the Commission's four question on supply chain issues relating to senior doctors and dentists employed by Te Whatu Ora Health New Zealand (medical specialists) but acknowledging that many the issues identified here also apply to other sections of the health workforce:

- What supply chain disruptions and trends are you worried about?
- What is your industry/community currently doing or planning to do to address supply chain concerns?
- How can the government help to enhance the resilience of your industry/community to supply chain disruptions?
- What should the Commission study to learn more about the economic resilience to industries and communities?

What supply chain disruptions and trends are you worried about?

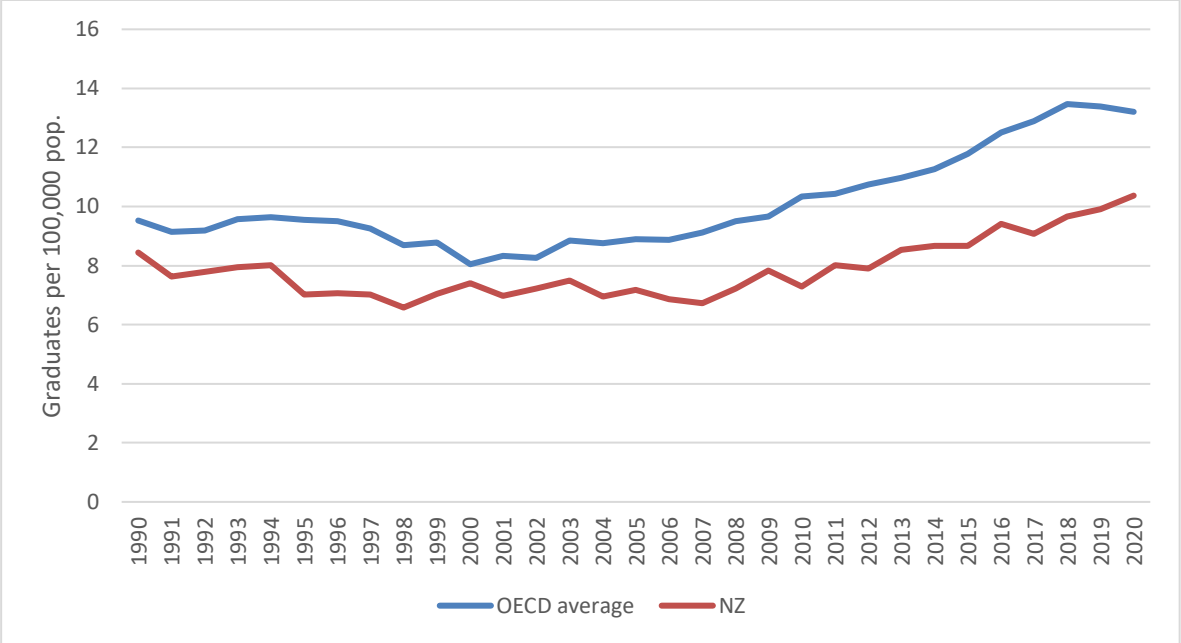
The supply of medical specialists has three elements:

- Aotearoa New Zealand medical graduates becoming vocationally registered via the 'medical pipeline – from house officers to registrars to hospital specialists or GPs.
- Recruitment from overseas – referred to an International Medical Graduates (IMGs)
- Retention

All three are problematic.

The pipeline

Aotearoa New Zealand has had one of the lowest numbers of medical graduates per head of population in the OECD for many years. Despite an increase in medical school intakes over recent times, the gap between our graduate numbers and the OECD average has also increased (Figure 1). Current Aotearoa New Zealand projections indicate a downward trend after 2020.[1]



Source OECD Health Data 2022

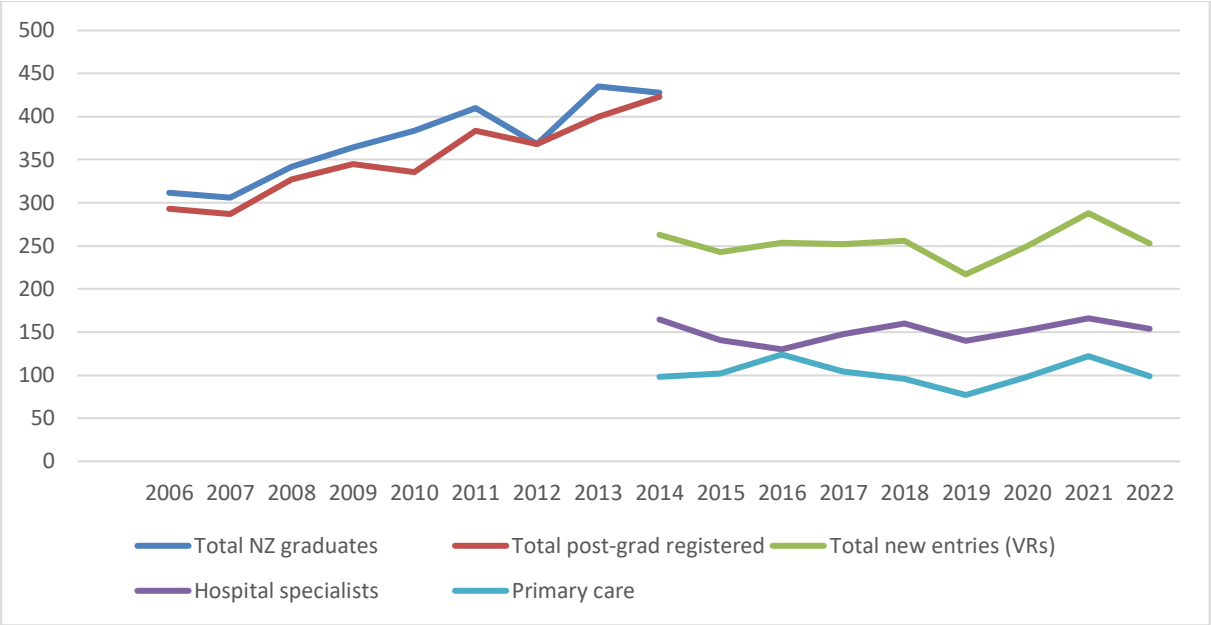
Figure 1: Medical graduates per 100,000 population – NZ and OECD average, 1990-2020

There are losses along the pipeline between graduation and vocational registration. The data is patchy (itself an issue) but from our analysis, assuming an approximate eight-year period from graduation to vocational registration, there was a 16% loss between 2006 and 2014. This grew to a 41% loss between the graduate numbers of 2014 to the new vocational registrations in 2022 (of doctors who initially graduated in Aotearoa New Zealand) (Figure 2).

Possible explanations:

- Workforce losses.
- Some doctors are working as GPs but are not vocationally registered.
- Many 'junior doctors' are not entering specialist training. The latest data we've seen is from 2017 when over 200 training positions were unfilled (11% of the total Establishment FTEs). We've sought updated data but Te Whatu Ora say they don't hold it. We've have not seen an explanation as to why this is happening.

[1] Medical Deans of Australia and New Zealand. *Student Statistics Report 2021, September 2021.*



Sources: Medical Deans of Australia & NZ; HNZ, MCNZ

Figure 2: NZ graduates & new entries with Vocational Registration: Hospital & Primary Care Specialists

To attempt to fill the medical workforce gaps, Aotearoa New Zealand has the second-highest proportion of international medical graduates (IMGs) among OECD countries (behind Israel), including 45.4% of the existing specialist workforce.

While IMGs play a critical role in filling substantial specialist workforce gaps, especially in regional Aotearoa, such a heavy dependency leaves the health system vulnerable to changes in supply, recruitment and retention in other countries. Two key issues have emerged:

- Increasing competition to attract IMGs
- Poor retention rates of IMGs

International competition

International shortages of health workers are well documented. The WHO and the World Bank call it a crisis. It includes medical specialists. In the UK, Aotearoa New Zealand's main source of IMGs, the British Medical Association reports that as of June 2020 there were 8,278 NHS consultant vacancies – an underestimate of actual shortages.[2]

A European Commission report notes the aging health workforce is leading to an "upcoming massive replacement need, even with gradually growing workforce sizes".[3]

[2] BMA. *Consultant workforce shortages and solutions: Now and in the future,* British Medical Association*, 2020.*

[3] European Commission. *Mobility of health professionals: Final Report Summary*, 2016.

In an ASMS survey of clinical heads of department in 15 districts in 2022, 62% of respondents cited difficulties in recruiting senior doctors and dentists.[4]

Poor retention

IMGs

Many IMGs do not come to Aotearoa New Zealand intending to stay indefinitely: many come to fill locum positions as part of a working holiday before travelling on to other countries. For those that stay on to obtain registration in general scope of practice, again many don't intend to live in Aotearoa long-term. An average of just 62% are still working in here one year later.

For IMGs that register in a vocational registration, retention rates fall steadily to 65% after 10 years.

Information is sparse on why specialists leave the country. One 2011 Medica Council survey of doctors who indicated they were leaving found those who were vocationally registered tended to cite increased pay and further training as their main reasons for going, although no figures have been released to show the extent of this.[5]

Specialist workforce in general

Low job satisfaction and poor working conditions, as well as an ageing workforce, are having an impact across the specialist workforce generally. In 2022, a national survey of ASMS members on their career intentions within the next five years found 36% of respondents aged 55 and over were either likely or extremely likely to leave medicine entirely.[6]

In a further survey of members in early 2023, 59% of respondents said they worked part-time outside of the public health system and a further 13.5% said they were thinking about it. Most work in the private health sector.[7]

Remuneration, the ability to manage one's own time and workload, and clinical satisfaction were the most common factors influencing decisions to work outside the public system. Conversely, remuneration, staffing levels and resourcing were the most common factors that would influence a decision to return or stay in the public system.

What is your industry/community currently doing or planning to do to address supply chain concerns?

ASMS, as the union for senior salaried doctors and dentists, we negotiate the best possible salaries, terms and conditions for our members, which can have a significant impact on recruitment and retention, through collective agreements.

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[4] ASMS. Surveys of clinical leaders on Senior Medical Officer (SM0) staffing needs, 2022. https://www.asms.org.nz/publications/researchbrief/

[5] MCNZ. Doctors leaving New Zealand: Analysis of online survey results, 2011.

[6] ASMS. Over the Edge: Findings of the 2022 survey of the future intentions of senior doctors and dentists, 2023. https://asms.org.nz/wp-content/uploads/2023/03/Over-the-Edge-Future-Intentions-of-the-SMO-Workforce-March-2023.pdf

[7] ASMS. Survey finding yet to be published.

We also undertake our own research to advocate for a stronger and more effective public health system focusing especially on workforce recruitment and retention concerns, as well as engage with various government agencies and other health sector organisations to push for improvements.

How can the government help to enhance the resilience of your industry/community to supply chain disruptions?

The following summarises some of ASMS's recommendations relating to workforce supply, included in the report *Workforce: The make or break of the health reform* (see link below).

Understand workforce capacity constraints

a) Undertake a regular Health Workforce Census to support strategic planning in across all health professional groups.

Understand unmet need for hospital and secondary care (in addition to current data on unmet need for primary care)

b) Complete regular population surveys to determine unmet need for hospital and outpatient care including by age, ethnicity, gender, region, deprivation status and disease prevalence.

Develop a comprehensive Health and Disability Workforce Plan and Implementation Road Map

a) Generate a gap analysis from the Workforce Census and unmet need data to form a basis for the plan.
c) That the plan and principles are founded on equity, inclusion, geographic distribution, specialty, and addressing workforce shortages.

Investment decisions are data-driven

a) Use the gap analysis from the Workforce Census and unmet need data to estimate current investment needs.
b) Produce forecasts by speciality and match these to forecast service capacity needs.

Grow capacity at undergraduate level

a) Increase the numbers of doctors graduating from each Aotearoa New Zealand medical school to 300 by 2027.

Strengthen postgraduate pathways

a) Engage with specialist colleges, associations, responsible authorities, and unions to improve coordination, increase flexibility and provide certainty for employment prospects.

Sustain support for SMOs and IMGs

a) Address immediate workforce shortages in the short-to-medium term through an international recruitment strategy.
b) Build a retention strategy for later-career SMOs and IMGs

Make cultural safety a priority for all health sector organisations.

a) Invest in the workforce and resourcing needs to build capacity in cultural safety, so that cultural loading is not an unintended outcome.

b) Develop and implement cultural safety strategies that build on Te Tiriti o Waitangi, Hauora Māori, health equity, and anti-racism.

Approach health service design and delivery collectively, harnessing the clinical experience within the health workforce and engaging with communities

a) That power is shared, recognising the diversity of skills and expertise within the health workforce, and the knowledge and experience of communities.
b) That within health organisations, leadership is provided by workers with intimate knowledge of system operations and in relation to the vision and goals of the Pae Ora Act 2022.

Act to reduce the risk of future health policy failures

a) Establish an independent Policy Costings Unit.
b) Work with opposition parties to develop a cross-party political accord to enable evidence-based policies, including sustainable health and social investment, to be implemented over the longer term.

Invest in health systems for economic gains

All of the above require much greater investment than has been seen to date. For that to happen here requires governments to take a radically different approach to health and social spending. First is the need to shift from a model that frames health system delivery and health employment as a 'cost disease' to one in which the contribution of health to economic and societal wellbeing is more fully recognised. [8] As a WHO report put it: "...there can be no viable national or global economy without effective investment in the health workforce." [9] Not investing adequately in a country's health workforce, on the other hand, leads to cumulative social and economic costs down the line. [10] [11] [12]

Second is the need to address the determinants of ill health through whole-of government Wellbeing Budgets that live up to the name.

Third, in order to do the above, is the need to lift restrictive government investment policies.

As the WHO's High-Level Commission on Health Employment and Economic Growth noted:

"There is now an urgent need to move away from the notion of health and health workers as purely an expenditure to be contained. To the extent that resources are wisely spent, investing in health is a productive investment. In addition to rights-based arguments for health and health equity, we should

[8] HLC. *Working for health and growth: investing in the health workforce.* Report of the High-Level Commission on Health Employment and Economic Growth. Switzerland: World Health Organisation, 2016.

[9] Lauer J, Soucat A, Reinikka R, et al. Pathways: the health system, health employment, and economic growth. In: Buchan J, Dhillon I, Campbell J, editors. *Health employment and economic growth: an evidence base*. Geneva: World Health Organization; 2016.

[10] Holt H. *The Cost of Ill Health*. New Zealand Treasury Working Paper 10/04, Wellington: NZ Treasury, November 2010.

[11] Ministry of Health. *Report on New Zealand Cost-of-Illness Studies on Long-Term Conditions*. Wellington: Ministry of Health, 2009.

[12] Mahase E. Invest in health workforce or risk collapse, WHO warns governments *BMJ* 2023;380:p713

also view the health workforce as an opportunity to create decent jobs and accelerate sustainable social and economic development – critically important returns to society." [13]

What should the Commission study to learn more about the economic resilience to industries and communities?

More detailed information and data on this submission can be found in ASMS reports:

Building the Pipeline, stopping the drain
https://issuu.com/associationofsalariedmedicalspecialists/docs/building_the_workforce_pipeline__stopping_the_drain

Workforce: The make or break of the health reform

https://asms.org.nz/workforce-the-make-or-break-of-the-health-reform/

[13] High-Level Commission on Health Employment and Economic Growth. *Working for health and growth: investing in the health workforce*, WHO 2016.