

## **Frequently Asked Questions**

# **Equity Adjustments to Primary Care Capitation Funding**

### **Where has this additional funding come from?**

Budget 22 allocated \$12.758m in 2022/23 and \$24.414m per annum ongoing from 2023/24 to provide additional funding to more equitably allocate primary care funding to general practices based on their enrolled high needs populations.

The current method of allocation has been set until the end of June 2024. Prior to that time, consideration will be given to the allocation methodology in out-years.

### **Who is receiving the funding?**

- 83 Hauora Māori partner practices
- 17 Pacific partner practices, and
- 73 other practice facilities with more than 50% of their enrolled population being Māori or Pacific

### **How have the practices receiving this funding been selected?**

- Funding has been prioritised to include all Hauora Māori partner practices, all Pacific partner practices, and practice facilities with more than 50% Māori or Pacific peoples.
- This prioritisation method balances the provision of a meaningful uplift, with population reach.

### **How were practices classified as a 'Hauora Māori partner' for equity adjustment funding?**

Te Aka Whai Ora Board signed off the definition of a "Māori provider" or "Kaupapa Māori provider" or "Hauora Māori Partner" which may include Māori health and disability provider, Māori business, Māori NGOs (non-Government Organisations), Māori commissioners and Iwi / Hapū entities.

This includes entities 75% or more owned, and 75% or more governed by Māori. For distributing the equity adjustment, Hauora partners are defined as a practice facility with 75% or more Māori owners AND 75% or more Māori governance.

### **What is the method of allocation?**

- \$80 per Māori or Pacific person enrolled with Māori or Pacific provider practices.

- \$40 per Māori or Pacific person enrolled in non-Māori or non-Pacific practice facilities, who have enrolled populations more than 50% Māori or Pacific peoples.

### **Why is this additional funding important?**

The development comes about following the Waitangi Tribunal WAI2575 report and the subsequent Sapere Capitation Review which criticised the capitation funding system in New Zealand for not considering important factors such as ethnicity, socioeconomic status, and age when distributing funds to primary healthcare providers.

This funding is an important first step towards addressing the shortfall in the current funding formula.