

Aide-Mémoire



Update on RMO Private Sector Training

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To:	Hon Dr Shane Reti, Minister of Health		
From:	Andrew Slater, Chief People Officer		
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Contact for further discussion (if required)			
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equitable accounting for the training that both Health NZ and private providers need to staff services and meet New Zealanders' health needs.

8. There are two areas of opportunity for improvement:
 - a) Expanding on our current orthopaedic surgical training agreement with private hospitals, including through mechanisms to better support long-term training relationships with private hospitals, and ensuring appropriate training experience while our RMOs are working in private settings; and
 - b) Exploring changes to settings which may enable longer-term training in private settings, to grow our aggregate workforce training capacity.

Expansion of existing training agreements with private hospitals

9. The establishment of the orthopaedic private surgical trainee positions within private hospitals has been a welcome development for both trainees and private hospitals, and has been viewed as a success by NZOA and other stakeholders.
10. The first formal training run included three private hospital sites and three trainees in early 2024. This has since been extended to more trainee positions with 12 trainees to complete their training in 2024. Private runs have been formalised in the following centres for 2025: Auckland (5); Waikato (2); Wellington (2); Christchurch (3).
11. Feedback from NZOA details:
 - a) Estimates around 20 hospitals are offering informal private hospital runs and plans to accredit more hospitals over time to continue to expand the training;
 - b) Positive feedback to date on the formal run, as informal runs can be impacted by public hospital demands; and
 - c) The positive impact of expanding training agreements to private providers, especially with the majority of ACC cases being done in private, making this experience essential as we move to competency-based training.
12. Trainees and SMOs in other specialties have highlighted similar opportunities to add private training capacity, including in obstetrics and gynaecology (O&G), ENT, plastic surgery and radiology. In many of these specialties there are already private training opportunities available in some settings and in some districts, but inconsistently.
13. To expand these opportunities and make them more consistent, over the next six months Health NZ intends to:
 - a) Adopt an agreed policy and framework for how RMOs undertake work in private settings, including appropriate clinical protections to ensure trainees are safe in private settings and are not impacting the provision of private services;
 - b) Discuss with providers of private services, including in the specialties highlighted above, about reaching memoranda of understanding similar to that reached for orthopaedics; and
 - c) Move towards a more consistent approach with common expectations around training obligations with private providers when requested by Health NZ through the renegotiation of outsourced services.

14. O&G is likely to be our next specialty of focus, given the current challenges for RMOs to gain sufficient exposure to gynaecological procedures in some Health NZ settings. The Royal Australasian College of Obstetrics and Gynaecology (RANZCOG) has developed a working group, including STONZ membership, which has started work on potential approaches.
15. These approaches will largely focus on short-term training exposure to private settings, for example, taking trainees for one day per week, or for specific surgical sessions.

Longer-term growth to private capacity

16. The Health Workforce Plan 2024-2027 articulates a commitment to enduring relationships with the private sector to allow for training. While the above approaches will enable short-term exposure to necessary procedures, they are unlikely to achieve a greater contribution from private providers to training pipelines.
17. At present, Health NZ is largely responsible for training most domestic medical specialists for both the public and private systems, with very little full-time medical training occurring in private settings – pathology being the only specialty with significant private training volumes. This does not maximise the impact of public funding on our health workforce:
 - a) This amounts in some regards to a cross-subsidy of the private healthcare system by Health NZ which bears the full costs of training, but then loses capacity to the private system; and
 - b) This also limits our overall capacity to train, which manifests in a lack of capacity to expand training in some specialties where growth is needed.
18. Addressing this problem will require longer-term training arrangements with private providers, particularly while outsourcing public services.
19. Health NZ is currently undertaking multi-region open market RFP processes to develop and implement smart procurement for private radiology, surgery, endoscopy and ophthalmology services. This process will shift Health NZ from having inconsistent and reactive short-term local contracts to consistent and proactive longer-term regional panel agreements. The new agreements will provide more certainty to providers and better value for money to Health NZ
20. We have identified two opportunities to address these training challenges:
 - a) Building on 'light-touch' contractual requirements to support private training opportunities, we expect to work with private providers to agree more enduring training arrangements through outsourcing contracts. This has significant technical and administrative complexity, including working with colleges to appropriately accredit training sites, supporting changes to care delivery models to make better use of RMOs, and agreeing commercially reasonable cost-sharing models to ensure these approaches deliver value for the public health system; and
 - b) 9(2)(f)(iv)

would significantly enable more training in private settings funded by the private sector.

21. Unlocking these opportunities will enable us to better grow the medical workforce for the future, and better share the costs of workforce development between the public and private systems.
22. We expect these initiatives to move more slowly over the next 18 months, but we will update you on progress as part of Health Workforce Plan reporting.

Next steps

23. Health NZ will update you as these initiatives progress and will engage with STONZ and other unions on our proposed approach following the launch of the Health Workforce Plan 2024 (and on specific initiatives more immediately, including O&G opportunities).
24. 9(2)(g)(i)