

OPEN LETTER TO MINISTER OF HEALTH: July 2007

Hon Pete Hodgson
Minister of Health
Parliament House
WELLINGTON

Dear Minister,

I am writing to express grave concern at the ongoing detrimental impact on New Zealand's health services of the pathology services tendering processes undertaken by the District Health Boards over the past two years, and to offer input into improving the situation.

In the opinion of the Royal College of Pathologists of Australasia (RCPA) and its New Zealand Fellows, this process was ill-advised and lacked appropriate consultation with key stakeholders including pathologists, medical scientists, clinicians and the public. The process has been driven by a desire for short-term financial gain – at a cost of a worsening workforce crisis in Pathology. It appears to those of us involved in the profession, that the result has been a reduction in the quality of pathology services.

No medical profession can sustain having such significant funds taken from the sector and such significant upheaval without impacting the quality and accessibility of the service provided.

Pathology is an integral part of healthcare. Seventy percent of diagnoses made require input from pathology. All cancer diagnoses are made by pathologists. Any significant change in the funding structure, as was implemented under the short-sighted tendering process, will have long term consequences on pathology services, and hence the general health of the New Zealand population.

The tendering process itself has been very destructive to Pathology. The ramifications of the lack of forethought for the tendering process have been serious and numerous:

- 1) The tendering process has had an extremely negative impact on the morale of our workforce;
- 2) It has resulted in the loss of a highly skilled workforce – through the movement of a significant number of knowledgeable and skilled senior medical laboratory scientists whose years of training and experience have now been lost to the Pathology sector. It continues to severely hamper recruitment of suitably qualified Pathologists to a number of laboratories in New Zealand. While there remain many positions in Australia unfilled with more stable working conditions, better remuneration and a better working environment, many Pathologists either from New Zealand or overseas will be drawn to this option. Laboratories, at best, cannot offer more than a 5-8 year contract to prospective applicants and in some cases no more than 18 months.
- 3) The uncertainty surrounding the process has resulted in a lack of job stability, and an inability for labs to plan for present and future needs, under the system of cyclical tendering. This is impacting capital investment and all but halting innovation in technology and the advancement of our understanding and management of disease;

- 4) International Accreditation New Zealand, the body responsible for maintaining quality, has responded by targeting all laboratories subjected to significant change, requiring more extensive assessment and surveillance. This has shifted the focus from diagnostic pathology to administrative requirements.
- 5) The process has severely impacted training and teaching. There is less time to devote to setting up and attracting funding for desperately needed training positions. Even when training positions are available, the pathologist workforce needed to carry out this training may not be available (we are experiencing this strain now). We are also aware that there is a grim acceptance of what has happened and we are hearing anecdotal evidence that younger New Zealanders are gaining the impression that laboratory medicine is not a career they should consider. To our knowledge, none of the RFPs took into account the important role that Pathologists play as teachers and supervisors of trainees.

The tendering process has resulted in unexpected financial implications and impacting the provision of quality service:

- The projected budgetary savings did not take into account the cost of the process itself. Legal fees, legal challenges, compliance costs, Commerce Commission involvement and the amount of time and salaries consumed by the tendering.
- Ongoing industrial action being undertaken by medical laboratory scientists;
- The pathology workplace continues to be a place of uncertainty where managers are compelled by DHBs to provide pathology based on price rather than on maintaining and improving the quality of these services to the public;
- Consistency of public access to pathology services is of great concern. Where there are 21 DHBs with different agendas providing services in a different manner there are significant differences in the range of testing offered and in the public's access to this testing;
- In the Wellington and Hutt Valley region, this has occurred by proclaiming that all patients seeing private specialists will pay for their own testing. The impact of this has included the channelling of patients who now cannot afford private care into the public sector, which is putting further pressure on the already stretched public waiting lists. This has been raised by many different specialties within the region including Rheumatology, Dermatology and Gastroenterology. There is also pressure on individual clinicians providing healthcare to minimise the cost to patients either through not ordering tests that they normally would consider appropriate or by asking general practitioners to order tests on their behalf. The latter practice is obviously being discouraged by the DHBs involved. This is an extra pressure that has been applied to private clinicians taking them away from their primary role of assessing, diagnosing and managing illness in the community.

Over the past two years, key staff members within affected laboratories have spent too much of their time fighting for their survival rather than focussing on their main task, providing appropriate, effective and efficient laboratory services to clinicians and the public. For those overseeing this process such a process was not only wasteful and destructive, but also contrary to the achievement of the Government's Health outcomes.

There has been no assurance from DHBs that they will not go through the same process again when, as in most cases, the five year contracts are up for negotiation. This will lead to another two years of uncertainty, stagnation and loss of significant opportunity to provide better services to the public. I despair that the Pathology service will haemorrhage badly should this be allowed to happen.

Change should occur with thoughtful evolution rather than intermittent disruptions, often politically driven.

There has been a loss of faith in the Government and DHBs that they have any commitment to those working in the sector and, by inescapable implication, to the public they serve.

As key stakeholders, Pathologists in New Zealand have not been adequately consulted about the process and the future of the profession. We remain highly disappointed by the lack of concern shown by both the Government and District Health Boards over the impact that the recent changes have had for Pathology in New Zealand.

The Royal College of Pathologists of Australasia, through the New Zealand Committee, is committed to achieving and maintaining the highest standards for pathology services in New Zealand.

We are compelled to voice our concerns through meetings, letters and the media – something we are about to accelerate. We hold within our Fellowship a vast and diverse range of skills, experience and expertise. At this stage both the DHBs and the Government have not shown that they have taken our concerns seriously and current policies do not enable full utilisation of the skills we possess.

As such, we call for the Government to take our concerns more seriously and to explore with us and other stakeholders better ways in which Pathology services can be delivered to the New Zealand public.

We recommend that a high level committee be established with the appropriate stakeholders in order to go forward with a more collaborative approach for the health of our nation.

Minister, we ask for your assurance that this request has not fallen on deaf ears.

We would welcome the opportunity to meet with you to further explore how the College can assist in addressing these concerns.

Richard Steele
RCPA Vice-President for New Zealand
Chairman, New Zealand Committee of Pathologists