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Have you heard of capitation? This one weird word is why you can't get a GP appointment

Well, it's one of the main reasons.

On Friday, NBR's Tim Hunter wrote an article, [*A window on the world of general practice*](#) (paywalled), outlining some realities of the GP industry.

And it is an industry – almost all family health clinics in Aotearoa New Zealand are not part of the public healthcare system. They are privately owned, or run by a corporate group.

“Anecdotally, GPs are underpaid, overworked, stressed out and thinking of moving to Australia,” Hunter writes.

He also quotes the Government's 2022 Sapere report saying practices probably earn less than the cost of delivering care.

“We know this is true,” says General Practitioners Aotearoa (GPA) chair Dr Buzz Burrell. “Clinics struggle to recruit GPs, or pay them well enough to keep them.”

Many GPA members who work at corporate-owned practices (and even some privately-owned practices) report they are working in awful conditions, and forced to deliver substandard healthcare so the practice can break even.

“If you feel like you are cut short, or your GP doesn't follow up appropriately, it's because of the funding model,” Burrell says.

The fee you pay to visit your GP only covers part of the cost of running a clinic and employing the doctor.

Hunter's article is a case study on Green Cross, a publicly listed corporate group buying up practices.

“Clearly, running general practices is profitable for Green Cross,” Hunter writes.

How are they making it work? Hunter's analysis shows Green Cross medical centres reduced the number of doctors employed, and increased the number of patients per doctor between 2020 and 2024.

GPA members report the same thing: to make ends meet, practices are pushing up patient numbers and reducing doctors.

This means if you want to see a GP, you're going to have to wait longer, or take a nurse appointment instead.

Hunter also talks about capitation, something that GPA is campaigning to change.

Capitation is a funding system where the government pays a practice a certain amount of money per person enrolled.

This system does not take into account the quality of care delivered, how many doctors are available, or even whether those enrolled patients can get an appointment.

“As you can imagine, this leads to very perverse situations,” Burrell says. “There are lots of practices simply just taking the piss out of the funding system and exploiting a loophole for profit.

“They’ve got massive patient lists and one or two doctors supported by overworked nurses, and patients then need to rely on emergency departments and overpriced urgent care facilities when they can’t get an appointment.

“Meanwhile, the clinics that are trying their best to deliver quality, timely healthcare are losing money hand over fist.”

In Hunter’s article, Green Cross responds by saying changes should be made so more capitation funding goes directly to clinics instead of getting tied up in administration costs.

GPA’s stance is that the capitation model is not fit for purpose.

“Sure, increasing capitation funding is better than nothing,” Burrell says. “If clinics can get more money they can theoretically hire more doctors and make more appointments available. But the perverse incentives will still be there.”

The best thing for patients, he says, would be a “nice, simple system where GPs are paid for the real healthcare they deliver”.

ENDS

Contact for comment

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We may also be able to connect you with our members who wish to comment on relevant stories – email communications@gpaotearoa.co.nz for more information.

About General Practitioners Aotearoa

General Practitioners Aotearoa (GPA) is the only independent organisation exclusively representing the voices of doctors working in general practice. We represent GPs who are clinic owners, employees, contractors and trainees. We are member-funded and receive no government money. GPA formed after the demise of the New Zealand Medical Association to independently advocate for GPs. gpaotearoa.co.nz