



Cabinet Social Outcomes Committee

Minute of Decision

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Primary Health Care Funding Improvements

Portfolio **Health**

On 16 July 2025, the Cabinet Social Outcomes Committee:

Background

- 1 **noted** that the Minister of Health (the Minister) is proposing changes to funding settings to achieve Government's primary care objectives of:
 - 1.1 improving access for patients;
 - 1.2 comprehensive services that deliver more in the community;
 - 1.3 continuity of care; and
 - 1.4 coordinated care to actively support delivery of the Government's Health Targets;

Improving capitation funding for primary care

- 2 **agreed** to the following new variables being included in the calculation of capitation funding for general practice, based on a practice's enrolled population:
 - 2.1 multi-morbidity;
 - 2.2 rurality;
 - 2.3 socio-economic deprivation;
- 3 **agreed** to retain sex (male/female) as a variable in the calculation of capitation funding;
- 4 **agreed** to introduce new, narrower age bands as a variable in the calculation of capitation funding, to better reflect health needs of infants and older people;
- 5 s 9(2)(f)(iv)
- 6 **agreed** to establish a regular review process for capitation, with the formula to be reviewed by the Ministry of Health, with the support of Health New Zealand, every five years, with the first review intended to begin in 2028;

7 **noted** that capitation reweighting changes could take effect from 1 July 2026, subject to negotiation through the Primary Health Organisation Service Agreement;

8 s 9(2)(f)(iv)

Funding to focus on outcomes and improve the performance of general practice

9 **noted** that the Minister intends to introduce an outcomes framework to support \$95 million per annum of performance-based funding for general practices over three years from 2025/26, which was announced in March 2025;

10 **noted** that targeted sector engagement on performance measures associated with performance-based funding will occur alongside engagement on the proposed primary care target;

s 9(2)(f)(iv)

Jenny Vickers
Committee Secretary

Present:

Hon David Seymour
Rt Hon Winston Peters
Hon Nicola Willis
Hon Simeon Brown
Hon Erica Stanford
Hon Paul Goldsmith
Hon Louise Upston (Chair)
Hon Dr Shane Reti
Hon Tama Potaka
Hon Matt Doocey (part of item)
Hon Nicole McKee
Hon Casey Costello
Hon Penny Simmonds
Hon Karen Chhour
Hon Nicola Grigg
Hon Scott Simpson

Officials present from:

Office of the Prime Minister
Officials Committee for SOU
Office of the Minister of Education