

Funding to Māori Health Providers, 2018/19 to 2022/23

March 2024

This is a report produced by the Ministry of Health – Manatū Hauora (the Ministry) on funding to Māori health providers.¹ It covers payments made by the Ministry, Te Whatu Ora (Health New Zealand) and Te Aka Whai Ora (Māori Health Authority), together referred to as ‘the health entities’. It covers the period 2018/19 to 2022/23 and follows on from our previous reports² on the same topic.

The types of services delivered by Māori providers include a range of health services, such as child health, oral health, maternity, community health, specialist medicine, mental health, health of older people and public health. These services can be categorised as health and disability services. Contracts delivered by Māori health providers are services targeted towards Māori, Pacific peoples and high-needs communities. The data presented in this report does not attempt to measure the total spend on health and disability services for Māori. Instead, it focuses on funding allocated to Māori health providers. This report does not focus on or explain how well health needs are catered for, the quality of health services provided, or other services used to help these communities.

The number of Māori health providers is difficult to determine because of acquisitions, mergers, closures and the use of subsidiaries and trading names. Currently, there are around 310 (265 excluding subsidiaries) Māori health providers, 20 more than reported in the 2021/22 year. The increase in providers is made up of 45 new providers and 25 who ceased to exist because of closures, name changes or similar reasons. The latter includes a small number who no longer met the definition of a Māori health provider. Of the 45 new providers: 14 offered COVID-19 related services, 11 undertook Māori development type contracts, and 10 had smaller contracts with payments of less than \$100,000 in the last year.

On 1 July 2022, the Pae Ora (Healthy Futures) Act 2022 replaced the New Zealand Public Health and Disability Act 2000. Under this change, the funding responsibilities of district health boards and the Ministry were moved to the new agencies, Te Whatu Ora and Te Aka Whai Ora.

Changes to the methodology used in this report

As a result of the creation of the new health agencies, different coding methods and funding streams are being used. The Māori Provider Development Scheme (MPDS) and Hauora Māori Scholarships have been incorporated into other funding streams and no longer exist in their previous forms. These funding streams represent a very small proportion of total funding around at 0.002%.

¹ Māori health providers have been identified as suppliers of health care services that are owned and governed by Māori and are providing health and disability services primarily but not exclusively for Māori.

² Ministry of Health. 2023. *Funding to Māori Health Providers 2017/18 to 2021/22*. Wellington: Ministry of Health. URL: www.health.govt.nz/publication/funding-maori-health-providers-2017-18-2021-22

There have also been changes to the coding of COVID-19 payments. The most significant of these is that some payments are now coded as primary health organisation (PHO) payments. This means PHO and COVID-19 payments in this report are not comparable with those in previous reports.

Funding to Māori health providers and Vote Health, 2018/19 to 2022/23

Table 1 shows funding to Māori health providers for health and disability services. This table excludes capitation type payments to Māori PHOs and Māori general practitioners (GPs)³ and COVID-19 payments. These payments are shown in Table 2 later in this report.

We have excluded the capitation type payments to Māori PHOs and GPs and COVID-19 payments to help us measure funding more consistently. Māori capitation payments are subject to large fluctuations when PHOs merge, are established or cease to trade and when GPs join and leave PHOs.

Table 1: The Ministry, Te Whatu Ora and Te Aka Whai Ora funding to Māori health providers as a percentage of Vote Health, 2018/19 to 2022/23

Funding	Year					Increase	
	18/19 \$m	19/20 \$m	20/21 \$m	21/22 \$m	22/23 \$m	18/19 to 22/23 \$m	18/19 to 22/23 %
The health entities funding to Māori health providers	309.9	324.6	366.8	447.5	523.5	213.6	68.9
Vote Health	16,737	17,890	19,313	20,704	21,111	4,374.0	26.1
Funding to Māori health providers as a percentage of Vote Health	1.85%	1.81%	1.90%	2.16%	2.48%	–	–

Source: Ministry of Health, Wellington; Health Sector – Estimates of Appropriations, The Treasury, Wellington.

Notes: Only payments for health and disability services are shown. Due to rounding, individual figures in this table may not add to the stated totals and percentages may appear to differ from those stated.

Table 1 shows that funding to Māori health providers was \$523.5 million in 2022/23, an increase of \$213.6 million or 68.9% from 2018/19. This 68.9% increase is more than twice the increase in Vote Health over the same time (26.1%).

Although funding to Māori health providers is increasing, it remains a small part of Vote Health, at less than 2% of Vote Health during the first three years of this report and reaching 2.48% in the 2022/23 year.

³ Larger examples of capitation type payments include: first-contact services, PHO projects, management fees, primary health care services, mental health initiatives and innovations, health promotion, rural premium services and very low-cost access.

The amounts shown in Table 1 for 2018/19 to 2021/22 differ from those shown in last year's report due to the inclusion of newly identified providers, some no longer existing and the removal of a small number of providers that no longer meeting the definition of a Māori health provider.

Our analysis uses total non-departmental output expenses from Vote Health. This excludes departmental expenses, capital expenditure and other miscellaneous appropriations.

Other types of funding to Māori health providers and Crown funding, 2018/19 to 2022/23

Other types of funding the Ministry measures include payments:

- to Māori PHOs, with payments more than doubling since the 2018/19 year (123.1%)
- to Māori GPs, with payments increasing by 40.2% since the 2018/19 year
- for COVID-19, with payments increasing substantially between 2019/20 and 2021/2, but reducing in 2022/23.

Table 2 shows that, overall, between 2018/19 and 2022/23, funding for other types of payments to Māori health providers have more than doubled (by \$196.1 million or 210.4%). This is largely because of the introduction of COVID-19 payments. This 210.4% increase is much higher than the increase in Vote Health over the same time (26.1%).

Table 2: Other types of funding to Māori health providers not included in Table 1, as a percentage of Vote Health, 2018/19 to 2022/23

Funding	Year					Increase	
	18/19 \$m	19/20 \$m	20/21 \$m	21/22 \$m	22/23 \$m	18/19 to 22/23 \$m	18/19 to 22/23 %
Māori PHO payments	76.5	149.4	166.7	172.6	170.6	94.2	123.1
Māori GP payments (not part of Māori PHOs)	16.7	18.3	19.5	21.5	23.5	6.7	40.2
Any COVID-19 payment	–	9.6	26.4	129.7	95.2	85.6	887.83*
Total – Other funding to Māori health providers	93.2	177.3	212.6	323.9	289.3	196.1	210.4
Vote Health	16,737	17,890	19,313	20,704	21,111	4,374.0	26.1
Other funding to Māori health providers as a percentage of Vote Health	0.56%	0.99%	1.10%	1.56%	1.37%	–	–

Source: Ministry of Health, Wellington; Health Sector – Estimates of Appropriations, The Treasury, Wellington.

Notes: Due to rounding, individual figures in this table may not add to the stated totals and percentages may appear to differ from those stated.

* The increase in COVID-19 payments only applies for the 2019/20 to 2022/23 years.

Total funding to Māori health providers and Vote Health, 2018/19 to 2022/23

In Table 3, other types of funding to Māori health providers (Table 2) are added to the health entities funding to Māori health providers (Table 1), providing a more complete measure of funding to Māori health providers. This more complete measure is subject to large fluctuations in funding, particularly because of changes in funding to Māori PHOs. Because of this, users may find Table 1 to be a more consistent way of measuring changes in funding to Māori health providers.

Table 3: Total funding to Māori health providers (Tables 1 and 2 combined) as a percentage of Vote Health, 2018/19 to 2022/23

Funding	Year					Increase	
	18/19 \$m	19/20 \$m	20/21 \$m	21/22 \$m	22/23 \$m	18/19 to 22/23 \$m	18/19 to 22/23 %
The health entities funding to Māori health providers (Table 1)	309.9	324.6	366.8	447.5	523.5	213.6	68.9
Other funding to Māori health providers (Table 2)	93.2	177.3	212.6	323.9	289.3	196.1	210.4
Total funding to Māori health providers	403.1	501.9	579.4	771.4	812.8	409.7	101.6
Vote Health	16,737	17,890	19,313	20,704	21,111	4,374.0	26.1
Total funding as a percentage of Vote Health	2.4%	2.8%	3.0%	3.7%	3.9%	–	–

Source: Ministry of Health, Wellington; Health Sector – Estimates of Appropriations, The Treasury, Wellington.

Notes: Due to rounding, individual figures in this table may not add to the stated totals and percentages may appear to differ from those stated.

Total funding to Māori health providers increased from \$403.1 million in 2018/19 to \$812.8 million in 2022/23, an increase of \$409.7 million or 101.6%.

As in previous reports, shows that although total funding to Māori health providers is increasing, it remains a small part of Vote Health, increasing from 2.4% in 2018/19 to 3.9% in 2022/23.



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