ASMS
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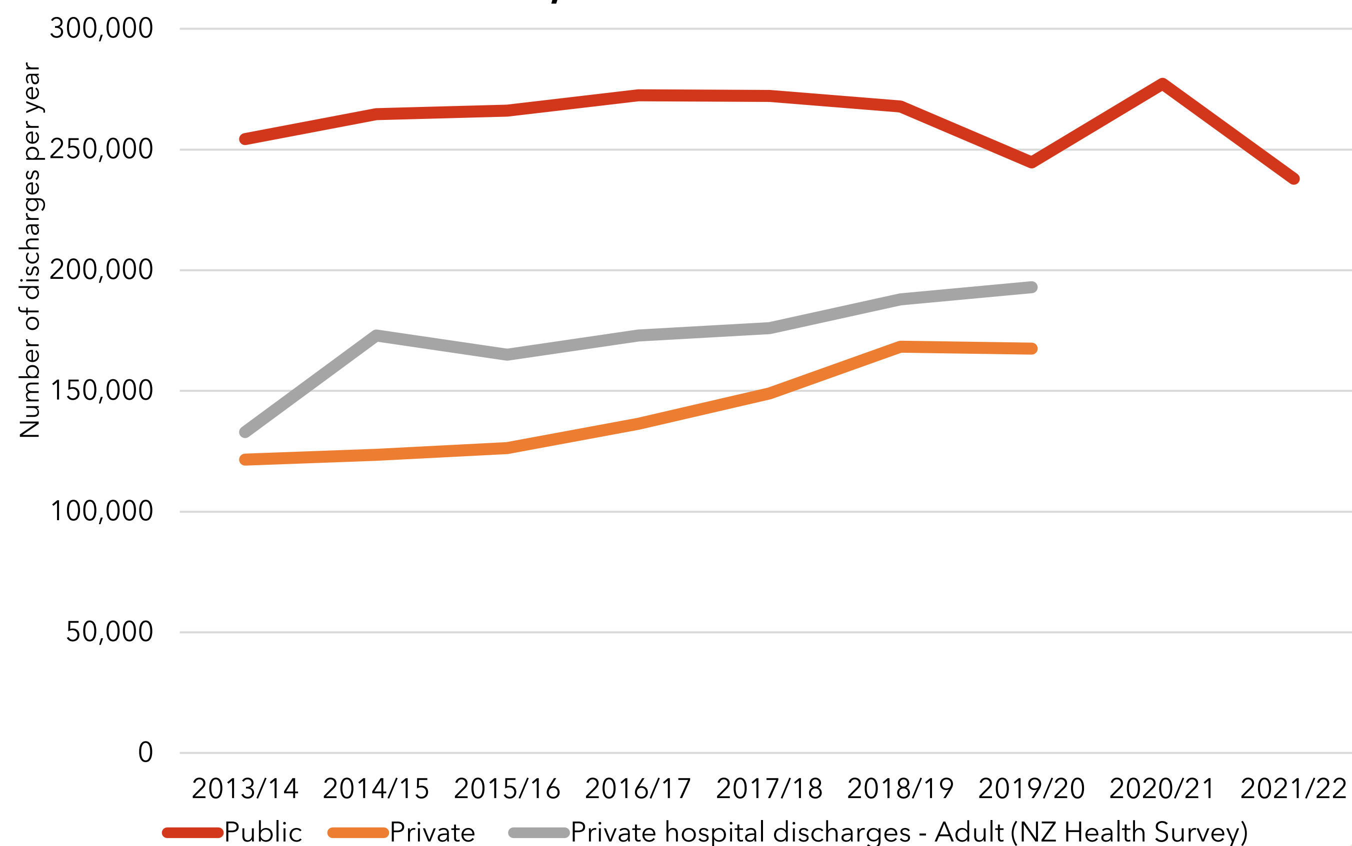
Creeping privatisation

Use of the Aotearoa New Zealand's private healthcare system is growing. Timely access to non-acute healthcare, as well as some urgent time-critical care, is becoming increasingly dependent on an individual's ability to pay for it.

Private hospital use is increasing

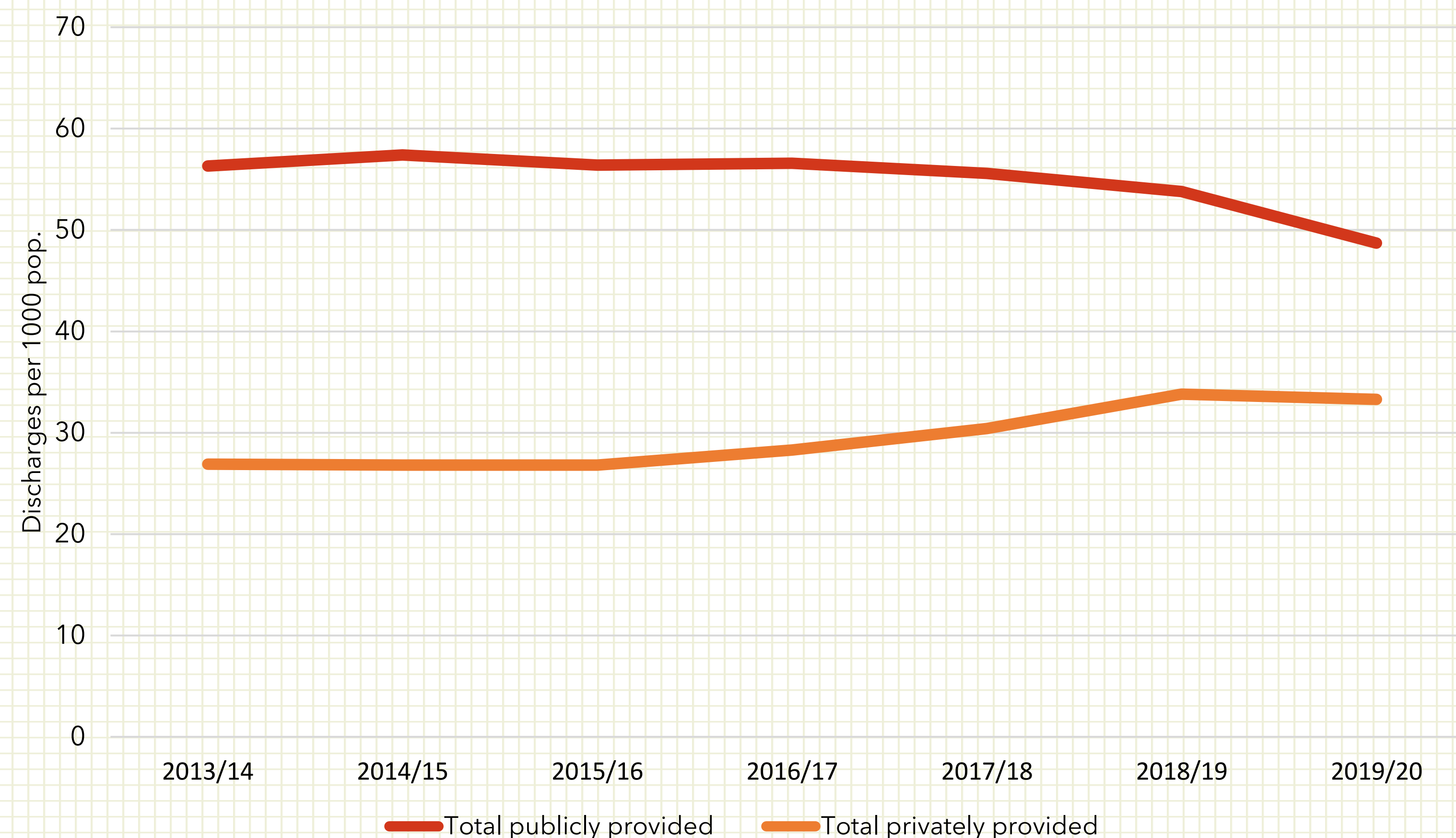
Public hospital discharges are decreasing



Source: National Minimum Data Set, Ministry of Health and ACC

More electives are being performed, but the trends show increasing private provision. The Private Surgical Hospitals Association stated it performed 66% of all elective surgeries in Aotearoa NZ in 2022.

Around 46% of private hospital discharges are funded publicly every year through hospital outsourcing and via ACC. ACC's use of private facilities is also trending upwards: 89% of electives were provided in private facilities in 2019/20, compared with 83% in 2013/14.



Total electives (public and private) increased by 5.3 % per capita between 2013/14 and 2019/20. The trends suggest that the growth in private provision is both increases in

- people with health insurance needing elective treatment
- people self-funding their care

Data is not yet available for 2020/21 and 2021/22, which will have been impacted by Covid-19 lockdowns and restricted activities.

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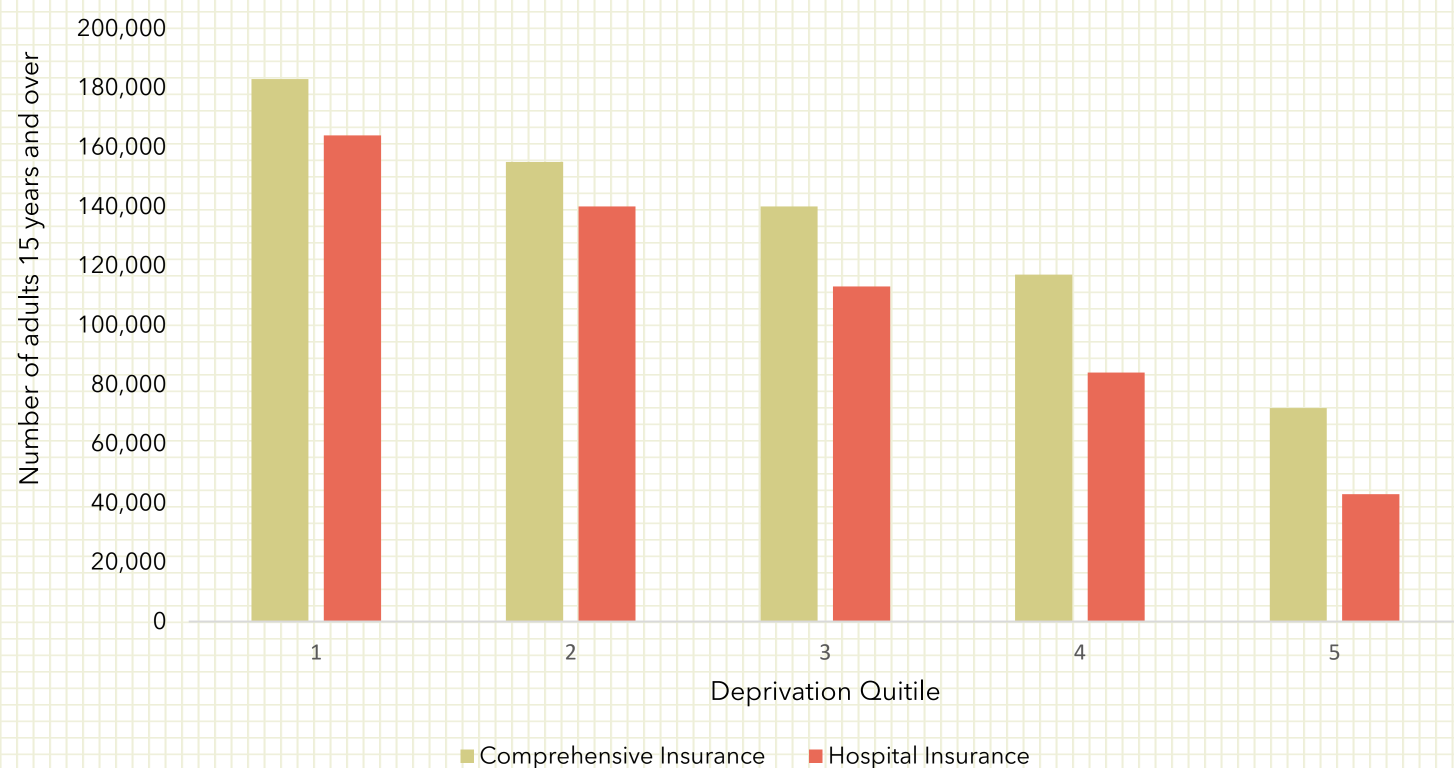
Covid-19, population health need, and workforce shortages have contributed to increased wait times for first specialist appointments, elective procedures, and even some urgent treatment in the public health system.

140,000 Increase in the number of adults (15+) holding private health insurance by mid-2022 compared to mid-2021

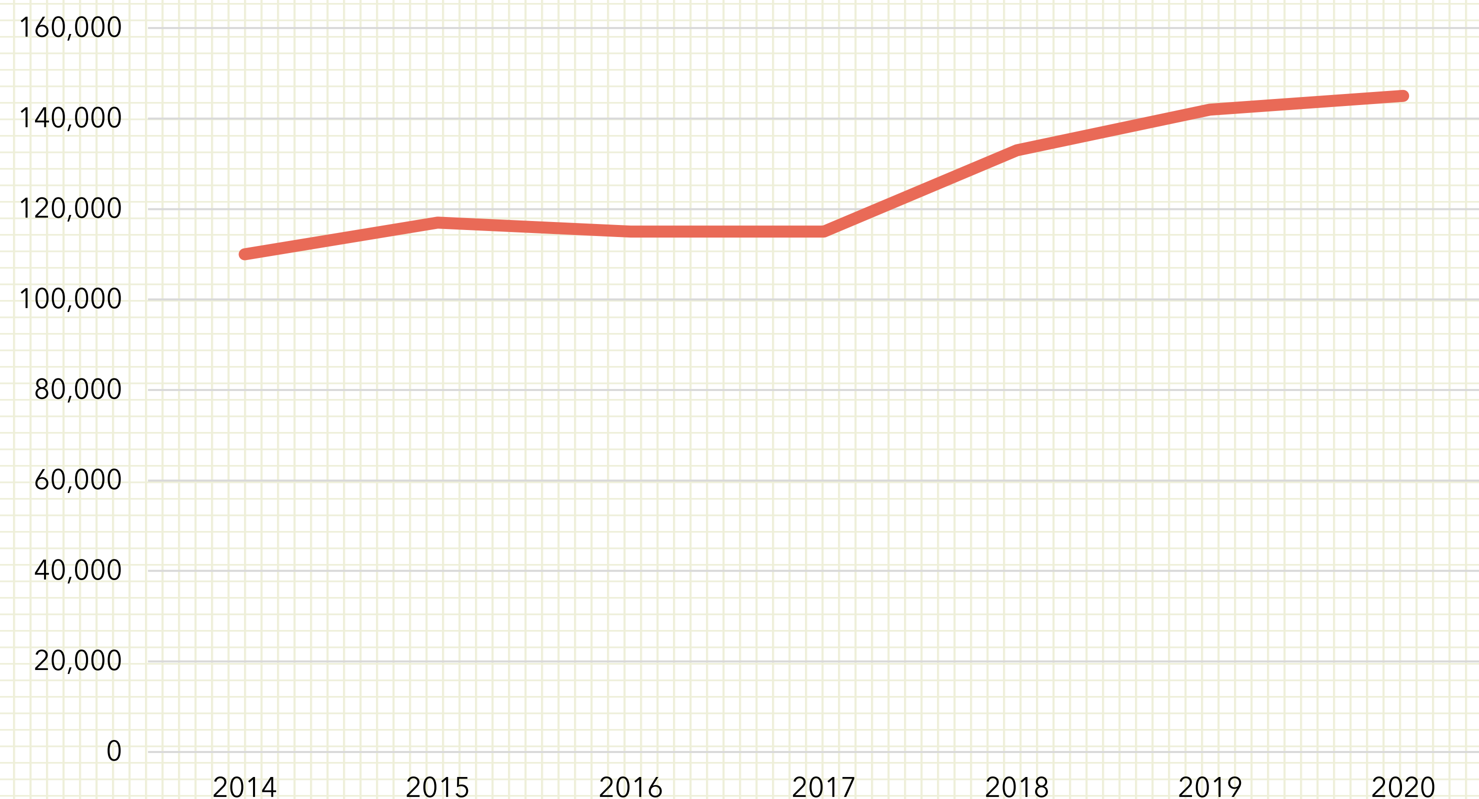
+ 32% Growth in the number of adults (est.) who saw a specialist at a private hospital between 2014 and 2020

Adults with health insurance by deprivation quintile



Source: NZ Health Survey 2021/22, Ministry of Health. Adults = People in Aotearoa NZ aged 15 years and over. Data is averaged over 3 years 2018/19 – 2021/22.

Adults who saw a specialist at a private hospital



Source: NZ Health Survey 2021/22 (unpublished), Ministry of Health. Adults = People in Aotearoa NZ aged 15 years and over.

Wealth and insurance

Access to elective assessment and treatment is increasingly dependent on a person's ability to pay for it.

People and whānau in Quintile 1 with the lowest rates of deprivation are three times more likely to have health insurance than those in Quintile 5, who experience the greatest economic hardship and resource deprivation.

Solutions

Policy responses cited in the literature to private services 'crowding out' public services include improving public sector pay and conditions and increasing the supply of health care workers.

Greater investment in public health and social spending is needed, recognising that unmet health need and treatment delays have negative economic impacts, while good health and accessible treatment are significant contributors to economic growth.