

## Co-design recommendations: What is the Blended Payment model

The Co-design was a structured facilitated process which worked through a range of potential options for a new contract and funding model for community midwives. It resulted in a number of recommendations about the way community midwives should be paid.

One of these was that a Blended Payment model should be adopted as the basis of the new community midwifery contract, which will eventually replace Section 88. The Blended Payment model proposed a number of different fees making up the overall payment.

1. A set fee (banded by caseload) for operating (business costs) paid at regular intervals throughout the year. The calculation of this fee recognised that there are a number of fixed or set costs to being self-employed (regardless of caseload) as well as variable or changing costs which are dependent on caseload. A rural adjuster was proposed to acknowledge the higher costs of providing a service in rural areas, and an Auckland adjuster to acknowledge the higher costs of providing services in Auckland. The Business contribution payment allocated in Budget 18 for community midwives was a step towards this.
2. A set fee (banded by caseload) to acknowledge the on call requirements of the role paid at regular intervals.
3. Fee for service modules (similar to current Section 88 structure but with improved timeliness of payments and additional claimable modules) for women with 'straightforward' needs
4. Additional time and travel modules, claimable per woman to account for the increased work that is required for those women whose needs are deemed more than 'straightforward'
5. Workforce incentives. Additional payments to incentivise midwives to address workforce issues, for example, to work in areas that are hard to staff or to work through the Christmas holiday period
6. A Second midwife fee – this has already been implemented as part of the Budget 18 allocation for community midwives.

## Features of a Blended Payment Model

