Aide-Mémoire

Health New Zealand
Te Whatu Ora

Orthopaedic Advanced Clinical Practice Physiotherapy FSAs (MSK Pathway) Update and Scaling Options

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To:	Hon Simeon Brown, Minister of Health		
From:	Helen Stokes-Lampard, Acting Chief Clinical Officer		
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Contact for further discussion (if required)

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Attachments

Appendix 1:	Options considered for the expansion of orthopaedic Advanced Clinical Practice Physiotherapy FSAs (MSK Pathway)
Appendix 2:	Current Versus Scaled Approach to Orthopaedic FSAs undertaken by ACPPs under the Pathway

Purpose

1. This Aide-Mémoire provides you with an overview of an Advanced Clinical Practice Physiotherapy (ACPP) workforce and how they are supporting orthopaedic surgeons in reducing the long waits for orthopaedic first specialist assessments musculoskeletal (MSK) pathway. It also outlines options for expansion of the programme and how Health NZ intend to test the private sector in scaling this programme of work.

Summary

2. The ACCP workforce has the potential to contribute to reducing waitlists for orthopaedic first specialist appointments and consequently the FSA Health Target, however currently in a limited manner. Roll-out of the MSK pathway introduced late last year is still new and has been variable across districts.

3. You asked for a range of scalable options to expand the programme of work and for information on how Health NZ is planning to leverage the private sector. We are still assessing the relative value of the five options (detailed at Appendix 1):

    a) Option 1 - Provide service directly and recruit to positions

    b) Option 2 (current preferred) - Provide service directly, recruit individuals to a volumes-based contract on a fixed term basis for 1 year with a 6-month review

    c) Option 3 - Use staff employed by external organisations to undertake the pathway in Health NZ facilities

    d) Option 4 - Contract the pathway out to private providers

    e) Option 5 - Create an in-house urgent referral acute service that provides assessments for patients of rapid basis, up to 1 year, providing additional capacity and reduce waiting times.

4. Option 2 is emerging as the initial preferred way forward. Fixing recruitment to volumes means that costs do not continue to be incurred if volumes are not met. Option 2 also enables the opportunity to refine the model of care and clinical delivery, which is important when considering interdisciplinary work programmes like this one, which we want to do more of across Health NZ.

5. Outsourcing will be considered as an option. In the interim, to support a more accurate cost estimate for outsourcing, the Planned Care team will undertake a targeted market scan to identify private organisations with appropriately qualified staff (capabilities, skills and qualification) to deliver the pathway and assess the financial implications. This is expected to be completed by October.

6. Should a decision be made by the Executive Leadership and Board, it is expected that funding will be drawn from the $10 million allocated for nurses and allied professions announced as part of the “50 additional SMOs, Nurses and other professionals” announcement made by the former Minister in November 2024.

Background

7. Orthopaedic services represent 18% of the total FSA waitlist (25% of patients waiting >120 days), and 18% of the total elective treatment waitlist (22% of patients waiting >120 days).

8. As at 1 June 2025, the demand for orthopaedic services is outstripping our current capacity with approximately 35,899 on our current wait list.

9. Around 81,536 new patients are referred per annum and this number is expected to increase annually because of an increasingly older population, rising levels of obesity and multiple comorbidities.

10. Following your meeting with officials, you requested an overview of the expected number of additional FSAs to be completed and the anticipated impact on the orthopaedic waitlist by 30 June 2026 as a result of the Advance Clinical Practice Physiotherapy (ACPP) FSAs (MSK pathway).

11. You also requested a range of scalable options for expanding this programme over the next 12 months. For each option, you asked for details on the associated cost, the projected volumes of First Specialist Assessments (FSAs) to be completed, the anticipated impact on waitlist reduction and position after 12 months and the expected performance against health targets during this period.

12. Following a meeting with Habit Health, you asked for further information on how Health NZ will test the market to consider private sector support for scaling the programme and the cost analysis of this option.

Overview of the MSK pathway

13. In August 2024, a national hospital MSK pathway was introduced as an interprofessional initiative. The pathway outlines clinical guidelines that allow ACPPs to undertake FSAs for patients newly referred into orthopaedic services.

14. The implementation of ACPP roles is intended to develop interdisciplinary models of care, working in partnership with Orthopaedic specialists, adopting a jointly governed approach to enhance decision making, improve care delivery, foster collaboration and trust, address health inequities and ensure quality improvement. Joint governance also allows benchmark clinical standards to be defined and risk mitigation strategies to be embedded in relation to patient, clinician, and organisational safety.

15. Although this model is widely implemented internationally and supported by robust evidence, New Zealand is a late adopter. As part of the planned care MSK National Advisory Group, the New Zealand Orthopaedic Association (NZOA) asserted that ACPPs should be initially restricted to the assessment of new referrals into the service rather than existing patients on those waitlists.. However, it was agreed that this would be reviewed in August 2025.

By consequence, ACPPs can only see patients newly added to the waitlist.

16. This approach limits the impact they can have on Health Targets because they are not able to draw from the over 4-month pool at the same time as those new to the waitlist. ACPPs access to existing patients will impact on the overall waitlist and

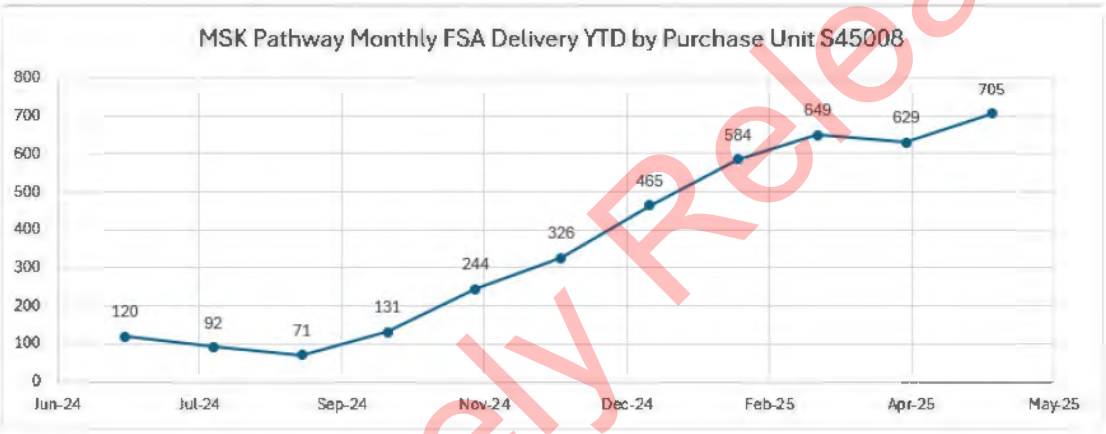
minimise patient risk during extended wait times. A review of the pathway is due to be undertaken in August 2025.

17. At this stage we intend to remove the requirement to only see newly added patients from the current guidelines, improving consistency in allied health triage.

18. A stocktake of current workforce was undertaken in October 2024. It showed there were approximately 30 ACPPs (headcount, not FTE) across the districts undertaking FSAs as part of the pathway in Hospital and Specialist Services (HSS).

19. As of 30 May 2025, we estimate that 4,016[1] FSAs have been delivered via the current pathway without any additional funding. We do not currently have a central view of the dispersion of the current ACPP workforce, and it is likely they are only partially working on the MSK pathway whilst substantively working in other areas.

Graph 1: Orthopaedic FSAs delivered by ACPPs under the pathway by month: July 2024-May 2025[2]



20. Roll-out of the pathway has been variable across districts. Of the 20 districts, 10 have fully implemented the pathway, 6 are in the process of rolling it out, and 4 have yet to commence roll-out. These four districts include Canterbury, Wairarapa, Tairāwhiti and Whanganui.

21. The primary barrier to the full rollout of the pathway is the lack of funding for additional ACPPs capacity (FTE). Where the model has been successfully implemented, there is now a high trust, interprofessional approach to delivering increased FSA volumes within existing resources.

Options for scaling the MSK Pathway

22. The current pathway with 30 (headcount, not FTE) ACPPs is currently achieving approximately 7,692 orthopaedic FSAs per year (based on an average of the FSAs Feb-May 2025). FTE within each district varies according to historical investment in the development of ACPPs. Currently these roles work across general

[1] Source: NNPAC Outpatients data set extracted 26 June 2025.

[2] Source: NNPAC Outpatients data set extracted 26 June 2025.

musculoskeletal services as well as the delivery of FSAs thus not fully dedicated to the pathway. The proposed model in the options for expansion would focus the additional advanced physiotherapist workforce exclusively on FSA delivery.

23. A range of scalable options for the delivery of orthopaedic FSAs undertaken by ACPPs as part of the pathway were presented to the Commissioner (detailed at appendix 1). These options are summarised as:

    a) Option 1 - Provide service directly and recruit to 15.4 FTE positions to deliver 18,480 adult FSAs per annum (assuming full employment for the whole year). This volume has the potential to reduce Orthopaedic waitlists by up to 55%, (with caveats outlined below) compared to the current 30 headcount as these individuals are only partially dedicated to the HSS Orthopaedic pathway.

    b) Option 2 (current preferred) - Provide service as outlined in option 1 directly, but recruit individuals to a volumes-based contract on a fixed term basis for 1 year with a 6-month review

    c) Option 3 – Option 1, but use staff employed by external organisations to undertake the pathway in Health NZ facilities

    d) Option 4 – Option 1, but contract the pathway out to private providers

    e) Option 5 – Option 1, but create an acute FSA unit for a fixed term period for 1 year with a 6-month review. Further scoping is required to assess impact as this remains a high-level concept at this stage.

The costs of options 1,2,3 and 5 were estimated [redacted]. The cost of Option 4 would need to be established through engagement with providers. Funding for the preferred option would be sourced from within baselines.

Option 2 is emerging as the preferred way forward.

24. Fixing recruitment to service volumes enables organisational flexibility. The continuation of the roles will be dependent on performance, and if expected outcomes are not met, the roles will be discontinued.

25. The flexibility of Option 2 also enables us to refine the model of care and clinical delivery as we implement. This is important when considering interdisciplinary work programmes like this one, which we want to do more of across Health NZ.

Implementation of Option 2

26. Option 2 is a different model to the current model, with the roles solely dedicated to FSA delivery, rather than split across other clinical activities.

27. Under Option 2, one FTE ACPP would be expected to deliver 1,200 FSAs each per annum. This estimate is informed by the performance of experienced physiotherapist across various districts and accounts for standard leave entitlements.

28. Actual FSA delivery under option 2 is subject to several **key caveats** including:

    a) Performance will vary based on individual capability - the 1,200 figure is a midpoint estimate to calculate total expected volumes.

    b) A lead-in period of 2–3 months is to be expected before roles are performed

at optimal capacity (i.e. 1200 FSAs per annum).

c) The current pathway restricts ACPPs to assessing only newly referred patients, limiting their overall impact (a review of the pathway is due to be undertaken in August 2025 intended to expand the scope of ACPPs to include those already on the waitlist).

d) Because rollout will be phased and dependent on regional financial performance and implementation, the actual impact on FSA delivery will be significantly lower than the notional 55% reduction, which models an assumption of full-year implementation of the full 15.4 FTE.

29. Further detail of the comparative impacts of the preferred option with the current state is at Appendix 2.

30. We will continue to explore the implementation of option 2 with the regions.

Future scaling options

31. At this stage, without increased resources no further expansion can be achieved. However, the emerging preferred option is readily scalable, and the need for additional scaling will be reassessed later, based on performance data and service demand. In partnership with the regions, we will also explore options to more effectively utilise the existing ACPP workforce to increase the number of FSAs being undertaken by this workforce.

32. Private outsourcing may be considered as further future option once the interprofessional pathway has reached greater maturity and stability. In the interim, to support a more accurate cost estimate for outsourcing, the Planned Care team will undertake a targeted market scan to identify private organisations with appropriately qualified staff (capabilities, skills and qualification) to deliver the pathway. It is important to note, however, that the availability of such qualified personnel may vary across regions, which could affect the consistency and feasibility of implementing a private outsourcing model nationwide.

Next steps

33. Work will commence on the review of the MSK pathway in August, providing our opportunity to expand the types of patients ACPPs can see to those already on waitlists.

34. We will work with the regions to scope the implementation of Option 2 before agreeing a final option for delivery. Should a decision proceed, it is expected that funding will be drawn from the within $10 million allocated for nurses and allied professions announced as part of the “50 additional SMOs, Nurses and other professionals” announcement made by the former Minister in November 2024.

35. Private outsourcing remains under consideration however, a targeted market scan is necessary to identify private organisations with suitably qualified staff and to evaluate the associated financial implications. The market scan will be conducted by the Planned Care team, we will provide you with the outcomes and any engagement that takes place as a result in October.

Appendix 1 – Options considered for the expansion of orthopaedic Advanced Clinical Practice Physiotherapy FSAs (MSK Pathway)

Option 1: Provide service directly and recruit to the positions in HSS through normal processes

This option would involve recruitment to the roles per standard Health NZ processes and adhering to MECA requirements.

Benefits

- Strengthens clinical frontline services
- Supports growing interprofessional and interdisciplinary teams in line with Health NZ's strategic direction and gives the model the strongest likelihood of successful implementation of this new model due to significant co-design of the model in consultation with the interdisciplinary team.
- Enables internal expertise to be built, to provide ongoing support and development of the pathways i.e. utilising expertise from one district to help establish the pathway in other districts within the region.
- Allows for co-governance of the pathway and ensures advanced physiotherapists are part of the team, reducing potential concerns from Orthopaedic SMOs around oversight, governance and competence.
- Creates longer term sustainability for the pathway within HSS.
- Evidences the value of advanced physiotherapists as part of the multidisciplinary delivery of orthopaedic services
- Addresses capacity to meet growing demand for orthopaedic services.
- We have known capability across the organisation, meaning there are likely candidates available for swift recruitment into roles.

Risks:

- Time to recruit may be variable, impacting when the increase in activity is seen.

Option 2 (Preferred): Provide service directly, recruit individuals to a volumes based contract on a fixed term basis for 1 year with a 6 month review

This option would involve recruiting to the roles in a way that links remuneration to volumes on a fixed term basis. The roles would be reviewed at the 6-month point, and if they are not achieving expected volumes, the roles will be discontinued.

Benefits

- Cost does not continue to be incurred if volumes are not met.
- Enables internal expertise to be built, to provide ongoing support and development of the pathways i.e. utilising expertise from one district to help establish the pathway in other districts within the region.
- Allows for joint-governance of the pathway and ensures ACPPs are part of the team, reducing potential concerns from Orthopaedic SMOs around oversight, governance and competence.

Option 2 Continued

Risks:

- This option has not yet been shared with key stakeholders, including SMOs, allied health leaders and existing advanced clinicians, therefore, potential support are still to be explored.
- Does not yet incorporate considerations for team building or non-patient facing activities.
- Option may not fully align with MECA requirements and could result in a different approach for this staff cohort, which may require careful consideration to support cohesive team dynamics.
- Potential to reduce attractiveness of the role and could impact on recruitment.
- As the model is not yet widely embedded across districts, there is a risk that this approach may not align with the agreed multidisciplinary implementation of the pathway. Ensuring alignment and securing SMO support will be important for successful implementation.
- May have implications for the long-term sustainability of frontline services within HSS.
- Time to recruit may also be variable, impacting on delivery when the increase in activity is seen.

Option 3: Use staff employed by external organisations to undertake the pathway in Health NZ facilities

Use staff employed by external organisations to undertake the pathway in Health NZ facilities

This option would involve contracting with external organisations who employ sufficiently qualified staff to undertake the pathway in our facilities. **This model is already in place in Whanganui.**

- Based on cost from one current provider only (may vary in other regions).
- Hourly rate
- Estimate 1.5 FSAs per hour, 12,320 hours to complete 18,480 FSAs.

Benefits

- Able to increase or decrease capacity as required.
- Introduces external advanced physiotherapists to become part of the interprofessional team including the HSS ACPPs, reducing potential concerns from Orthopaedic SMOs around oversight, competence and governance.

Risks:

- This option has not yet been shared with Orthopaedic SMO colleagues or key stakeholders outside of Whanganui. This pathway is a new model of practice which has not been universally embraced across New Zealand. Broader engagement may be needed to support the adoption of this internationally accepted, evidenced based model.
- In line with the National Advisory group, including New Zealand Orthopaedic Association and other professional stakeholders, only ACPPs who meet the agreed capability framework can undertake the orthopaedic FSA under the pathway. A market scan would be required to identify private organisations with appropriately qualified staff (capabilities, skills and qualification) however, this may not be consistently available across the country.
- Establishing capacity through this resource may take additional time due to the need for market scanning and procurement processes.

Option 3 (Continued)

- Embedding new clinicians into the team will require non-patients facing time, which may introduce initial delays.
- May have implications for the long-term sustainability of frontline services within HSS.
- Significantly increases the cost by 33%, compared to option 2.

[redacted]

Option 5: Create an urgent referral acute service that provides assessments for patients of rapid basis, up to 1 year, providing additional capacity and reduce waiting times with a 6 month review.

This option would involve creating an 'acute FSA unit' to provide orthopaedic FSAs as part of the pathway. The unit would be established regionally or nationally, and would need to be scoped, including identifying any resources required to oversee/administer the unit (staffing costs only are included). Once established, the unit would be reviewed at the 6 month point, and if they are not achieving expected volumes, the roles would be terminated.

[redacted]

Benefits

- A new model of delivery which could be tested for expansion to other pathways and specialties.
- Enables direction of fixed term resource per current waitlists to have maximum impact on target delivery.

Option 5 (Continued)

Risks:

- Would require scoping of national establishment for the unit and any additional resource required to oversee the unit.
- Would require scoping of the model for the unit to determine the practical implementation. This will require senior clinical oversight.
- There is potential for this model not to be supported by SMOs – the concept has not been tested and there has been mixed support amongst SMOs for the pathway thus far, with significant engagement required to progress the model.
- Does not support the interdisciplinary team delivery of FSAs within the agreed pathway.
- May have implications for the long-term sustainability of frontline services within HSS.
- Potential to reduce attractiveness of the role and could impact on recruitment.

Appendix 2: Current Versus Scaled Approach to Orthopaedic FSAs undertaken by ACPPs under the Pathway

1. There are no further options being considered at present to scale the current the pathway, however this model is scalable with an additional 1,200 FSAs per annum achieved with an additional 1 FTE [redacted]
2. Once the additional roles are recruited, we will review them at 6 months to determine whether they are achieving the expected volumes and if so, consider how we may better utilise the existing 30 people within districts through dedicating their full FTE to the pathway (rather than them only working partially on the pathway, as is currently the case). Again, this will be planned and implemented working closely with the regions.
3. The below tables outline the current impact of the pathway and scaling options being considered.

Current model				
Cost	FTE	Anticipated activity (FSAs per annum)	Impact on orthopaedics waitlist (volume reduction)	Impact on health targets 25/26 (% improvement to FSAs waitlist)
Current baseline	30 (headcount)* **These individuals are only partially dedicated to the HSS Orthopaedic pathway.*	7692* **641 per month calculated from mean FSAs between Feb to May 25*	As at 1 June 2025, there are 35,899 people waiting for an orthopaedic FSA. Each week, approximately 1,568 patients are added to the orthopaedic FSA waitlist. Current pathway activity enables the assessment of 1,596 patients weekly, resulting in a net reduction of 28 patients per week. By June 2026, we estimate a total reduction of 1,456 orthopaedic FSAs per annum, bringing the waitlist down to 34,443.	Under the current model, ACPPs are restricted to assessing only newly referred patients on the orthopaedic waitlist. This limits their direct impact on the 65% health target for first specialist assessments (FSAs within four months). However, by diverting new patients to ACPPs, SMOs will be freed up to focus on longer-waiting patients (those approaching or exceeding the four-month threshold) thereby improving performance against the health target by June 2026.

Emerging preferred option: Scaling per the additional roles requested				
Cost	FTE	Anticipated activity (FSAs per annum)	Impact on orthopaedics waitlist (volume reduction)	Impact on health targets 25/26 (% improvement to FSAs waitlist)
[redacted]	15.4	18,480	Increasing FSAs additional to current delivery (at an annualised rate of 355 per week – 18,480 over 52 weeks), we anticipate a net reduction of 383 patients per week from the orthopaedic FSA waitlist. This represents a significant improvement over the current weekly reduction of 28 patients, increasing the assessment rate by 355 additional patients per week. We predict, at a maximum, that this scaled delivery model would result in a total reduction of 19,916 patients over a 52-week period, equating to a 55% decrease in the orthopaedic FSA waitlist, bringing it down to 15,983 patients by June 2026.	Under the current model, ACPPs are restricted to assessing only newly referred patients on the orthopaedic waitlist. This limits their direct impact on the 65% health target for first specialist assessments (FSAs within four months). However, by diverting new patients to ACPPs, SMOs will be freed up to focus on longer-waiting patients (those approaching or exceeding the four-month threshold) thereby improving performance against the health target by June 2026. As part of the review of the pathway in August 2025, we intend to remove this restriction which would enable ACPPs to undertake assessments on patients exceeding the 4-month threshold, which would allow for a more direct impact on health target performance.