

Exploring the evolution of an alternative payment model: Experience of the modular payment system of the Lead Maternity Carer service in Aotearoa, New Zealand

Oladimeji O.J; Tenbense T; Lorgelly P; Bissell K

School of Population Health, University of Auckland, New Zealand

Background

- The Lead Bundled payment is an evolving alternative payment model which is being implemented to ensure efficiency in the health system.
- In New Zealand, the modular payment system, a form of bundled payment, funds the Lead Maternity Carer (LMC) service, which provides maternity services nationwide.
- Little evidence exists on the development of modular payments, making it difficult to learn from the model's evolution, improve its implementation, and evaluate it.

Methods

- We conducted 15 semi-structured interviews with policy experts who held key policy roles across a range of organisations involved with the LMC modular payment system in New Zealand.
- Participants were selected through purposive and snowball sampling, with diversity in backgrounds
- Data collection took place between October 2024 and April 2025.

Research questions

- How and why has the LMC modular payment in New Zealand evolved?
- What has emerged from the evolution of the LMC modular payment in New Zealand?

Programme theory

Engagement of individual service providers, strengthened referrals, specification of services, and development of a pricing model for paying individual self-employed LMC service providers according to modules for services provided could foster motivation, trust, and autonomy of the LMCs in the modular payment and this could result in preventing increase in maternity costs, ensure resource efficiency, and improve workforce recruitment.

Key elements of LMC modular payment evolution



Conclusions

Existing maternity policies and the health workforce context in New Zealand were influential in developing and implementing the modular payment of the Lead Maternity Carer service.

These insights are relevant for policymakers in designing a bundled payment model in a health service delivery