

# **New Zealand Health and Disability System Review**

**Presentation by Lloyd McCann**

**Private Surgical Hospitals Association  
4 April 2019**

## Terms of Reference

The Health and Disability System Review was established by the Minister of Health to "identify opportunities to improve the performance, structure and sustainability of the system, **with a goal of achieving equity of outcomes and contributing to wellness for all, particularly Māori and Pacific peoples**".

It will provide a report to the Government, including recommendations, on:

- A sustainable and forward-looking Health and Disability System that is well placed to respond to future needs of all New Zealanders and which:
  - Is designed to achieve better health and wellness outcomes for all New Zealanders
  - Ensures improvements in health outcomes of Māori and other population groups
  - Has reduced barriers to access to both health and disability services to achieve equitable outcomes for all parts of the population
  - Improves the quality, effectiveness and efficiency of the Health and Disability System, including institutional, funding and governance arrangements.
- How the recommendations could be implemented.

## Panel members

<https://systemreview.health.govt.nz/about/expert-review-panel/>

**Heather Simpson – Chair**

**Shelley Campbell**

**Professor Peter Crampton**

**Dr Margaret Southwick**

**Dr Lloyd McCann**

**Dr Winfield Bennett**

**Sir Brian Roche**



# **The Māori Expert Advisory Group**

<https://systemreview.health.govt.nz/about/maori-expert-advisory-group-profiles/>

**Sharon Shea (Chair)**

**Dr Terryann Clark**

**Takutai Moana Natasha Kemp**

**Dr Dale Bramley**

**Linda Ngata**

**Assoc. Professor Sue Crengle**

# Timetable

Phase		Starts	Ends
<b>Phase I: Delivery of interim report</b>			
1A	Mobilisation and preliminary assessment	October 2018	January 2019
1B	Formative analysis and direction setting	December 2018	March 2019
1C	Shape and assess key directions	April 2019	July 2019
<b><i>Interim report submitted</i></b>			<i>31 August 2019</i>
<b>Phase II: Delivery of final report</b>			
2A	Sustainable health & disability system proposals	August 2019	December 2019
2B	Recommendations and reporting	December 2019	March 2020
<b><i>Final report submitted</i></b>			<i>31 March 2020</i>

# **New Zealand Health and Disability System Review**

# Equity

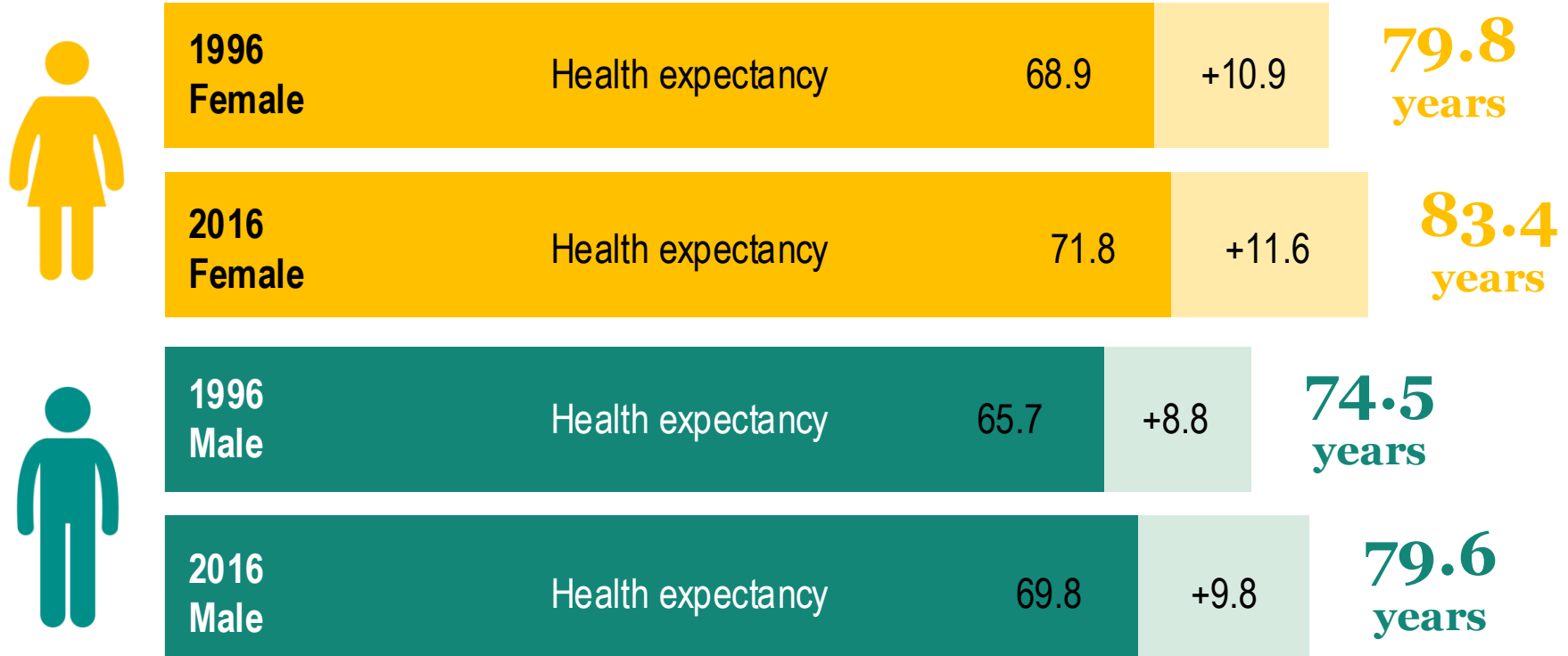
The World Health Organization defines equity as,

*... the absence of avoidable or remediable differences among populations or groups defined socially, economically, demographically, or geographically.*

In New Zealand, there are inequities in access and outcomes across many areas, including:

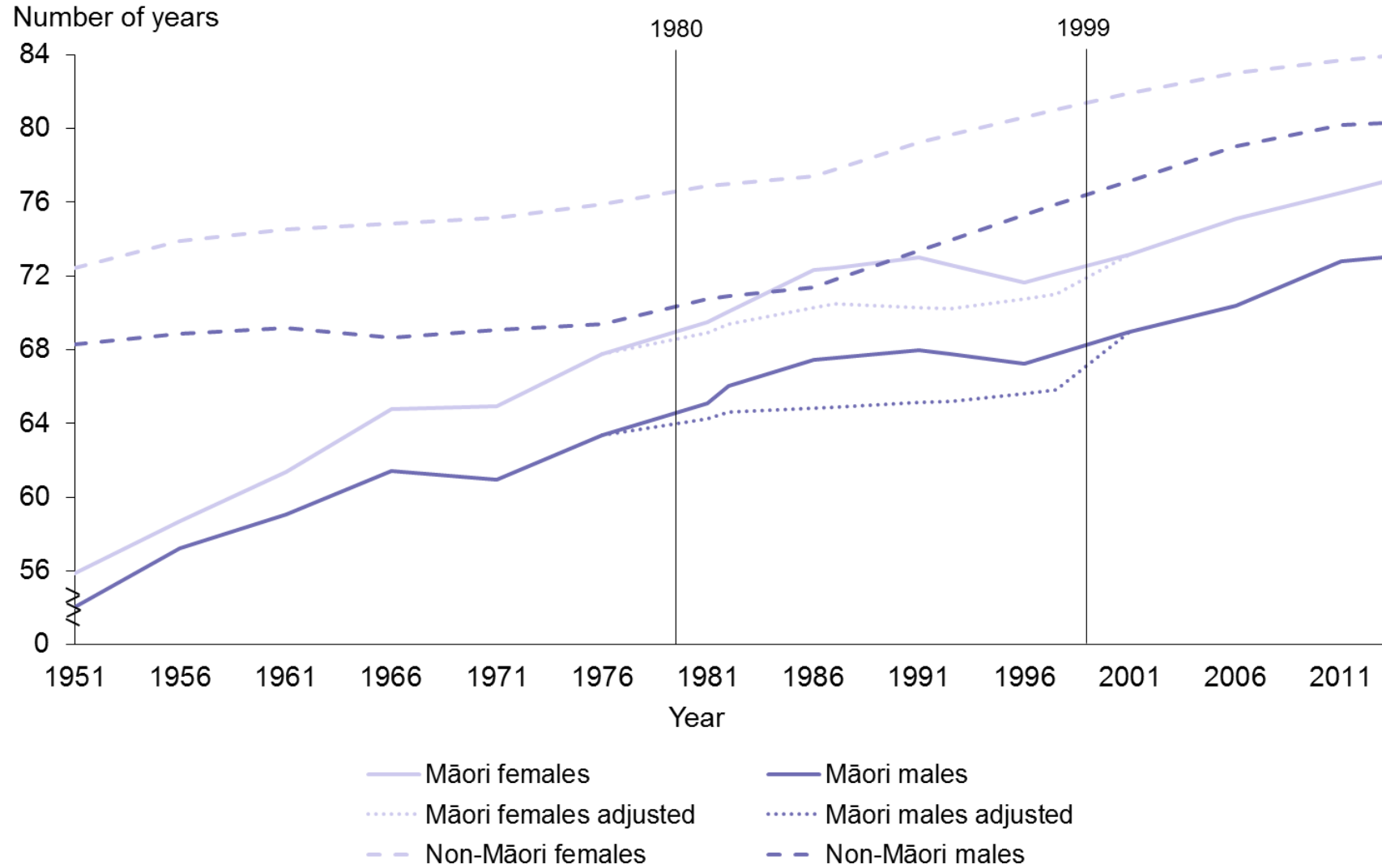
- Gender
- Age
- Ethnicity – particularly Māori and Pacific peoples
- Disability
- Socioeconomic status
- Geographic location

# Life expectancy and health expectancy at birth





# Life expectancy gap



# Health care is just one of the factors that influences health and wellbeing



**Socioeconomic factors**

- Education (graduation cap icon)
- Job status (briefcase icon)
- Family/social support (family silhouette icon)
- Income (money icon)
- Community safety (group of people icon)

**Physical environment**

- (Building icon)

**Health behaviours**

- Tobacco use (cigarette icon)
- Diet & exercise (person with apple icon)
- Alcohol use (wine glass and bottle icon)
- Sexual activity (male and female symbols icon)



**Health care**

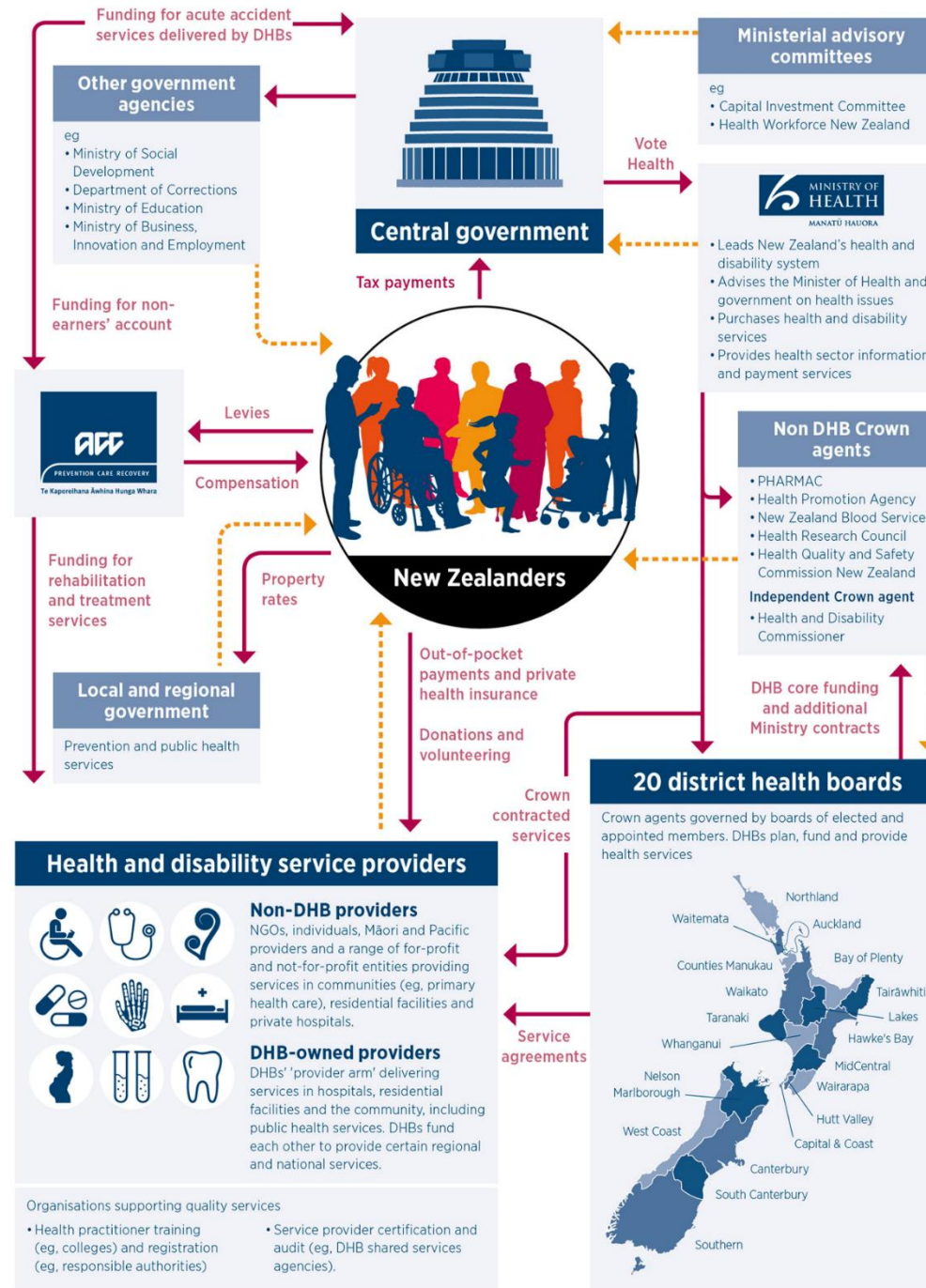
Access to care  
 Quality of care



# New Zealand Health Strategy 2016

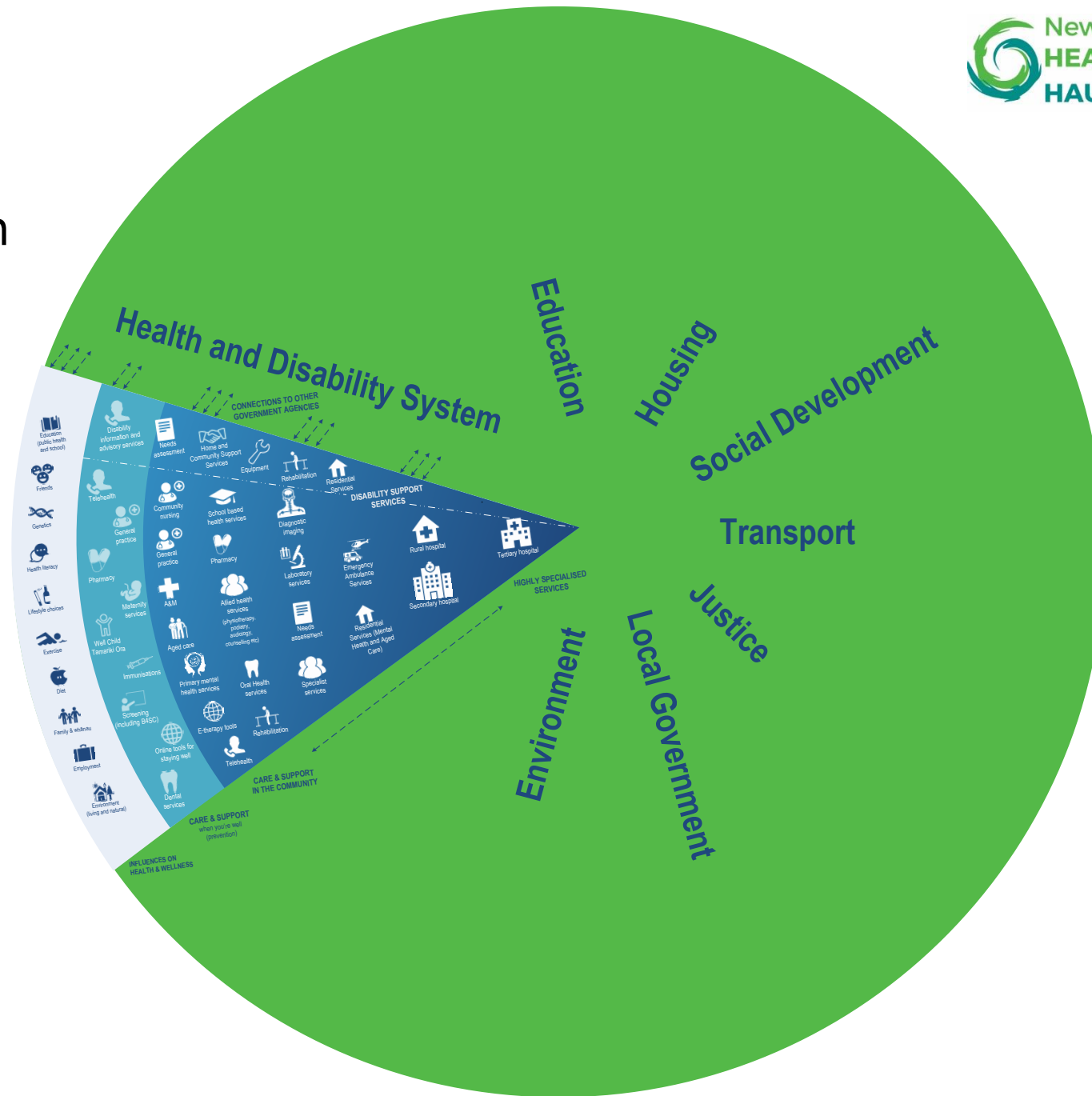
- The New Zealand Health Strategy was refreshed in 2016 following extensive consultation about what a better, more 'fit for the future' system could look like
- The Health Strategy outlined a vision that **'All New Zealanders live well, stay well, get well'** This statement:
  - reflects New Zealand's distinctive health context and population needs
  - reflects the need for a fair and responsible system that improves health outcomes for groups including Māori, Pacific peoples and disabled people
  - highlights wellness as a goal.

# Current system

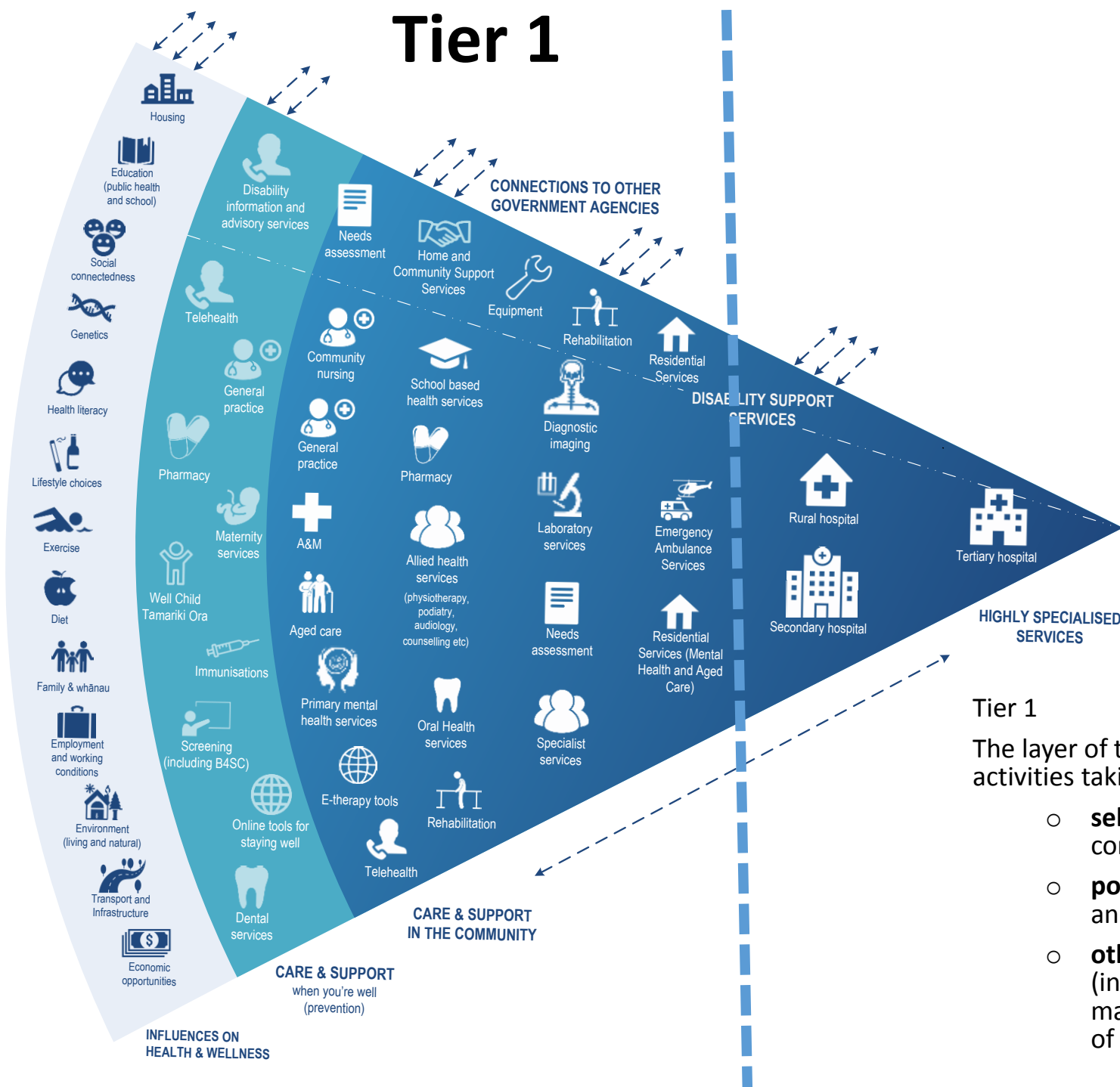


→ Funding flows   ← Service provision

Wellness and wellbeing go beyond the health and disability system...



# Tier 1



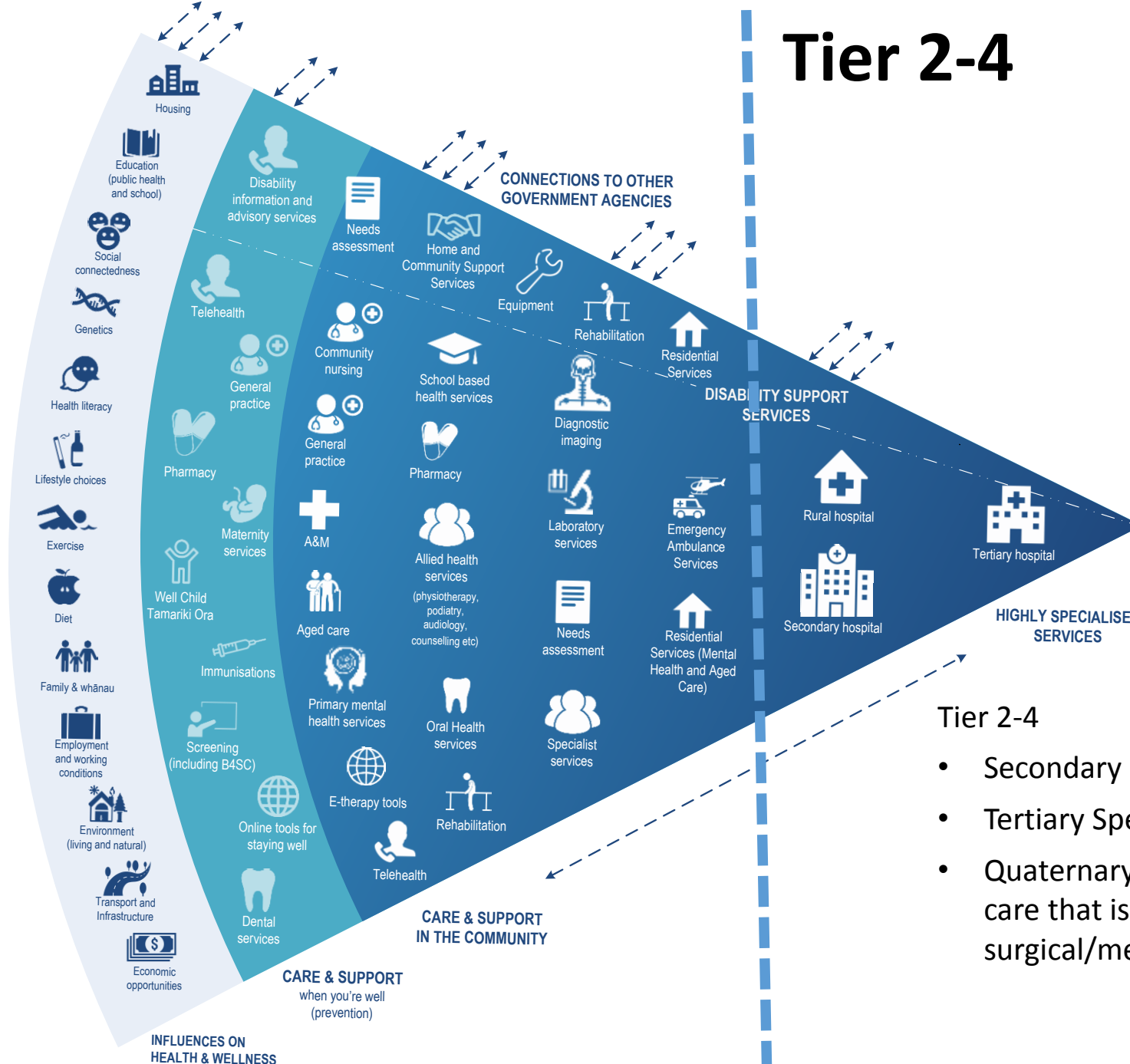
## Tier 1

The layer of the system embracing a broad range of services and other activities taking place in homes and local communities. This includes:

- **self-care** (maintaining well-being and self-management of chronic conditions within whanau);
- **population and public health services** (including health promotion and preventative initiatives such as screening programmes);
- **other health and disability services delivered in the community** (including but not limited to general practice, disability supports, maternity care, oral health and allied health that take place outside of hospital settings)



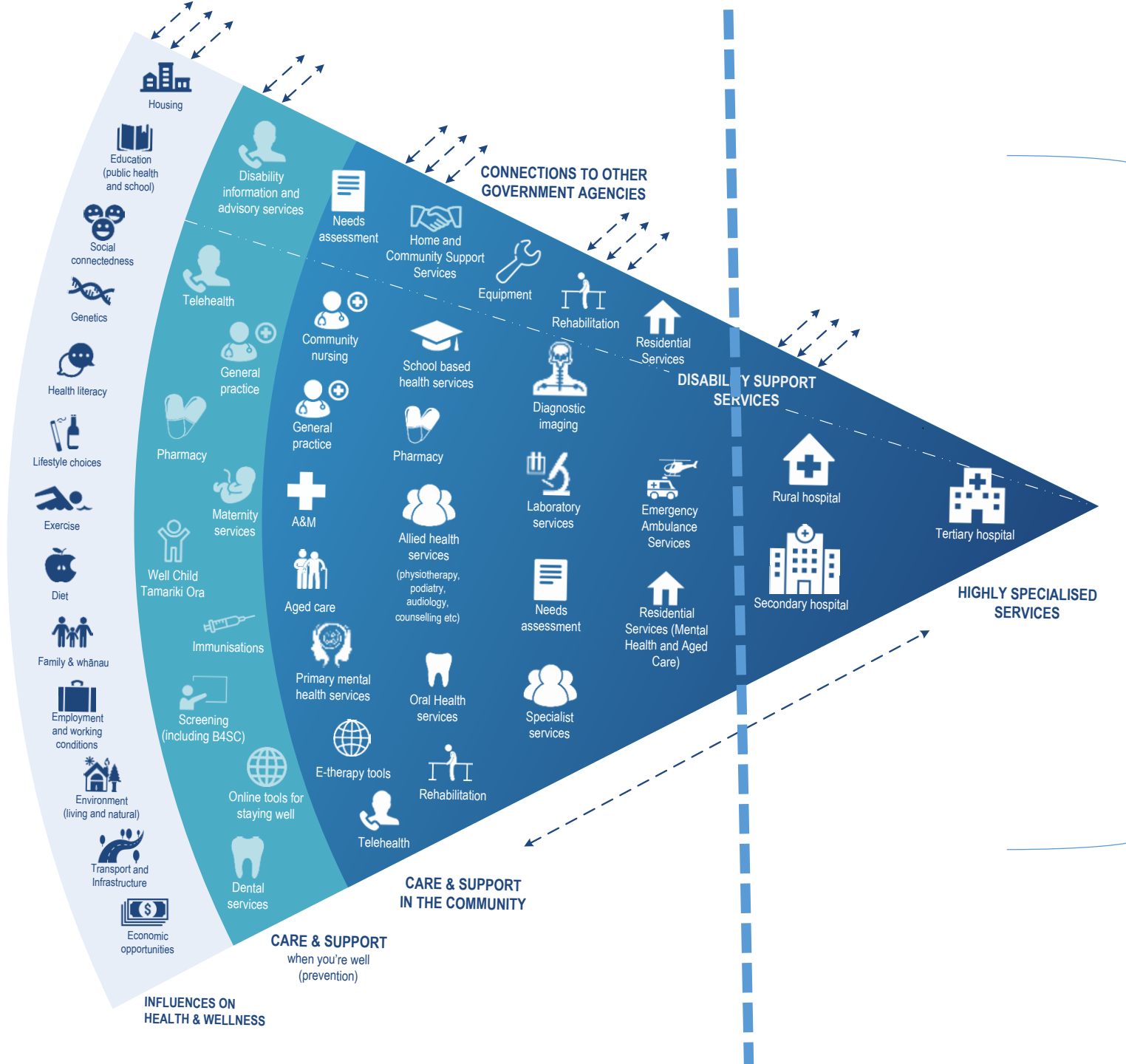
# Tier 2-4



Although Tier 1 has the greater breadth of service delivery from in-home care right through to public health, Tier 2-4 represents specialisation with high demand, concentrated services and constrained capacity.

## Tier 2-4

- Secondary Specialist Care (tier 2)
- Tertiary Specialist Care (Tier 3)
- Quaternary specialist care: advanced, highly specialised levels care that is not widely accessed, including costly diagnostic or surgical/medical procedures (Tier 4)



## Other workstreams

- Equity
- Disability Sector
- Governance and Finance
- Workforce
- Digital and Data
- Facilities and equipment
- Māori health

## Māori Expert Advisory Group

Online submissions and engagement



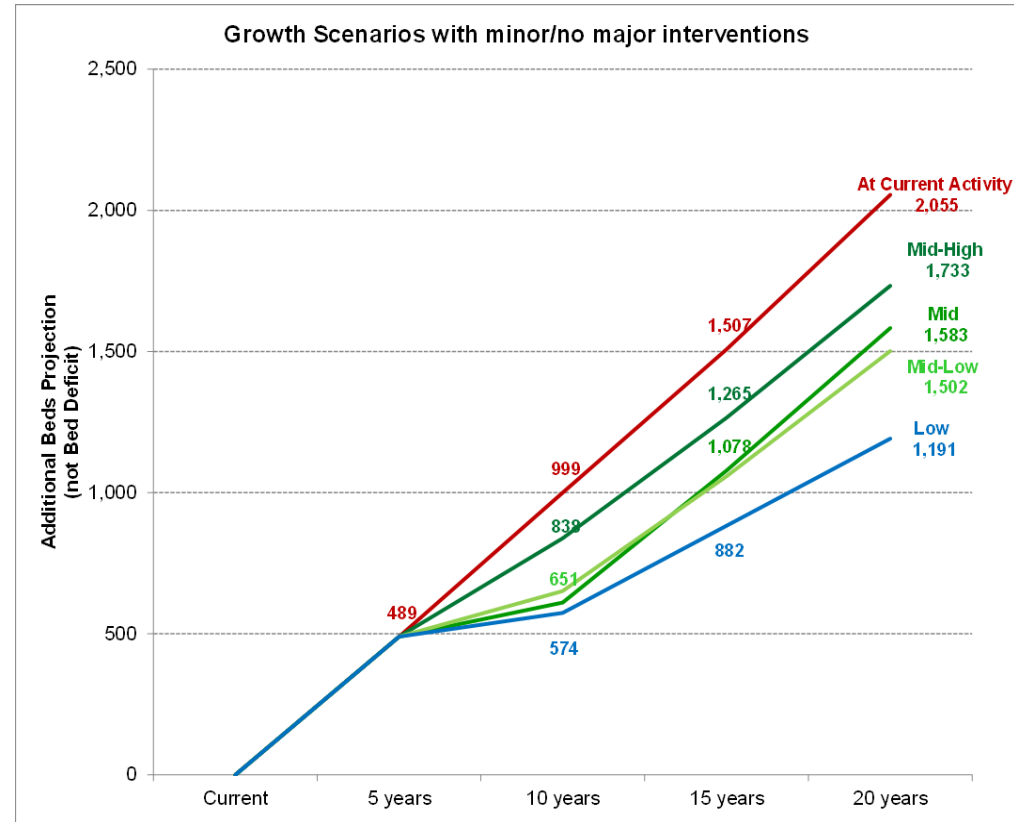
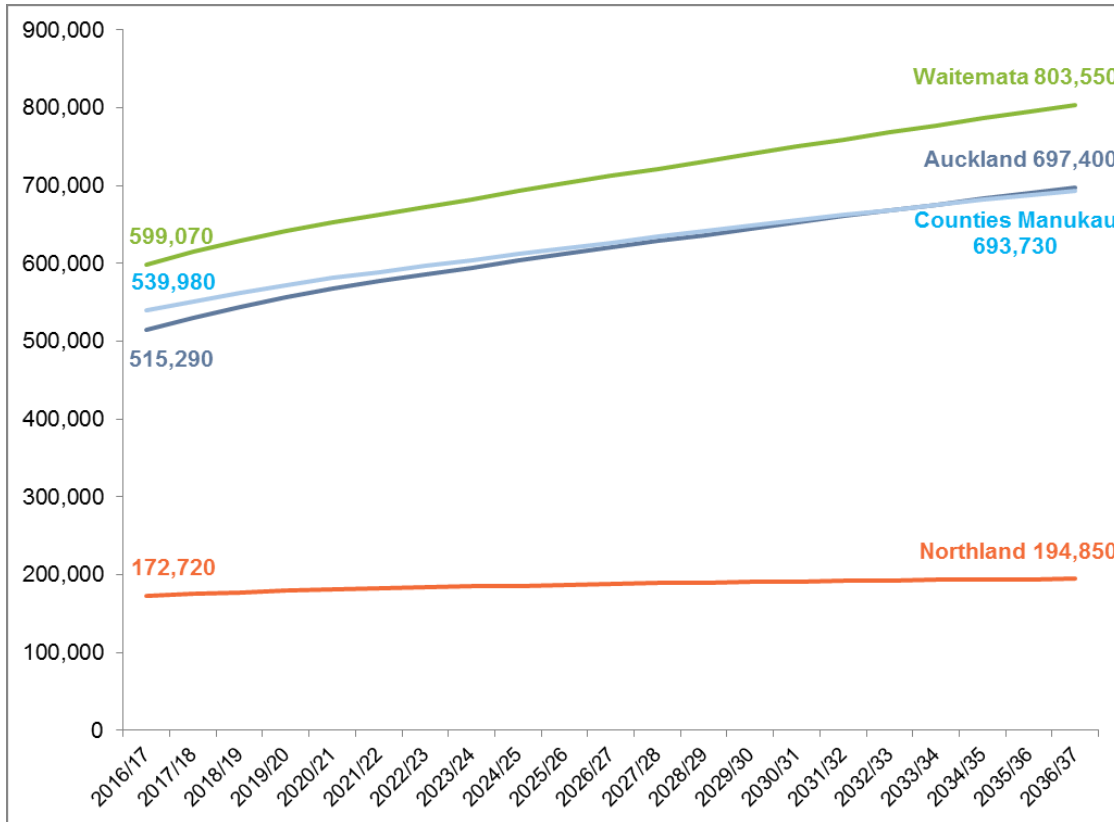
## What do we mean by Tier 2 - 4

- Tier 2 – 4 covers secondary, tertiary and quaternary services
- Tertiary care is broadly defined as specialised consultative health care, referred on from a primary or secondary health professional to a facility that has personnel and facilities for advanced medical and surgical interventions (e.g. neurosurgery).
- Quaternary care has been defined as an extension of tertiary care in reference to advanced levels of medicine and surgery typically only provided in a limited number of regional or national health care centres.

## **Tier 2- 4: Issues and Challenges**

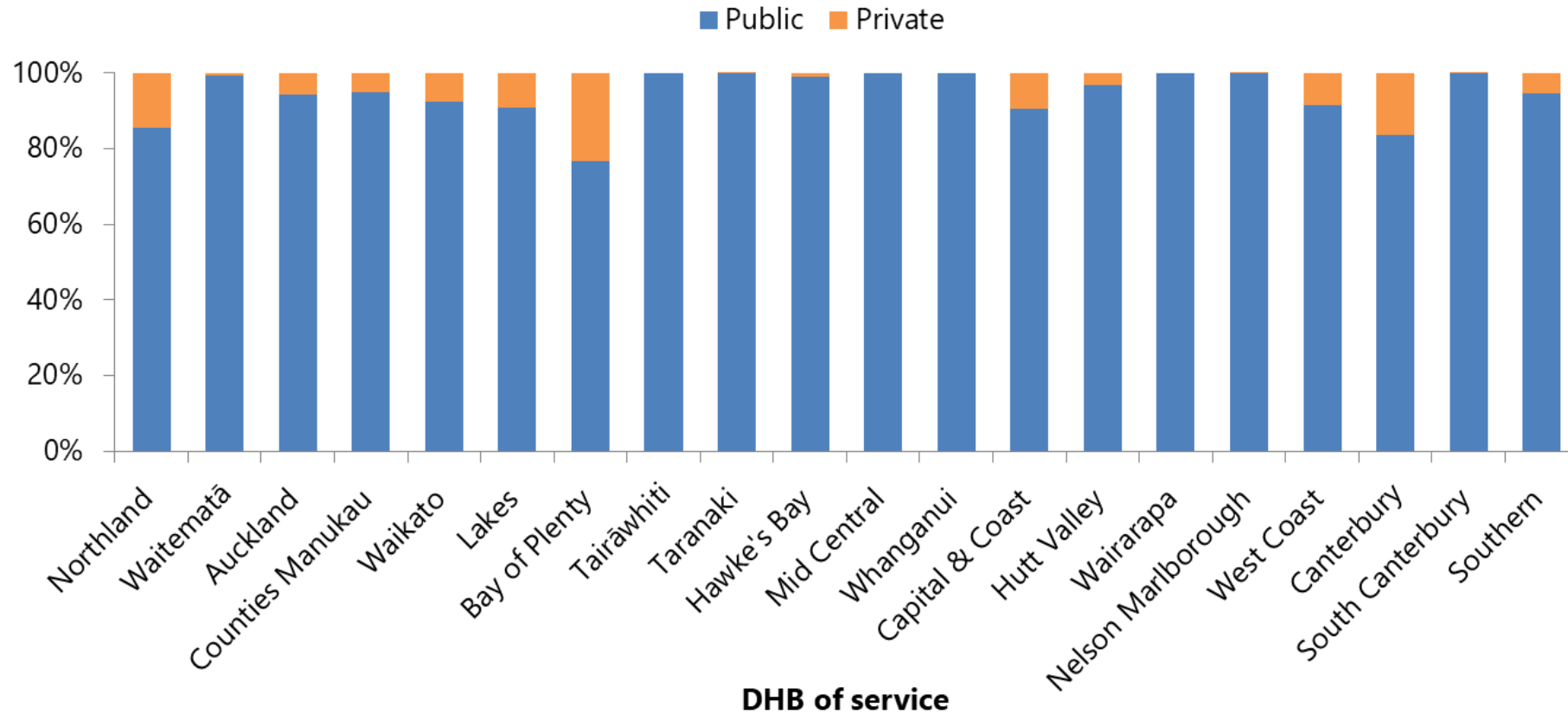
# Demand is outstripping capacity

## Northern Region Population Growth & Impact on Hospital Demand



# DHB outsourcing to private facilities by %

**Elective & arranged surgical discharges by provider type, 2017/18**



DHB	Acute ALOS (days)	Elective ALOS (days)	Elective discharges	Patients waiting >4 months for FSA	Patients waiting >4 months for treatment
	12 mths to Mar 2018	12 mths to Mar 2018	Apr-Jun 2018	Feb 2018	Feb 2018
Auckland	2.4	1.6	97%	0.4%	6.8%
Bay of Plenty	2.5	1.5	111%	0.2%	0.8%
Canterbury	2.4	1.6	100%	2.1%	4.1%
Capital & Coast	2.2	1.5	105%	0.3%	0.5%
Counties Manukau	2.8	1.7	102%	1.0%	4.3%
Hawke's Bay	2.4	1.6	95%	1.2%	7.5%
Hutt Valley	2.3	1.5	105%	4.6%	6.7%
Lakes	2.3	1.3	98%	1.4%	2.1%
MidCentral	2.7	1.7	103%	0.3%	48.3%
Nelson Marlborough	2.4	1.5	100%	2.6%	2.9%
Northland	2.6	1.6	105%	12.0%	24.3%
South Canterbury	2.7	1.4	100%	0.2%	1.3%
Southern	2.4	1.6	100%	5.6%	15.0%
Tairāwhiti	2.7	1.4	99%	14.4%	6.8%
Taranaki	2.7	1.5	119%	1.5%	1.5%
Waikato	2.4	1.6	105%	0.2%	1.7%
Wairarapa	2.4	1.4	103%	X	32.0%
Waitematā	2.7	1.5	109%	0.2%	0.5%
West Coast	2.3	1.2	103%	12.2%	1.5%
Whanganui	2.2	1.5	107%	0.2%	12.0%
National	2.5	1.6	103%		21

# Patients waiting >4 months for FSA

	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017	2018	2018
	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Auckland	0.1%	0.3%	0.2%	0.3%	0.5%	0.4%	0.3%	0.2%	0.1%	0.2%	0.3%	0.4%
Bay of Plenty	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.1%	0.2%	0.2%
Canterbury	0.1%	0.1%	0.3%	0.2%	1.9%	1.1%	0.4%	0.2%	0.2%	2.0%	0.2%	2.1%
Capital and Coast	0.2%	0.2%	0.1%	0.3%	0.1%	0.1%	0.1%	0.0%	0.0%	0.1%	0.1%	0.3%
Counties Manukau	0.0%	0.1%	0.0%	0.0%	0.0%	0.1%	0.3%	0.2%	0.3%	0.2%	0.9%	1.0%
Hawkes Bay	0.0%	1.4%	2.3%	2.6%	0.1%	3.1%	0.1%	2.1%	2.2%	5.0%	6.7%	1.2%
Hutt Valley	0.2%	0.3%	0.3%	0.2%	2.4%	0.3%	0.4%	0.2%	0.3%	1.6%	3.6%	4.6%
Lakes	1.6%	0.2%	0.0%	0.1%	0.5%	0.5%	0.0%	0.2%	0.3%	0.4%	1.3%	1.4%
MidCentral	0.4%	0.4%	0.3%	0.7%	0.3%	0.3%	0.5%	0.7%	0.9%	0.9%	0.4%	0.3%
Nelson Marlborough	0.4%	1.3%	0.4%	0.4%	0.7%	0.3%	0.8%	1.5%	0.4%	0.2%	1.8%	2.6%
Northland	3.4%	0.2%	0.1%	0.9%	2.0%	0.1%	3.5%	5.8%	0.3%	7.9%	12.7%	12.0%
South Canterbury	0.5%	0.1%	0.0%	0.0%	0.0%	0.0%	0.1%	0.3%	0.5%	3.9%	0.6%	0.2%
Southern	3.6%	5.4%	4.4%	2.2%	4.5%	3.1%	3.6%	3.6%	2.5%	2.4%	3.5%	5.6%
Tairāwhiti	1.1%	4.1%	3.6%	4.8%	4.3%	1.5%	3.8%	3.6%	8.6%	14.3%	11.1%	14.4%
Taranaki	0.2%	0.2%	0.7%	0.1%	0.9%	0.9%	0.4%	0.8%	0.4%	0.4%	0.7%	1.5%
Waikato	1.3%	0.3%	0.4%	0.4%	1.1%	0.4%	1.5%	0.4%	0.5%	1.7%	3.3%	0.2%
Wairarapa	0.6%	0.3%	1.0%	0.4%	3.1%	4.5%	3.9%	0.8%	2.3%	2.9%	7.0%	X
Waitemata	0.0%	0.1%	0.0%	0.0%	0.9%	0.1%	0.7%	0.3%	0.1%	0.1%	0.7%	0.2%
West Coast	0.1%	2.5%	2.8%	4.6%	0.1%	1.7%	5.5%	5.4%	7.4%	10.6%	11.1%	12.2%
Whanganui	0.0%	0.1%	0.0%	4.3%	7.5%	0.5%	0.0%	0.6%	0.4%	0.0%	0.7%	0.2%

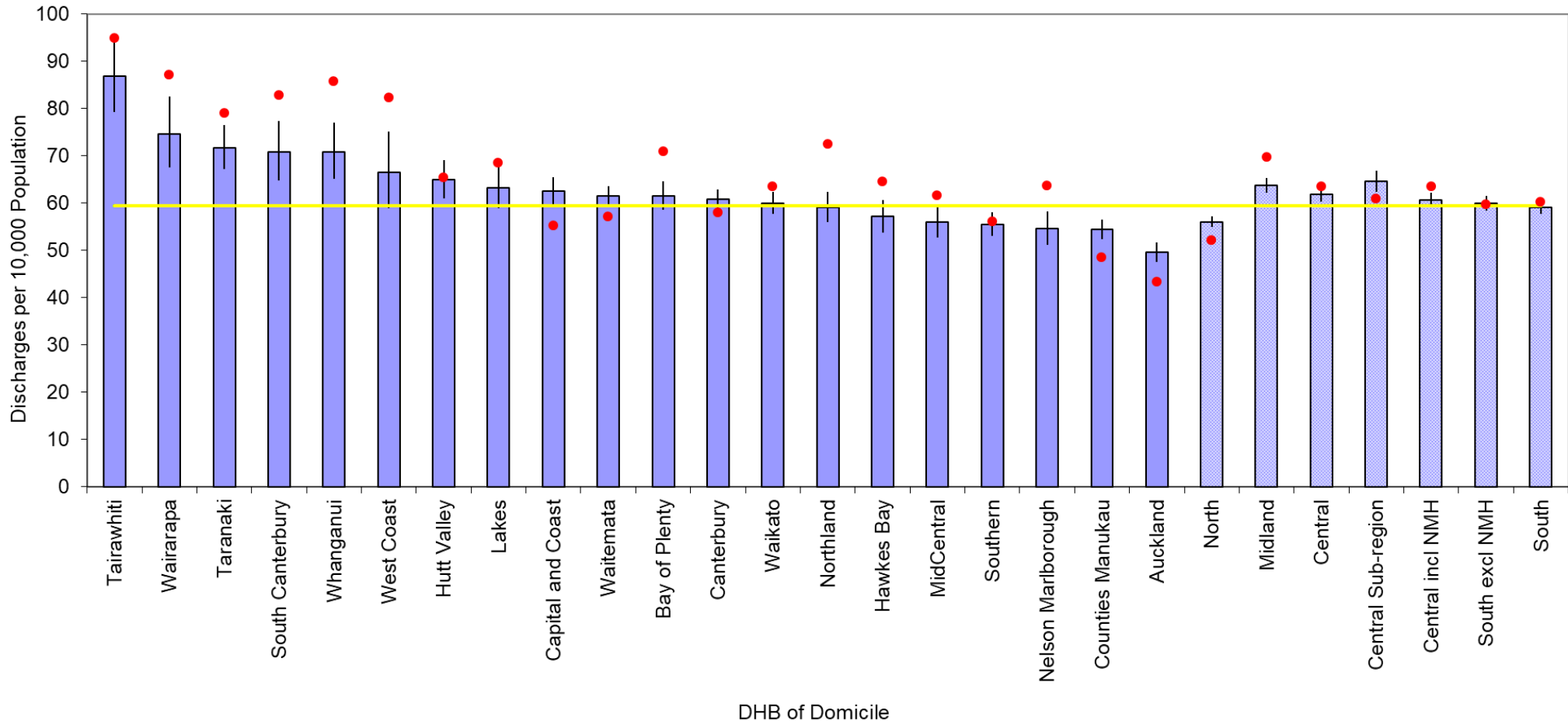
# Patients waiting >4 months for treatment

	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017	2018	2018
	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Auckland	5.4%	5.8%	5.4%	6.8%	7.9%	7.2%	7.3%	7.1%	6.5%	6.7%	6.9%	6.8%
Bay of Plenty	0.7%	1.1%	0.9%	1.0%	0.9%	0.7%	0.5%	0.4%	0.7%	0.9%	0.9%	0.8%
Canterbury	2.3%	0.5%	0.4%	0.8%	0.7%	1.0%	1.6%	1.6%	2.7%	2.9%	3.5%	4.1%
Capital and Coast	0.2%	0.7%	0.5%	0.5%	0.8%	0.3%	0.5%	0.4%	0.3%	0.5%	0.6%	0.5%
Counties Manukau	0.4%	0.5%	0.2%	0.4%	1.2%	0.5%	0.8%	1.0%	1.5%	1.2%	3.0%	4.3%
Hawkes Bay	1.8%	3.4%	3.3%	0.5%	2.3%	3.4%	0.8%	2.8%	0.7%	3.5%	6.9%	7.5%
Hutt Valley	0.4%	1.2%	0.4%	0.6%	3.2%	4.7%	2.4%	0.4%	0.5%	0.5%	5.5%	6.7%
Lakes	0.9%	0.7%	0.4%	0.9%	1.3%	1.0%	1.6%	0.9%	0.9%	1.5%	1.6%	2.1%
MidCentral	0.9%	4.7%	1.9%	1.6%	1.1%	0.8%	2.5%	5.0%	3.6%	12.1%	30.7%	48.3%
Nelson Marlborough	1.1%	2.5%	2.1%	0.9%	2.9%	2.2%	0.9%	3.0%	0.8%	0.9%	3.5%	2.9%
Northland	0.4%	6.5%	5.0%	0.2%	2.7%	0.5%	5.0%	9.2%	9.3%	15.7%	22.6%	24.3%
South Canterbury	1.7%	1.7%	2.1%	4.1%	3.1%	2.1%	2.1%	1.6%	1.8%	7.1%	4.9%	1.3%
Southern	7.8%	8.9%	8.1%	7.3%	10.0%	9.9%	9.7%	8.0%	8.2%	10.8%	13.6%	15.0%
Tairāwhiti	0.8%	0.7%	0.7%	1.6%	1.7%	1.1%	1.8%	1.5%	1.9%	3.8%	7.2%	6.8%
Taranaki	1.0%	0.5%	0.8%	0.3%	0.4%	0.5%	1.1%	1.0%	1.2%	0.9%	1.9%	1.5%
Waikato	1.0%	3.3%	1.9%	0.9%	1.3%	0.8%	0.9%	1.3%	1.0%	1.6%	2.2%	1.7%
Wairarapa	0.3%	3.3%	4.5%	0.6%	6.1%	9.0%	6.6%	1.5%	5.4%	7.1%	15.1%	32.0%
Waitemata	0.4%	0.4%	0.2%	0.6%	1.2%	0.4%	0.3%	0.1%	0.2%	0.2%	0.2%	0.5%
West Coast	0.6%	0.9%	2.3%	1.7%	5.2%	1.0%	1.4%	2.1%	2.1%	0.5%	1.4%	1.5%
Whanganui	0.4%	1.2%	0.0%	0.3%	0.7%	0.6%	0.6%	0.8%	0.3%	0.5%	3.0%	12.0%

# Elective intervention rates – general surgery

General Surgery Intervention Rates (Discharges with an Operating Room Procedure) - Elective Admissions Only

Year Ended 30 Sep 2018

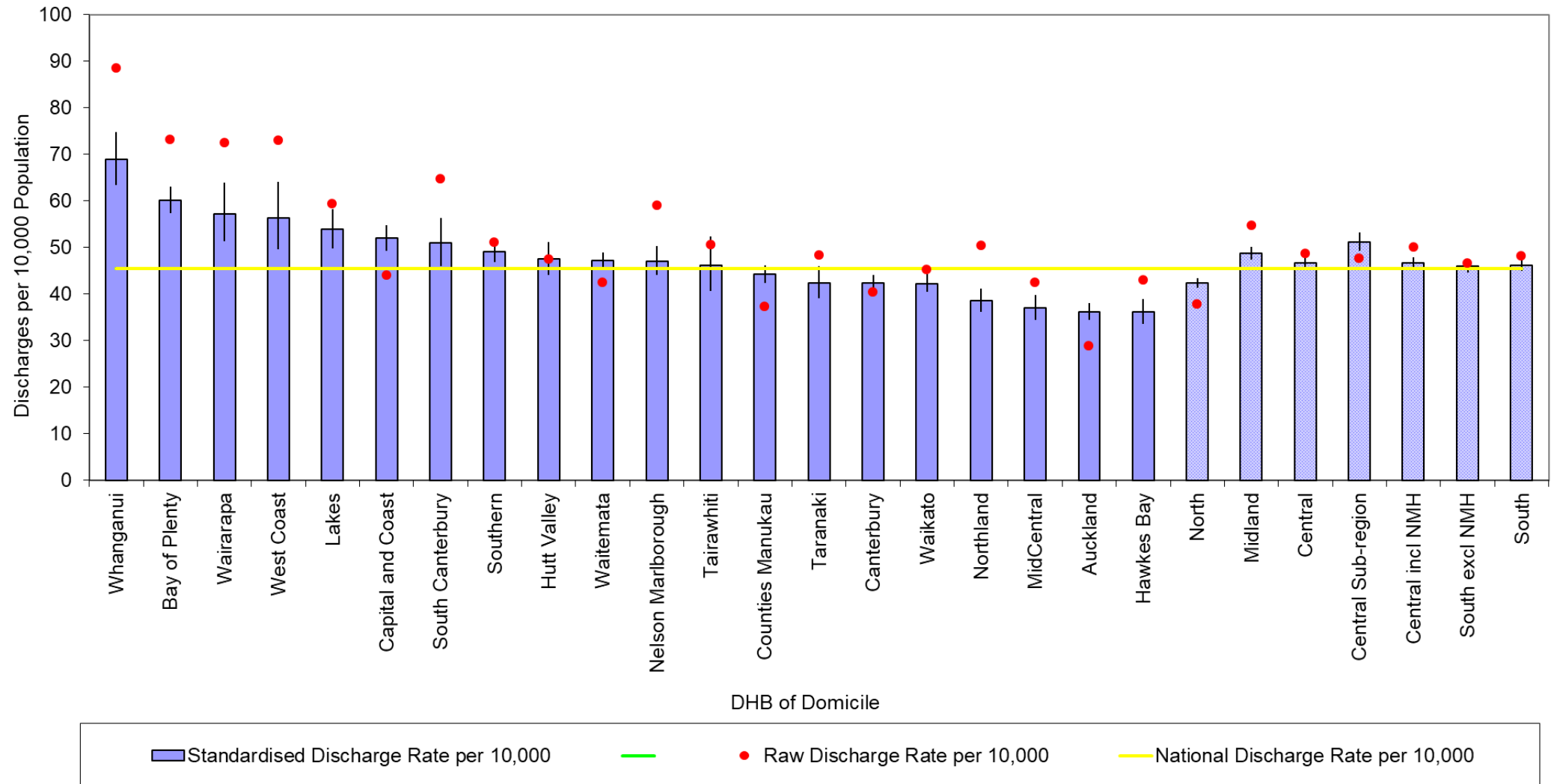




# Elective intervention rates – orthopaedics

Orthopaedics Intervention Rates (Discharges with an Operating Room Procedure) - Elective Admissions Only

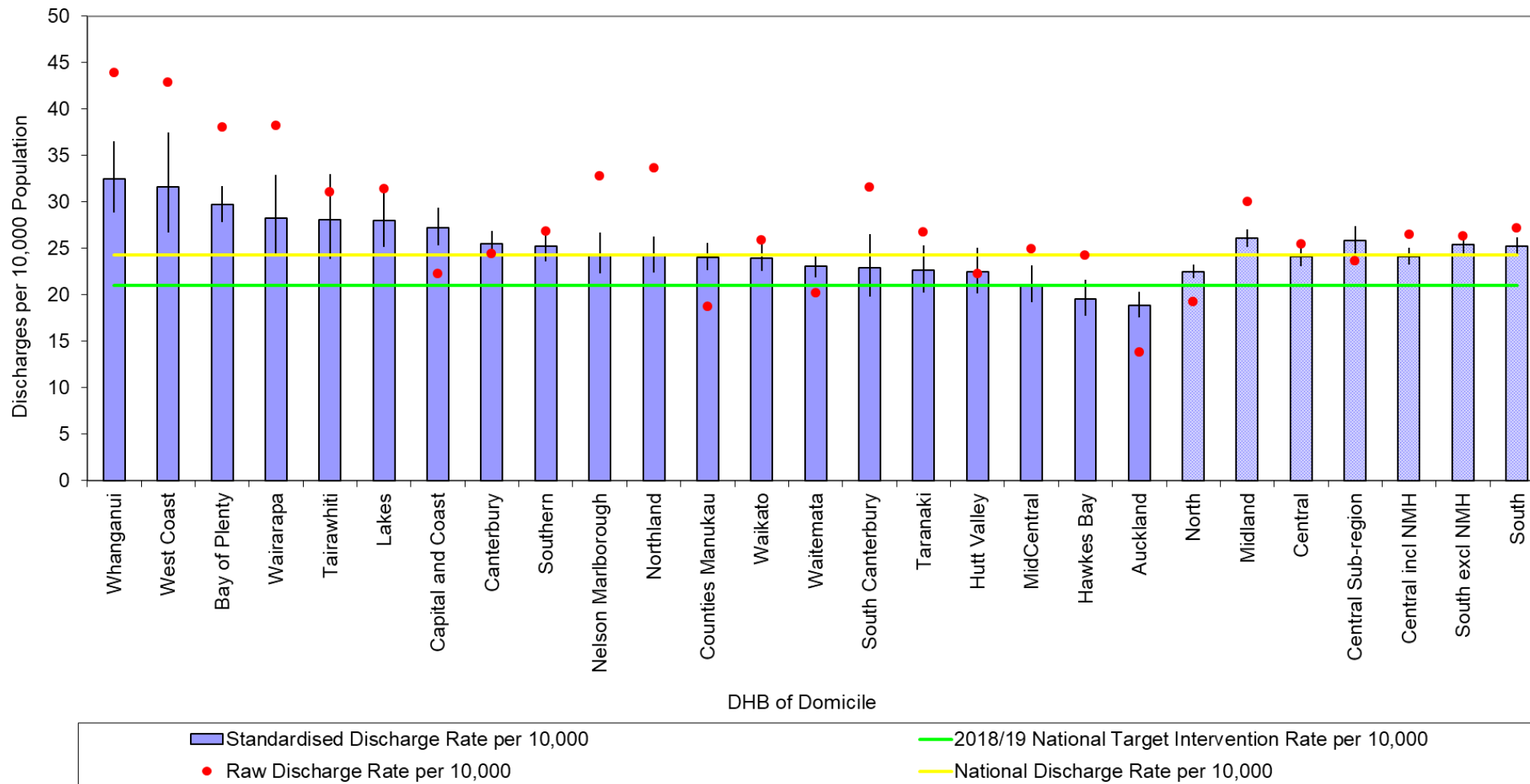
Year Ended 30 Sep 2018



# Elective intervention rates – major joints

Major Joint (Hip and Knee Replacement) Surgery Intervention Rates - All Admission Types

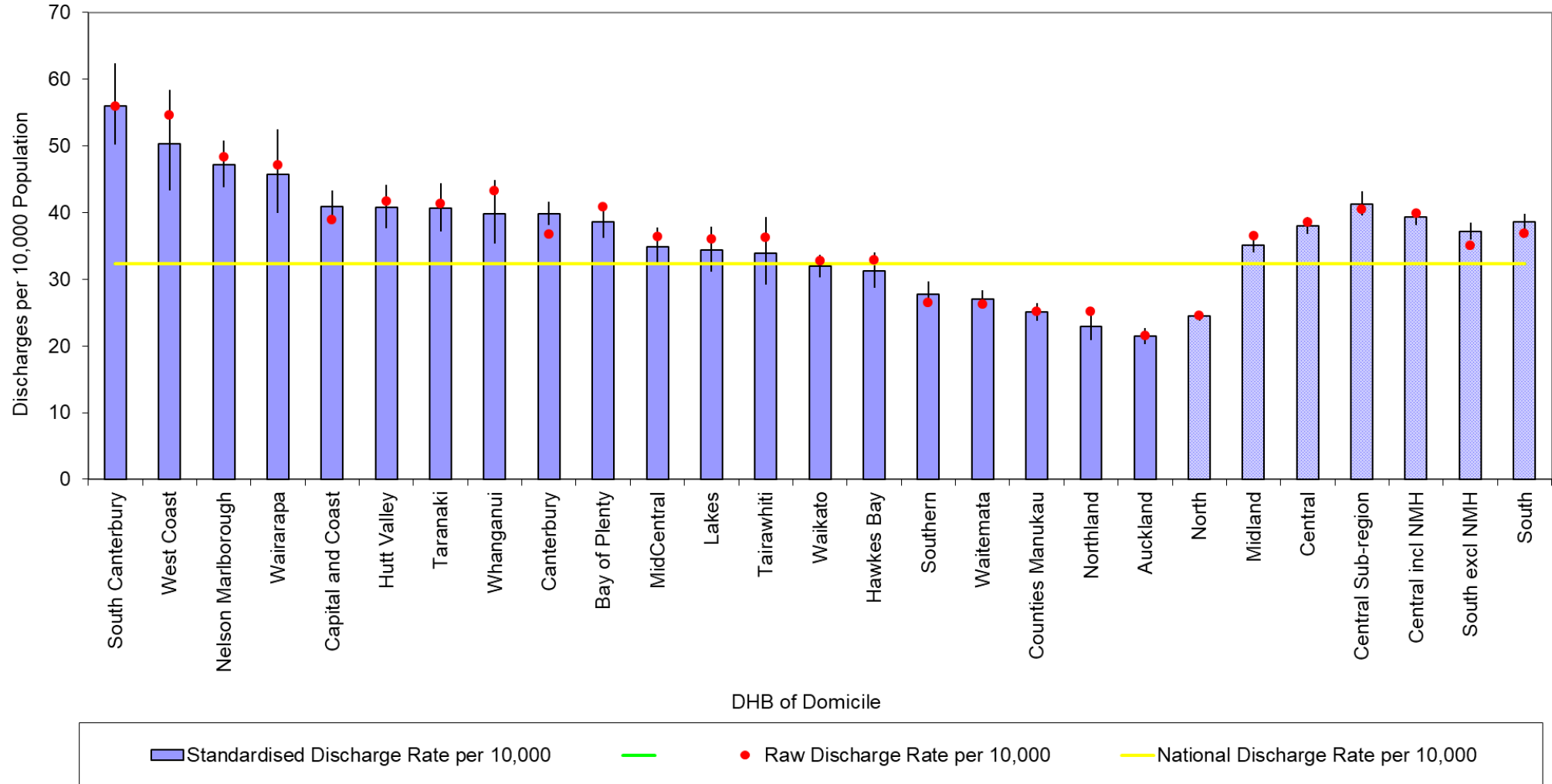
Year Ended 30 Sep 2018



# Elective intervention rates – gynaecology

Gynaecology Intervention Rates (Discharges with an Operating Room Procedure) - Elective Admissions Only

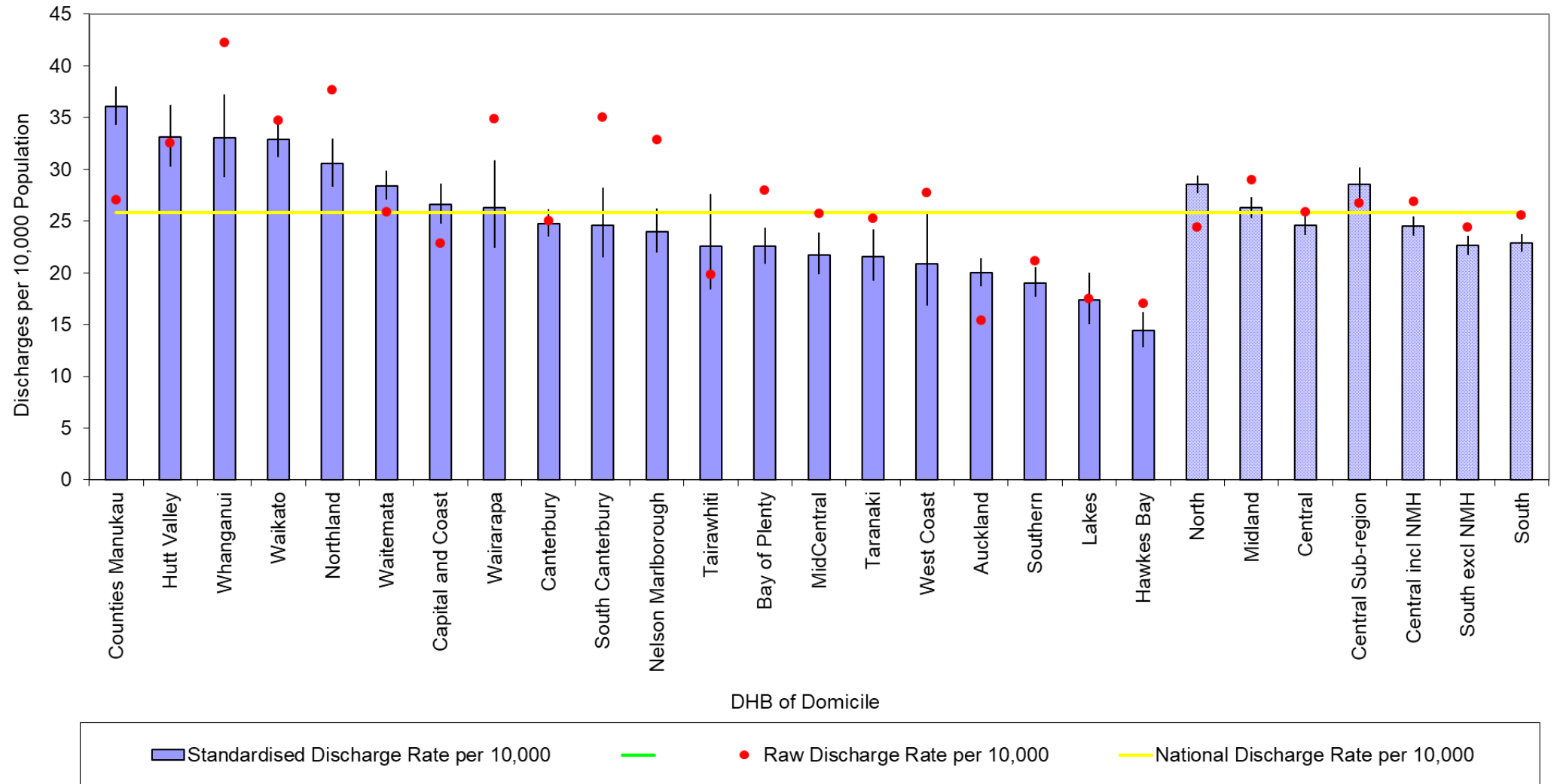
Year Ended 30 Sep 2018



# Elective intervention rates – plastics

Plastics Intervention Rates (Discharges with an Operating Room Procedure) - Elective Admissions Only

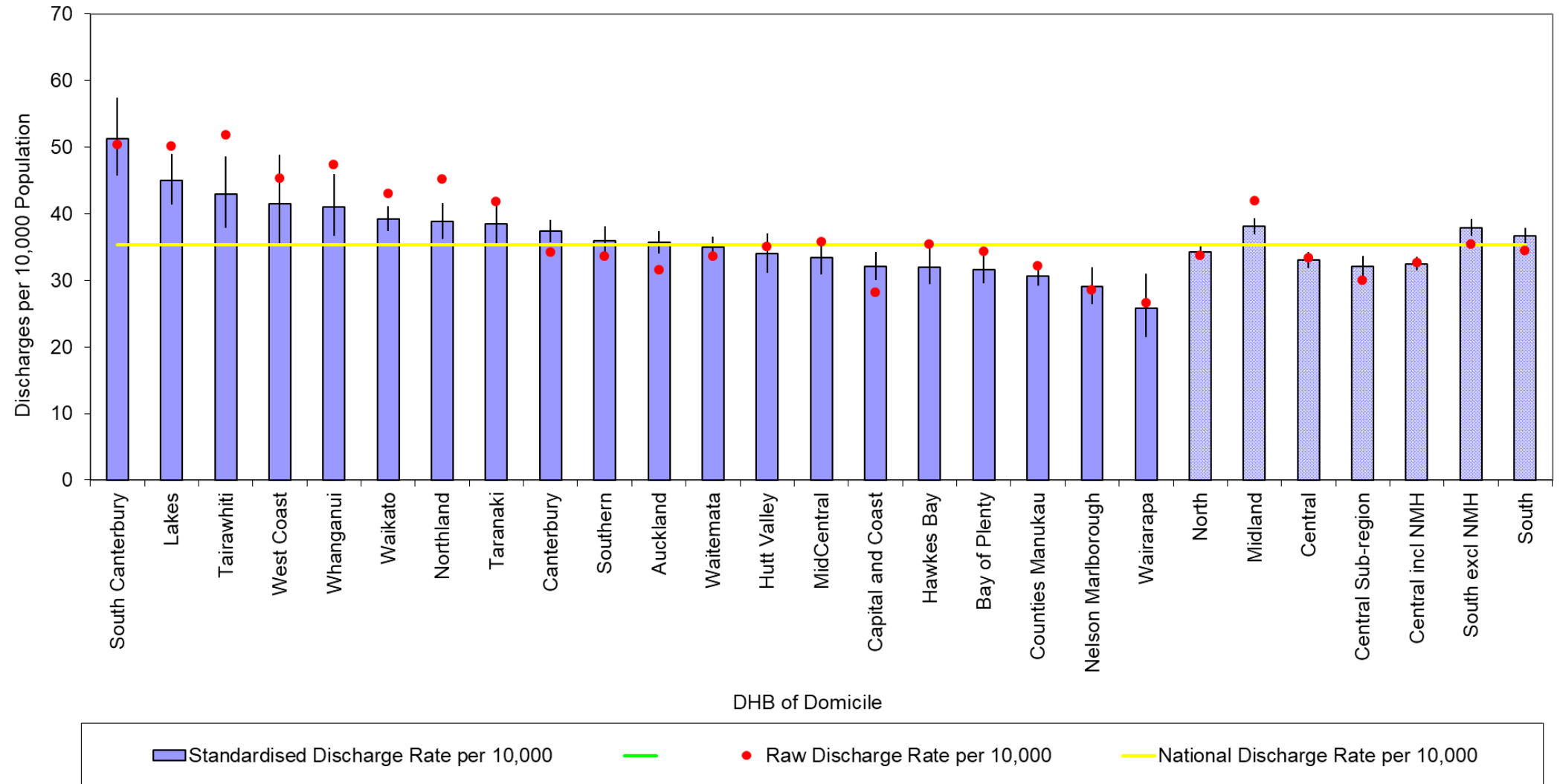
Year Ended 30 Sep 2018



# Elective intervention rates – ENT

ENT Intervention Rates (Discharges with an Operating Room Procedure) - Elective Admissions Only

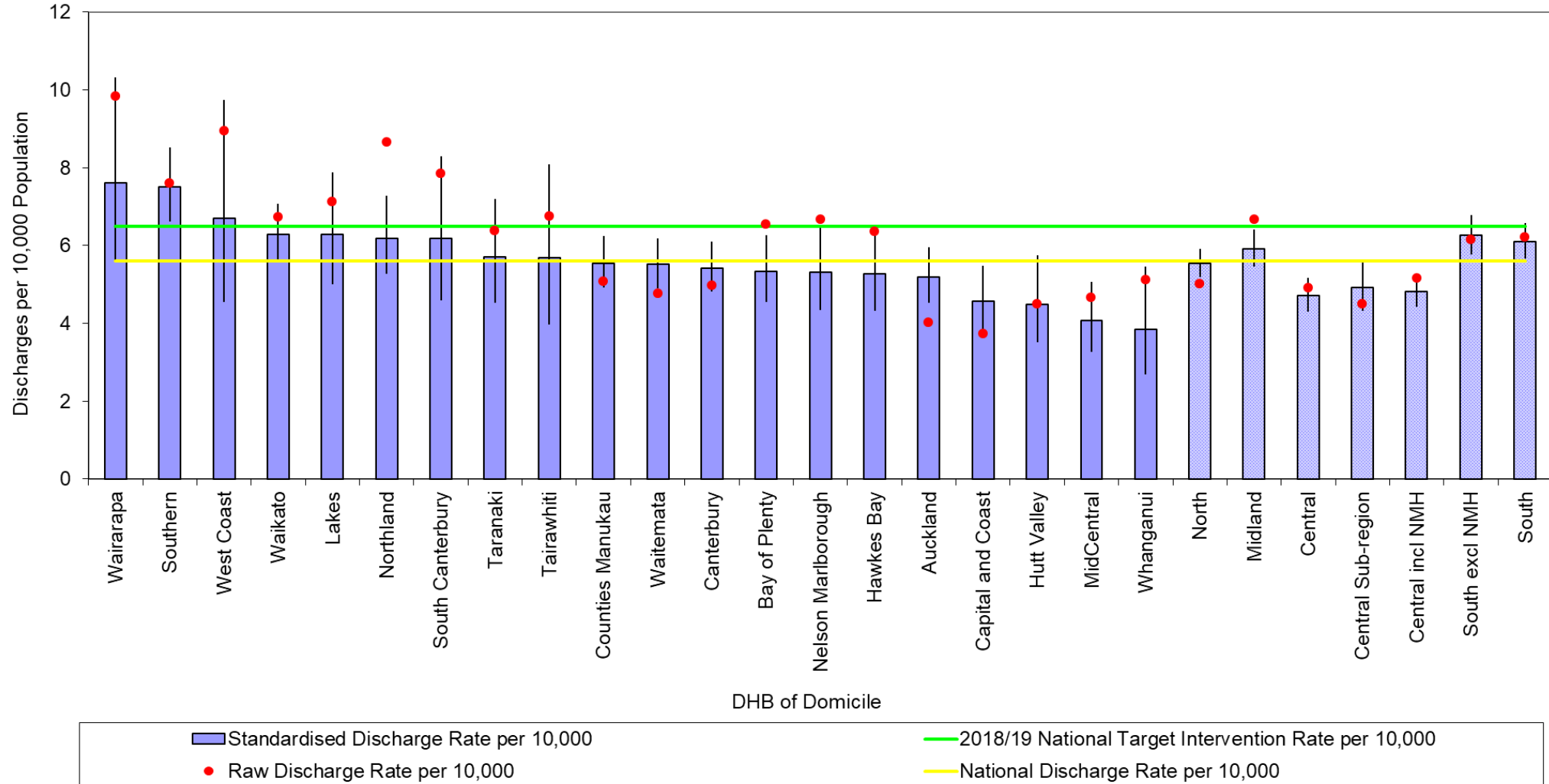
Year Ended 30 Sep 2018



# Elective intervention rates – cardiac surgery

Cardiac Surgery Intervention Rates for Patients Aged 15 Years and Over - All Admission Types

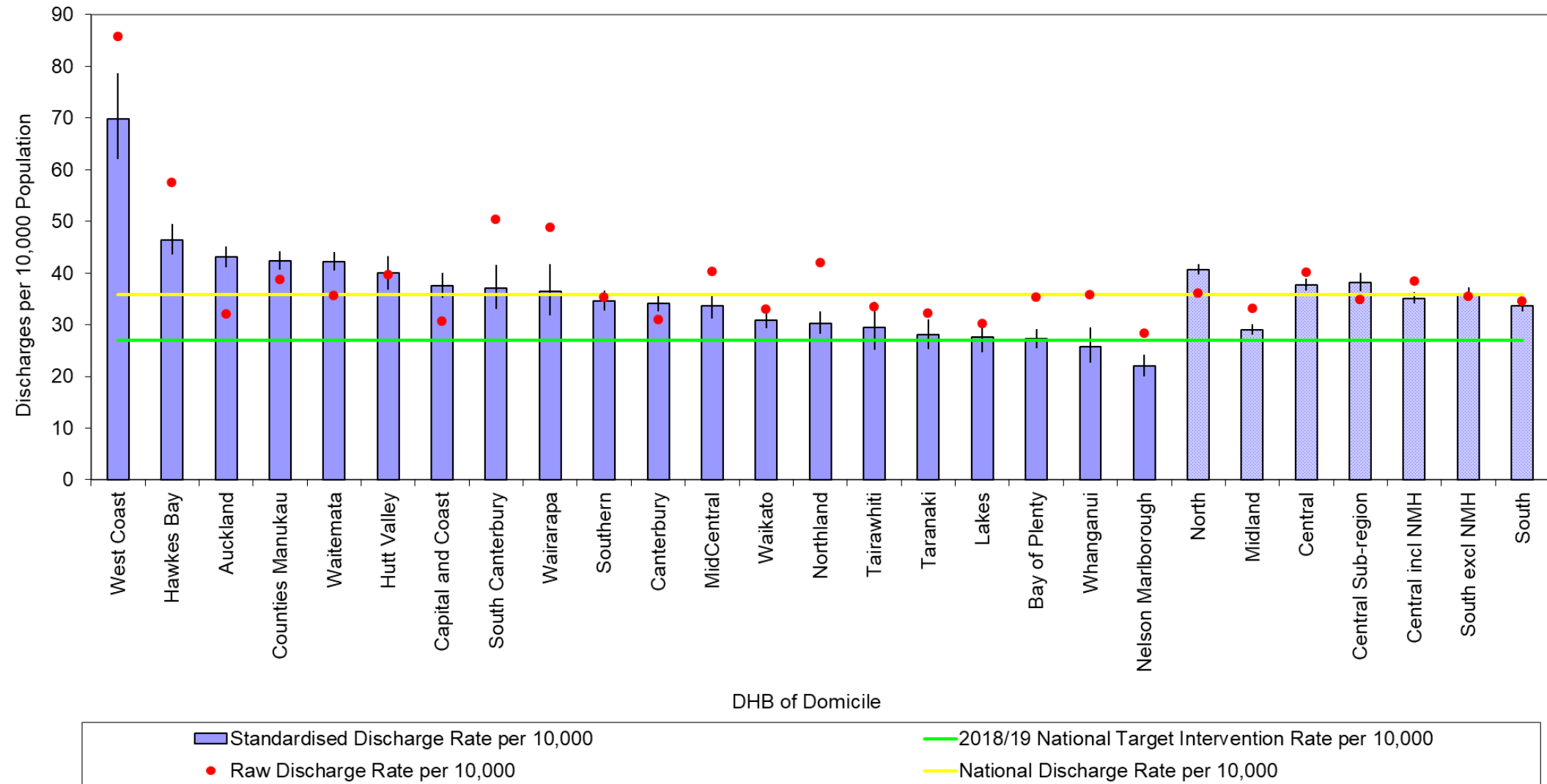
Year Ended 30 Sep 2018



# Elective intervention rates – cataracts

Cataract Surgery Intervention Rates - All Admission Types

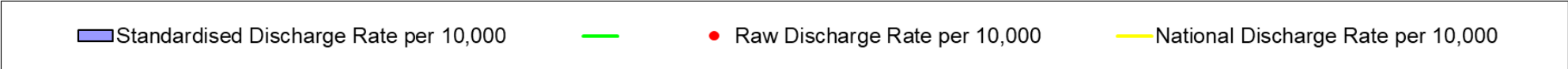
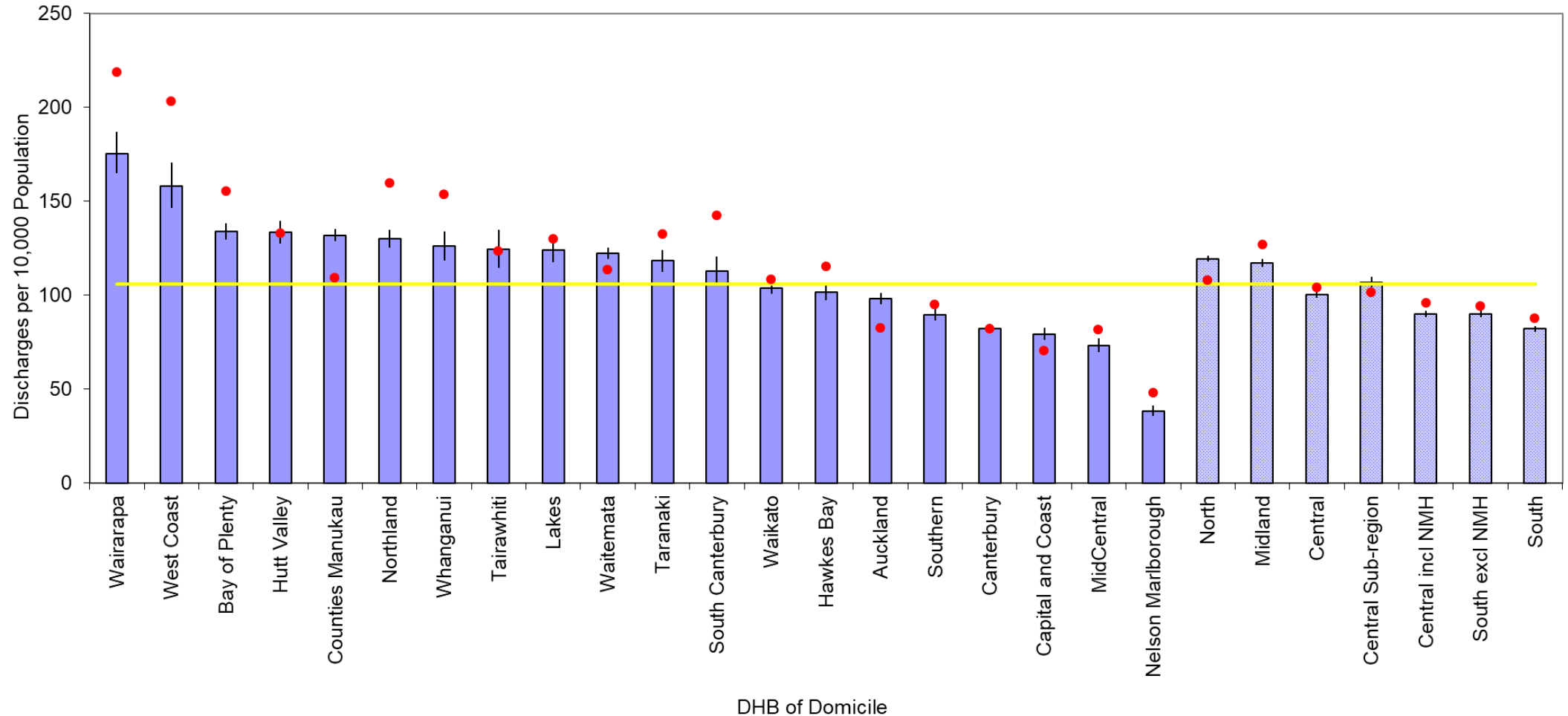
Year Ended 30 Sep 2018



# Elective intervention rates – colonoscopy

Colonoscopy Intervention Rates - All Admission Types. Includes Volumes from NN PAC and NMDS

Year Ended 30 Sep 2018

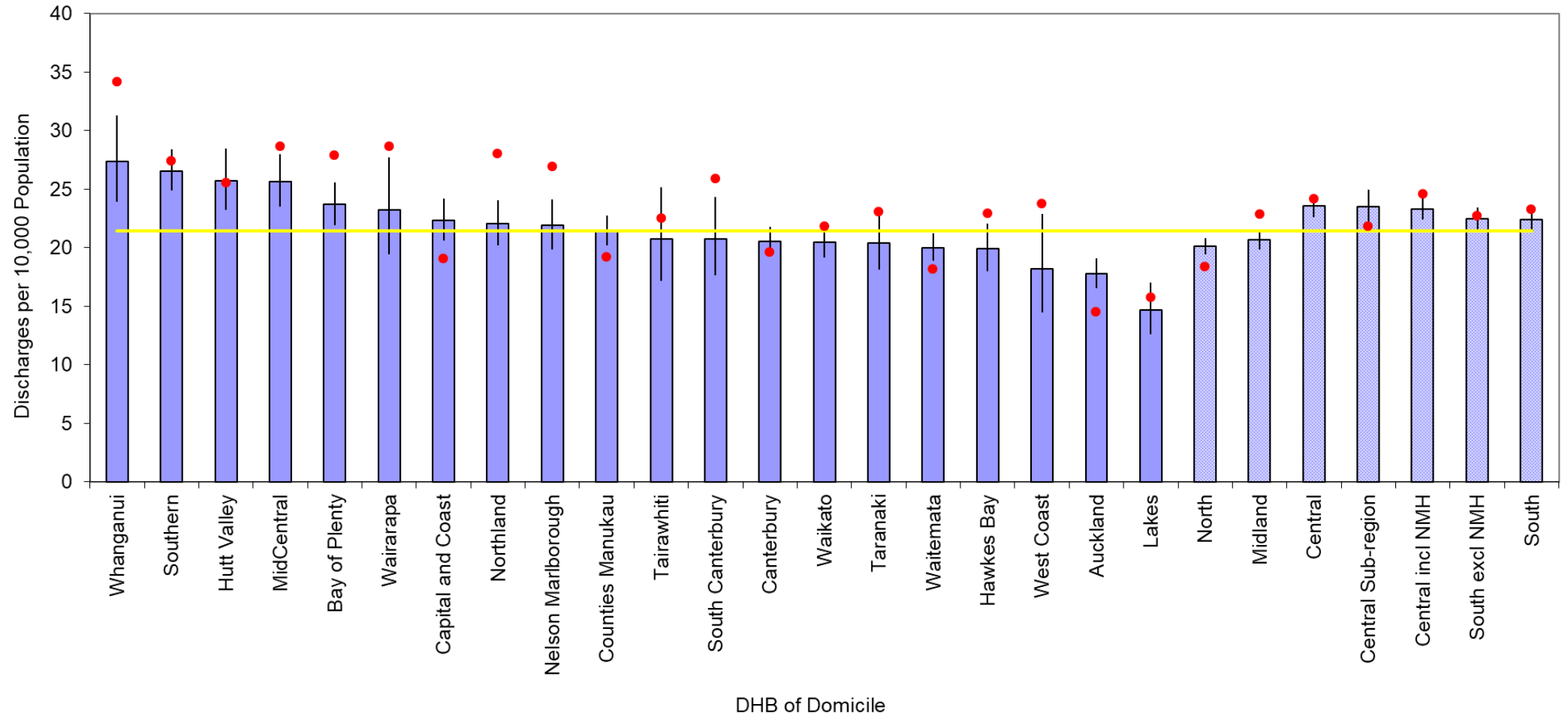




# Elective intervention rates – urology

Urology Intervention Rates (Discharges with an Operating Room Procedure) - Elective Admissions Only

Year Ended 30 Sep 2018



Standardised Discharge Rate per 10,000



Raw Discharge Rate per 10,000



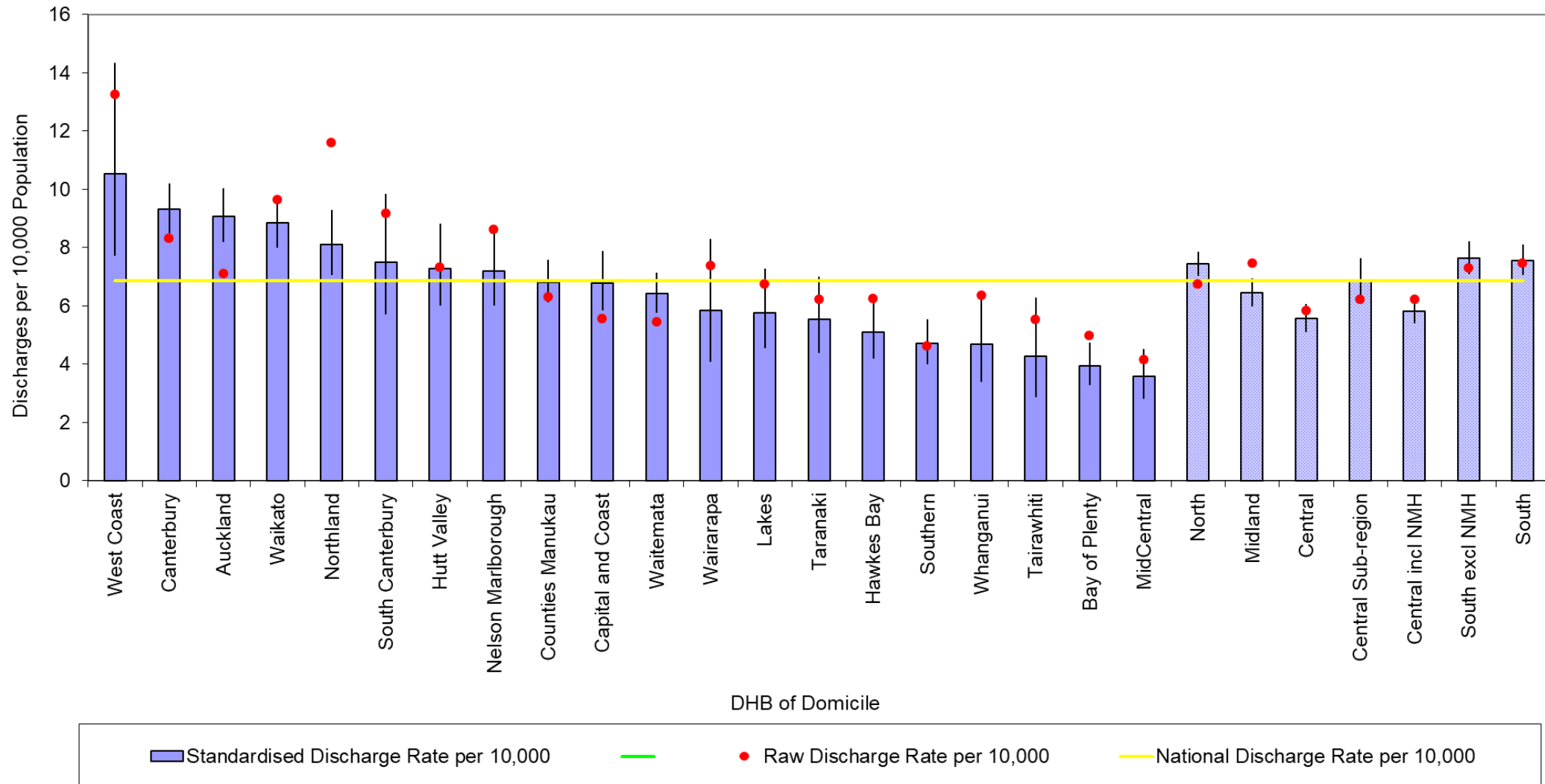
National Discharge Rate per 10,000



# Elective intervention rates – vascular surgery

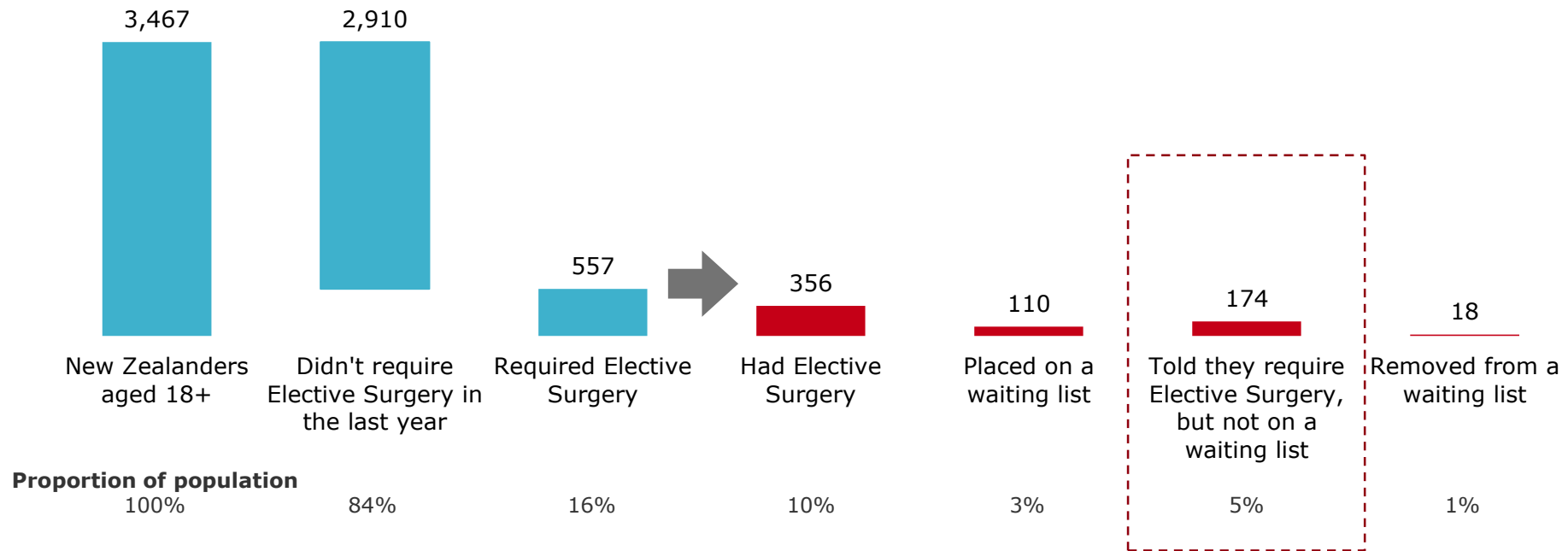
Vascular Surgery Intervention Rates (Discharges with an Operating Room Procedure) - Elective Admissions Only

Year Ended 30 Sep 2018



The unmet demand for Elective Surgery is large, with more than 170,000 who aren't yet on a waiting list...

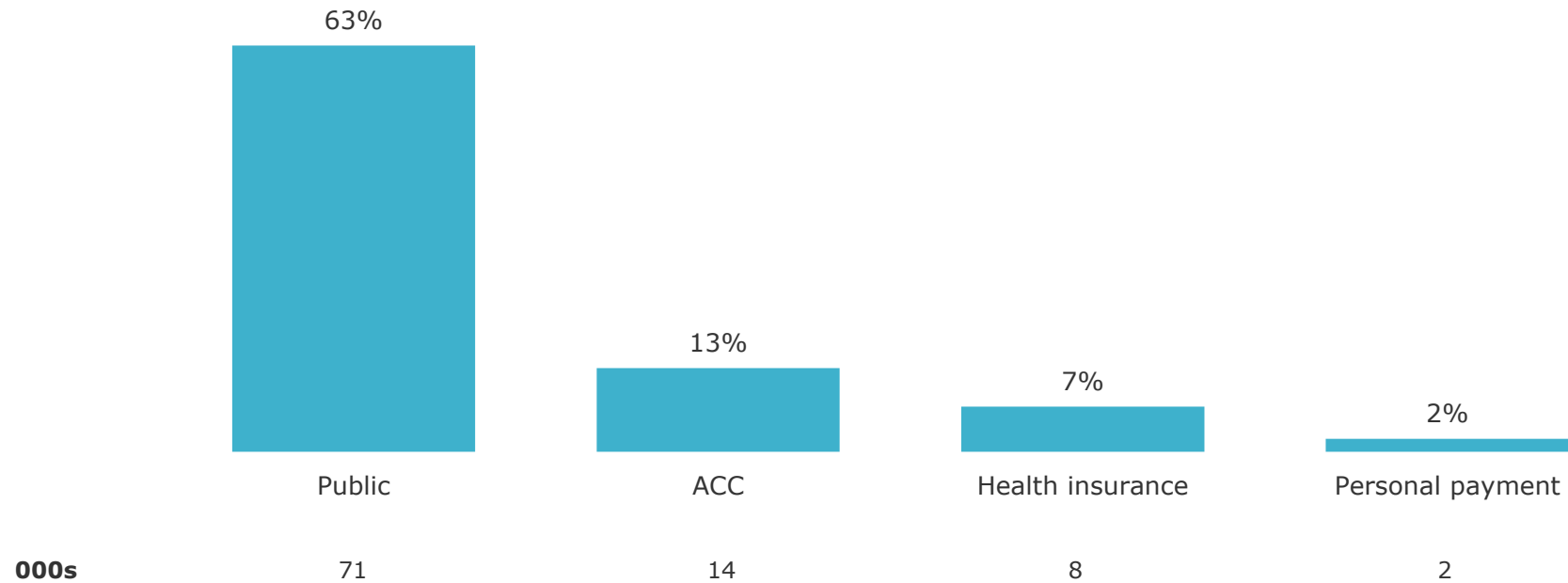
Annual demand for Elective Surgery amongst the New Zealand population (000s aged 18 plus, Jan 16)<sup>(1)</sup>



NOTES:  
1. Sample size n = 1,800

# Most of the 110,000 on a waiting list are awaiting publicly funded surgery

**Elective Surgeries by probable funding method (% aged 18 plus and on waiting list, Jan 16)<sup>(1)(2)</sup>**

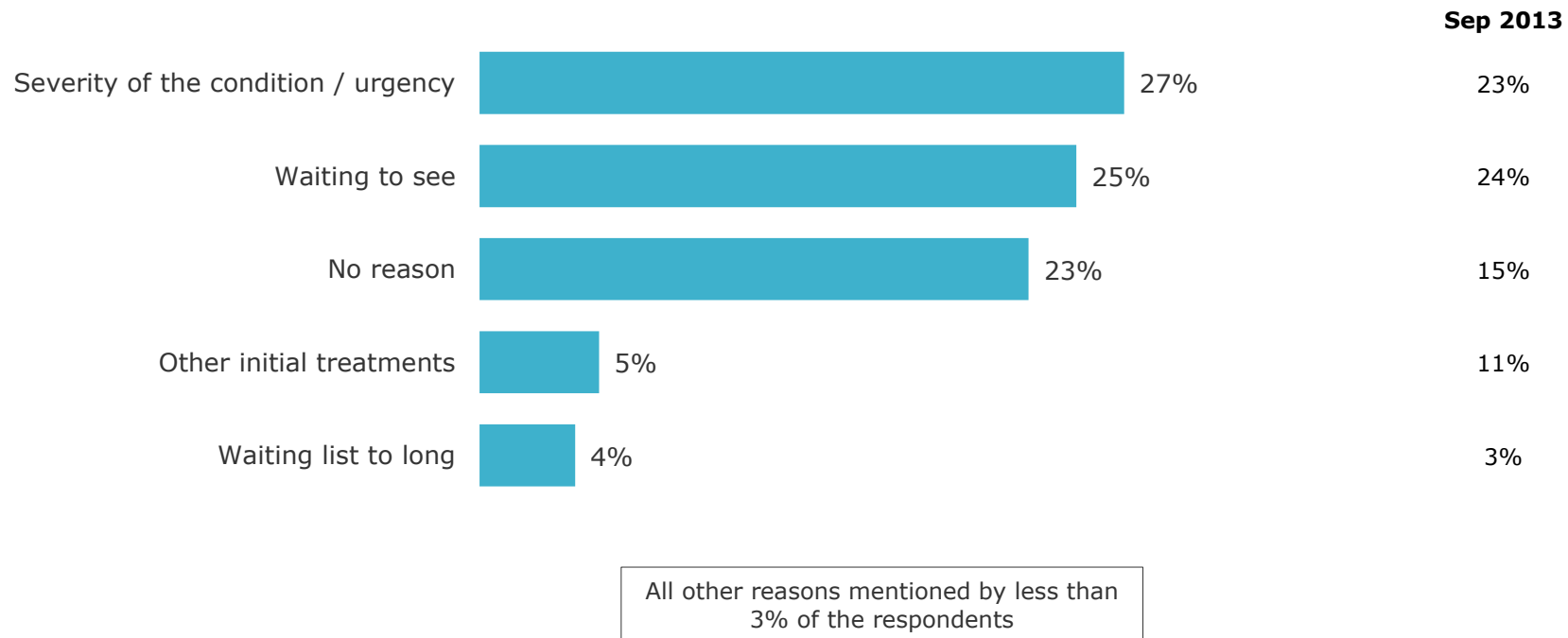


NOTES:

1. Sample size n = 59 [too low for comparison to 2013]
2. Question asked of those on a waiting list
3. Q. Who will be paying for the surgery?

For the other 174,000, lack of urgency / severity or applying a 'wait and see' approach are the key reasons for not being placed on a waiting list

**Reasons for not being placed on a waiting list  
(% aged 18 plus and not on waiting list for Elective Surgery, Jan 16)<sup>(1)(2)</sup>**



NOTES:  
 1. Sample size n = 98  
 2. Q. What reasons have been given for you not being placed on a waiting list? [CODED RESPONSES]

▲ Significantly higher than Sep 13  
 ▼ Significantly lower than Sep 13



## Private sector non-allocated theatre and procedure room capacity

- Based on NZPSHA data, of the 168 theatres surveyed in 2017, standardised non-allocated time representing excess capacity was 39 per cent.
- In 2015 there were 155 private theatres surveyed, excess capacity was recorded as 32 percent.
- For the 21 procedure rooms surveyed in 2017 standardised non-allocated time representing excess capacity was 61 per cent.
- In 2015 there were 23 private procedure rooms surveyed, excess capacity was recorded as 74 percent.
- Source: New Zealand Private Surgical Hospitals Association

## Topics we will explore and key questions

- Future demand for tier 2 – 4 services
  - *What impact will our aging population, increasing cancer rates and other chronic diseases, pressures on primary and community care, advances in technologies and consumer expectations etc have on demand for national services?*
- The National Services Programme & regional service configuration
  - *How are our national specialist services prioritised, funded, managed and monitored?*
  - *How are our regional services prioritised, funded, managed and monitored?*

## Topics we will explore and key questions continued

- What do hospitals of the future look like?
  - *What secondary, tertiary and quaternary services could be delivered outside traditional hospital walls?*
  - *What might be the role of a rural hospital, district hospital, and a metropolitan hospital?*
  - *How should we manage our acute/urgent and our elective services split?*
- How should the public and private sectors work together to deliver a sustainable and equitable health and disability service for all New Zealanders?



## Topics we will explore and key questions continued

- Transport
  - *How is our current transport service organised?*
  - *What are some of the challenges and the implications for the health system, providers and patients?*
- Quality & performance
  - *Is there variation in access to national and regional services, and outcomes from those services across New Zealand and if so how is this monitored and managed?*
  - *Clinical governance – what is the range of existing arrangements?*

## Our approach and next steps

- Interviews with key stakeholders (e.g. PHARMAC, ACC, HQSC, DHBs, private hospitals)
- Attend existing forums (e.g. national Chief Medical Officers and Chief Operating Officers forum)
- A review of readily available literature and reports
- Quantitative analysis (e.g. national service demand forecasts using NMDS data)
- Health and Disability System Review submission process
  - <https://systemreview.health.govt.nz/overview/contribute-to-the-review/>
- Workshops – dates to be confirmed (provisionally mid May)

# Discussion