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Tēnā koe Morag

Letter of Expectations 2023/24 for Health and Disability Commissioner (HDC)

As Minister of Health and your shareholding Minister I want to thank you for your commitment over the past year to delivering your agreed objectives during a period of significant change in the Health System. This letter sets out my expectations to you as Commissioner for your organisation 2023/24.

I am confident your organisation will deliver on these expectations as part of the reformed health system. I expect you to continue to maintain and improve your good performance of those functions, in keeping with the aspirations of the reforms. You have an important role to support the health system to meet the obligations under Te Tiriti o Waitangi, achieve equitable health outcomes, be accessible, cohesive, and whānau-centred. Approaches that are focused on quality, learning, and continuous improvement will support improved health outcomes.

The code of expectations for health entities' engagement with consumer and whānau was approved in August 2022. Although the Pae Ora (Healthy Futures) Act does not require you to act in accordance with the code, I would like you to consider how the principles and intent of the code can be built into your work when engaging with consumers and whānau.

I would like to make you aware of the 3 immediate priorities I have signalled for Te Whatu Ora so that you are aware of these as you engage with them. My priorities are support and develop the health workforce, address ongoing planned care challenges and plan for winter resilience.

While Te Whatu Ora and Te Aka Whai Ora are primarily responsible for the interim Government Policy Statement (iGPS) HDC should also consider how it can contribute to the iGPS priorities of:

1. achieving equity in health outcomes
2. embedding Te Tiriti o Waitangi across the health sector
3. keeping people well in their communities
4. developing the health workforce of the future
5. ensuring a financially sustainable health sector, and
6. laying the foundations for the ongoing success of the health sector.

Further detail is available on the iGPS at: www.health.govt.nz/publication/interim-government-policy-statement-health-2022-2024

It will be important for you to think about the valuable insights into wider system performance that your organisation could provide and what impact HDC itself is having on the system to improve quality and safety in services. In the spirit of the reforms, I expect you to identify and pursue any opportunities to work collaboratively and collectively with other entities where this will result in health gains.

I expect that your reporting, and the monitoring undertaken by Manatū Hauora, will enable me to assess both the performance of your entity, and how you are contributing and collaborating with others towards overall system performance. Manatū Hauora will engage with you further on the proposed approach to monitoring collective and system performance as work in these areas develops.

The free flow of information between parties is a core principle of monitoring that I expect both your organisation and Manatū Hauora to follow. It is critical that the advice I receive from Manatū Hauora about your entity's performance is well informed. Please continue collaborating and sharing information with Manatū Hauora, we will be requesting your Commissioner meeting agendas ahead of meetings, minutes and may then consider requesting papers covering:

- a. financial management and performance
- b. implementation of Ministerial priorities, for example Budget 22, service performance, infrastructure/capital
- c. risk reporting.

So that it has the information it needs to assess your financial and non-financial performance.

It would be particularly beneficial for Manatū Hauora to see more trends over time of the impact that HDC is having including primary care and community-specific trend reports. As well as seeing reporting by the date of care delivery that the complaint is about, not the date of complaint as sometimes they can be quite different.

To improve collaboration with system partners, I recommend that HDC adopts a more coordinated approach when conducting complaint reviews. Rather than reviewing cases in isolation, HDC should consider what else is happening in the system and how the issues can be addressed collaboratively. By doing so, HDC can provide more effective recommendations and contribute to the overall improvement of system performance.

As you will be aware, for the first time Budget 22 provided two years (2022/23 and 2023/24) of funding for Vote Health. From Budget 24 onwards, future health budgets will move to three-year funding cycles. Multi-year health budgets are fixed. What this means is that there will not be a Budget 23 process for new spending initiatives or new cost pressures for Vote Health.

However, I can confirm that you will receive cost pressure funding in 2023/24 to address current and future Vote Health cost pressures as this was agreed and announced through Budget 22. The quantum of funding you will receive will be confirmed in May 2023, and it is likely to be based upon a similar uplift to your baseline funding as was received through Budget 22. I trust that you will prioritise this funding towards addressing your key budget pressures.

Manatū Hauora is now developing its work programme for Budget 24 to ensure that the health system is well placed to take advantage of the first three-year budget. To inform this planning, please continue to raise any current or future financial pressures you may face with Manatū Hauora. Further guidance on Budget 24 processes will be made available to you closer to the time. Given the Government's shift to multi-year budgets, you should focus on strengthening your longer-term financial planning and forecasting.

HDC-specific expectations

I strongly believe that all voices should be considered in the review of HDC's act and code this year. As treaty partners, the Māori voice is of utmost importance, and I would like to request that greater consideration be given to whānau and te ao Māori in the code review. While a collective point of view may not be feasible, I urge the reviewers to be mindful of diverse perspectives and incorporate them into the code.

In addition to this, I would like to emphasise the need for the review to consider how the code performed during the pandemic and ensure the needs of consumers and the collective are addressed. I would also like to see how HDC intends to ensure that whānau ora (as specified in Whakamaua: Māori Health Action Plan 2020-25) is incorporated into the code review process.

To ensure a successful outcome, it's essential to distinguish between the code of consumer rights and the code of consumer expectations. Therefore, I suggest that the Statement of Performance Expectations for 2023/24 should clearly outline the objectives of the review and what the expected outcomes are. This will help in achieving the overarching goal for the review and enable HDC to meet the needs and expectations of consumers and the wider community.

We have now reached the point in the accountability cycle where your Statement of Intent needs to be refreshed. Accordingly, I ask you to provide a draft Statement of Intent for the period 2023/24 to 2026/27, alongside a Statement of Performance Expectations for 2023/24.

Thank you for providing drafts of both documents. I have asked Manatū Hauora to review and provide feedback on my behalf.

Lastly, it would be good to get early notification of systemic issues being sent through to the Chief Medical Officer at Manatū Hauora Dr Joe Bourne to provide an oversight of the system. This will help in identifying and addressing issues more quickly and effectively.

Thank you for your dedication to working together to support our reformed health system in meeting its goals.

Ngā mihi nui



Hon Dr Ayesha Verrall
Minister of Health