



16 March 2023

Ms Rae Lamb
Acting Board Chair
Health Quality and Safety Commission | Kupu Taurangi Hauora o Aotearoa
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Tēnā koe Rae

Letter of Expectations 2023/24 for the Health Quality and Safety Commission | Kupu Taurangi Hauora o Aotearoa (HQSC)

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 Chair for your organisation for 2023/24.

I am confident your organisation will deliver on these expectations as part of the reformed health system. The roles, functions, and performance expectations of your entity are reconfirmed under the Pae Ora (Healthy Futures) Act 2022. 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 its 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.

My current priorities are to support and develop the health workforce, address ongoing planned care challenges, and plan for winter resilience. I also want to focus on bedding in the health reforms.

While Te Whatu Ora and Te Aka Whai Ora are primarily responsible for meeting the expectations set through the interim Government Policy Statement (iGPS), the Health Quality and Safety Commission (HQSC) 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 the HQSC 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 Board and entity's performance is well informed. Please continue collaborating and sharing information with Manatū Hauora so that it has the information it needs to assess your financial and non-financial performance.

As part of that sharing of information, I am requesting that you now provide copies of Board meeting agendas, minutes, and associated papers as agreed with Manatū Hauora. This will ensure Manatū Hauora, as my agent, has an understanding of the quality of information the Board is receiving and can see how risks are effectively identified, managed, and reported to the Board. This requirement will be reflected in your 2023/24 Output Agreement.

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.

The code of expectations for health entities' engagement with consumers and whānau was approved in August 2022. The Pae Ora (Healthy Futures) Act 2022 requires you to act in accordance with the code when engaging with consumers and whānau, it also requires you to report annually on how you have given effect to the code. I look forward to seeing your progress in this area, including how you have embedded Te Tiriti into your engagement.

HQSC-specific expectations

You hold an increasingly important role in monitoring of quality and safety in our reformed health system. I am wanting to see this strengthened in your priorities. For example, during 2022/23, HQSC produced a number of reports which made recommendations to the sector. It is important for HQSC to consider what role it can play to contribute to improve quality and safety in the areas that are highlighted in your reports.

I would like to see your work programme include some focus on primary and community care and how HQSC can support improved capability and improvement projects in both these areas. I ask that you also consider reviewing current tools and resources to ascertain how these resources are being used by entities and whether they are having a positive impact in the sector. I would also encourage your ongoing focus on mental health, addiction, and suicide prevention as key priorities.

On 1 July 2023, the single National Mortality Review Committee will be operational. I look forward to seeing the benefits of this move to a single structure. I also look forward to seeing progress on Te Ao Māori Quality Improvement framework and the Clinical Governance framework and how both frameworks are being used across the sector.

The National Quality Forum plays a pivotal role through providing a mechanism for sharing, investigating, diagnosing and addressing emergent and cross-agency concerns at a national level. I ask that you update me on how the National Quality Forum model is working and whether it is achieving its intended outcomes.

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.

Drafts of both documents should be provided to Manatū Hauora no later than 30 April 2023 in line with the requirements of the Crown Entities Act.

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

cc Ms Janice Wilson, Chief Executive, Health Quality and Safety Commission | Kupu Taurangi Hauora o Aotearoa, Janice.Wilson@hqsc.govt.nz