Section E: Recommendations / Ko ngā tūtohinga

14 Recommendations / Ko ngā tūtohinga

This report discusses a range of detailed proposals regarding all the elements that need to change for the New Zealand health and disability system to produce more equitable health outcomes and to become more financially sustainable.

The recommendations here are more general and should be read with the detailed explanations and proposals contained in the body of the Final Report.

Ensuring accountabilities, structures and functions match

The health and disability system needs a clear accountability framework with stronger leadership at all levels, more distinct focus and a better reflection of te Tiriti principles.

The Review recommends the following.

Ministry of Health

- The Ministry of Health retains responsibility as the chief steward of the health and disability system and, in particular, is responsible to the Minister for:
  - being the principal advisor to the Government on health strategy, policy and legislation
  - developing, monitoring and updating the New Zealand Health Strategy and population or service strategies derived from it
  - developing long-term system outcomes and performance measures to integrate into planning and accountability arrangements and for the Ministry to use to monitor performance
  - building population health capacity to rebalance the health and disability system
  - leading the Vote Health Budget process.

Māori Health Authority

- A Māori Health Authority is established as an independent departmental agency, reporting directly to the Minister of Health with responsibility for:
  - advising the Minister on all aspects of Māori health policy
  - monitoring and reporting to the Minister on the performance of the health and disability system with respect to Māori health outcomes and equity
  - partnering with the system to ensure that mātauranga Māori and other Māori health issues are appropriately incorporated into all aspects of the system
  - managing the development and implementation of the Māori workforce strategy and plans
  - managing investment in workforce and Māori provider development and in initiatives to develop innovative approaches to improving Māori health outcomes.

Health NZ

- A new crown entity (provisionally called Health NZ) is established to:
  - ensure consistent operational policy and lead the delivery of health and disability services across the country. All DHBs would be required to operate cohesively subject to Health NZ leadership
  - be accountable to the Minister for the overall financial balance of the system
  - ensure continuous clinical and financial improvement and address unwarranted variation in performance
  - take on common services roles for the system, for example, strategic employment relations
  - develop and support new commissioning frameworks, ensuring that it partners with the Māori Health Authority to include specific provisions for commissioning Māori health services
- Health NZ should be governed by a board of 8 members and a Chair, with 50:50 Crown–Māori representation, with board membership drawn from DHB board members in each of the regions.

District health boards

- DHBs should be refocused and fully accountable for achieving equitable health outcomes for their population and should also be accountable for contributing to the efficiency and effectiveness of the nationwide health and disability system.
- In particular DHBs should assume full accountability for ensuring Tier 1 services are planned and delivered appropriately for their communities.
- The number of DHBs should reduce to between 8 and 12 DHBS within five years of Health NZ being established.
- The provision to elect board members should be repealed and boards should comprise eight appointed members and a Chair, appointed against a transparent framework to ensure board members' experience covers an appropriate range of governance and health sector competencies, and reflects te Tiriti partnership.

Regional entities

- Regional entities should be managed directly by Health NZ to provide:
  - population health expertise guidance and coordination to DHBs,
  - expertise in planning and engagement and other operational functions
- Regional entities should also lead the development of regional plans and facilitate other collaborative efforts on behalf of DHBs. The number of regional entities should be reduced from four to two or three as the number of DHBs is reduced.

A system with shared values

While the structures above are designed to ensure clearer accountabilities for different functions, no individual part of the health and disability system will be effective unless all parts of the system work together. This will be equally true at all levels, from provider networks within tier 1 localities through interprofessional teams in hospital settings, to the Māori Health Authority working closely with Health NZ to design better commissioning protocols to guide the commissioning of kaupapa Māori services.

A charter for the system

The Review recommends that:

- legislation requires a health and disability system charter be developed setting out shared values and guiding the culture, behaviours and attitudes expected of all parts of the system
- all providers funded with public money should be expected to abide by the charter, and other provisions of the commissioning framework.

Changing the driver of the system

Population health

For the health and disability system to be more effective, population health needs to be a foundational element for the entire system. Population health capacity will need to be increased and better integrated across the system; and the system will need to operate more effectively with other sectors.

The Review recommends that:

- the Ministry of Health assumes a stronger leadership role in population health, ensuring all strategies and national plans are developed from this perspective and that outcome measures and targets for delivering the system are predominantly set around population health outcomes
- Health NZ builds a strong central and regional, population health intelligence capability to support DHBs integrate population health activities throughout their planning and service delivery
- the Māori Health Authority would be the source of Māori population health intelligence for the health and disability system
- all service development and in particular Tier 1 services, should be designed with a population health focus and an emphasis on strengthening prevention and outreach services
- the functions currently performed by the Health Promotion Agency should be transferred to the Ministry, Health NZ and the Māori Health Authority
- core health protection competence and capacity should be strengthened
- the Public Health Advisory Committee should be mandatory and provide independent advice to the Minister and a public voice on important population health issues.

Ensuring the system is focused and engages communities

To improve the equity of health outcomes, the way the system decides what and how services are delivered must be driven by the needs of local communities, and resources must be directed to areas of greatest need.

The Review recommends that:

- the system should be guided by a Long Term Health Outcomes and Services Plan (NZ Health Plan), which is derived from the New Zealand Health Strategy, sets the overall parameters for planning in the system and is the basis for capital, digital and workforce planning
- the Ministry should have overall responsibility for coordination of the development of the NZ Health Plan and lead on system outcome measures. The Māori Health Authority should lead on Māori outcome measures and Health NZ should lead on service planning.
- DHBs should be required to:
  - develop five-year strategic plans which include locality plans, are based on detailed population needs analysis and are consistent with the NZ Health Plan and relevant regional plans
  - ensure that comprehensive community engagement strategies are in place to continually refine the configuration of services within a district, and regularly report to the community on progress towards achieving the agreed outcomes
  - build their capacity and capability to understand Māori perspectives and engage effectively with Māori.

Hauora Māori

Te Tiriti relationship needs to be reflected throughout the health and disability system and improving the equity of health outcomes for Māori requires the system to embed mātauranga Māori. To ensure hauora Māori is prioritised in the system and that Māori are recognised as te Tiriti partners, structural, governance and legislative changes are proposed. Improving equity will also require that resources are directed to where they are needed most and that services are designed to suit the needs of whānau.

The Review recommends that:

- a Māori Health Authority (see above) is established with independence to advise the Minister and monitor system performance with respect to Māori health outcomes
- the provisions that relate to te Tiriti principles and equity in health legislation are updated
- DHB iwi partnership arrangements are strengthened and DHBs are required to specifically address improving equity of Māori health outcomes in their strategic and locality plans. All locality plans should provide for kaupapa Māori services
- population-based funding formulas should include ethnicity and deprivation factors to better reflect unmet needs, and Tier 1 services in particular should be focused on finding and addressing the unmet need in the community.

Creating a new networked approach to primary and community services (Tier 1)

Applying a population health approach to developing the health and disability system and being committed to improving the equity of health outcomes requires a greater focus on improving the accessibility and effectiveness of Tier 1 services.

The Review recommends that:

- the provision of Tier 1 services should be planned on a locality basis, from a population health perspective with a focus on addressing identified need and achieving equitable outcomes
- the population-based funding available for tier 1 services should be better weighted according to need and relevant ethnicity weightings should be included.
- DHB funding for tier 1 services should be ringfenced to ensure it is not diverted to other services
- DHBs should be clearly accountable for ensuring appropriate services are available in all localities and for the achievement of health outcomes
- Tier 1 services should be organised as a connected network of service providers, including public, private, NGO and kaupapa Māori providers with joint accountability for achieving health outcomes
- it should no longer be mandatory for DHBs to contract primary health organisations (PHOs) for primary health care services. Similarly, alliance arrangements required by the PHO Services Agreement and the DHB Operating Policy Framework should no longer be mandatory
- there should be a wider range of services (from maternity, general practice and nursing services, through mental health and behavioural, medicines optimisation, home based support and outreach) managed as part of the locality network and there should be a requirement that patient information can, with their permission, be shared within the network
- priority should be given to incorporating the commissioning of Well Child / Tamariki Ora and maternity services into local networks, along with increasing home care services and expanding outreach.

Tier 2 operates cohesively across DHBs and integrates with Tier 1

Efficient and effective hospital and specialist care needs to be available to all New Zealanders regardless of post code. Given the constraints of resources and expertise inherent in catering to a population of only 5 million people, the system will need to get better at delivering services in ways that best use all the skills of the workforce and new technologies as they become available.

The Review recommends that:

- the NZ Health Plan should provide a system-wide view of Tier 2 services and identify national and highly specialised services and where they should be provided
- most Tier 2 services should continue to be delivered by every DHB, but more complex services should be led by agreed providers, consistent with the NZ Health Plan and should be funded through top slicing rather than via inter-district flows
- regional and district plans should encompass more detailed service planning for short, medium and long-term horizons
- rural services should be specifically planned for, recognising the unique challenges of geography and distance
- hospital and specialist services should operate as a cohesive Tier 2 network and also work in an integrated and collaborative way with Tier 1

- service development should be clinically led and use local and international evidence to more systematically inform investment and disinvestment decisions
- Tier 2 services should be delivered for extended hours to improve efficiency and consumer access, and clinical rosters should more routinely include virtual sessions as well as face-to-face appointments
- transport plans should be in place in each DHB to better support patient and whānau transfers where required. Air ambulance services should be nationally managed and road ambulance services should be managed to national standards
- Health NZ should have a clear mandate to improve coordination of quality initiatives with strong clinical engagement
- Health NZ should be accountable for embedding performance management initiatives throughout the system and addressing unwarranted variation in performance between DHBs.

Improving the wellbeing of disabled people

Managing disability support should use the Enabling Good Lives principles so that an individual's disability does not define their life chances. As the population ages and the prevalence of neurological conditions increases, the proportion of the population living with some form of disability is likely to grow. The system must be more focused on ensuring a non-disabling approach to service delivery.

The Review recommends that:

- Health NZ and DHBs should engage with disabled people and their whānau as part of local and national planning and design processes using a range of inclusive practices
- funding for most disability support services should ultimately be devolved to DHBs. In the meantime, contract management should transfer to Health NZ
- the provision of highly specialised disability services should be identified in the NZ Health Plan and funded through top slicing like other significant tertiary services
- Health NZ should develop a consistent commissioning framework for disability support contracts. The framework should specify core components that need to be nationally consistent, while allowing DHBs the flexibility to contract for services that best meet their population's needs
- the disability support system should move away from relying on diagnosis for initiating eligibility for assistance, towards providing assistance to live well, according to an individual's need
- assessment and reassessment processes should be streamlined so that those who require more service coordination support receive this in a timely manner, the need for regular reassessment is reduced, and people gain more freedom to manage their own support.
- over time, needs assessment and service coordination services should be integrated into Tier 1 service networks.
- Tier 1 networks should be expected to identify people with disability support needs and ensure that services minimise adverse health consequences (eg, increased hospitalisations) associated with disability
- Health NZ should have overall accountability for ensuring that there is nationally consistent information and advice about impairments and disability-related supports and services available and readily accessible through a variety of channels
- Health NZ commissioning rules should encourage providers to use more salaried staff with the aim of building a better trained and more secure disability support services workforce.

Effectively managing system funding and improving operational effectiveness

This report does not propose a specific funding level for the health and disability system. These funding levels will always be a policy decision for the Government to make. But the report does note that, while funding levels in the health and disability system is not the biggest factor that impacts on the equity of health outcomes or the sole cause of DHB deficits, the system is significantly underfunded and changes to both the level and how the system is funded is needed to support improved system performance.

The Review recommends that:

- legislation provides for a guaranteed annual adjustment to the Vote Health non departmental appropriation according to a formula that allows for changes in the size and make-up of the population to reflect changing needs and costs
- the number of separate appropriations be reduced to provide more flexibility and less administrative cost
- all elements of population-based funding formulas should include an ethnicity factor to better reflect unmet need particularly for Tier 1 services
- funding for Tier 1 services is ringfenced so that it is not diverted to other areas
- a dedicated performance support function is established within Health NZ to manage changes in system effectiveness and efficiency
- Health NZ should be made accountable for ensuring the system delivers financial balance
- Health NZ should manage the funding that is injected to 'rebalance' the system, to ensure that poorly performing DHBs are subject to closer supervision of their deficit reduction plans.

Ensuring the enablers are in place

Any health and disability system needs strong infrastructure if it is to adapt to changing circumstances, produce effective health outcomes and ensure that it is financially and clinically sustainable.

Workforce

No health service can be delivered, no person cared for, no health outcome achieved without the input from a large group of workers whether they are kaiāwhina, surgeons, nurses, lab technicians, cleaners, managers or any of the other hundreds of workers employed throughout the health and disability system. The future system will not be successful unless the workforce is planned and managed more effectively than has been the case in the past.

The Review recommends that:

- the Ministry, working with the Māori Health Authority and Health NZ, should lead the development and implementation of a sector-wide workforce strategy designed to deliver on the goals set out in the NZ Health Plan and should ensure that specific workforce strategies for Pacific peoples and disabled people are also developed
- the Māori Health Authority should lead the development and implementation of the Māori workforce strategy
- the Ministry should work with the Tertiary Education Commission (TEC), Health NZ, the new New Zealand Institute of Skills and Technology (NZIST) and other regulatory authorities and training establishments to ensure all relevant training is consistent with achieving the goals of the NZ Health Plan and accompanying strategies

- all parts of the system should cooperate to develop more learn-as-you-earn options and shorter cumulative training courses to encourage non-traditional participation and, particularly, to facilitate more participation from rural trainees
- commissioning and contracting policies should be used to encourage more secure employment and, therefore, more opportunities for career development particularly for the workforces involved in home-based care and other outreach services
- Health NZ should manage strategic employment relations, drawing on better data and aligning with the workforce plan and the NZ Health Plan
- the tripartite accord should be reinvigorated and commit all parties to working constructively to achieve the long-term objectives of the system, fostering more effective dispute resolution and developing a clearer strategy on relative salary scales and employment terms and conditions
- all parts of the system should be encouraged to become disability confident, drawing disabled people into a variety of roles and supporting them to thrive.

Digital and data

Achieving the future of the health and disability system proposed by the Review depends heavily on the effective use of data and digital technologies. Moving from an ecosystem of tens of thousands of systems that do not easily connect, to a system that routinely shares data and more effectively supports all those working in or using the system will require a staged approach.

The Review recommends that:

- the Ministry should continue to be responsible for national data collections and the Health Information Standards Organisation
- Health NZ should focus on aspects of digital that are required to manage and support improved delivery and performance of the system, such as developing and implementing the digital plan and ensuring appropriate interoperability and cybersecurity management
- the Māori Health Authority should take a leadership role on Māori data sovereignty, Māori population health analysis and analytics, and ensure that the digital plan includes priorities that will help address equity issues for Māori
- priority should be given to developing data and interoperability standards that ensure data flows across the system and supports better clinical outcomes, empowered consumers and data-driven decision-making
- consumers should be able to control and access their own health data and information
- given the importance of Tier 1 services for improving equity, priority for digital investment should be given to initiatives that will accelerate interoperability between Tier 1 services. nHIP initiatives are one option for this
- digital systems in both Tier 1 and Tier 2 should support more delivery of virtual care and this should be prioritised to serve rural and other communities with access challenges
- procurement processes for service providers and suppliers of digital systems should be encouraged to adopt agreed digital and data standards. A digital procurement framework that aligns procurement processes with the scale and risk associated with the investment should be adopted and decision-making rights clarified throughout the system.

Facilities and equipment

Safe, fit-for-purpose facilities and equipment are essential for a well-functioning health and disability system. As noted in the report, 'the design and construction of the hospital buildings that the health system is currently undertaking, and planning for the next 10 years, will be the largest and most complicated vertical construction programme that New Zealand has ever undertaken', yet the systems for planning, designing and constructing this programme is piecemeal at best.

There needs to be more transparent planning and better governance.

The Review recommends that:

- Health NZ, through the Health Infrastructure Unit (HIU) should be responsible for developing a long-term investment plan for facilities, major equipment and digital technology derived from the NZ Health Plan
- Health NZ should regularly develop a prioritised nationally significant investment pipeline so that unless a project has been prioritised, a business case is not be developed
- each DHB should have a longer-term rolling capital plan based on a prioritised, robust pipeline that will deliver the medium-term and longer-term service requirements in their area
- the HIU should develop central expertise to provide investment management leadership to support and speed up business case development and standardise the way capital projects are designed and delivered
- the Capital Investment Committee should continue to provide independent advice, both to Health NZ with respect to prioritisation and to Ministers with respect to business case approval
- programme and project governance should be streamlined and standardised to ensure expertise is used strategically and project and programme governance is strengthened
- the National Asset Management Plan should be developed and regularly refreshed so it can form a basis for ongoing capital planning
- there should be further work on refining the capital charge and depreciation funding regime for Health NZ and DHBs to ensure that a significant rebuild or new development in one DHB is properly accounted for in the system, but does not starve the DHB of capital for business-as-usual capital replacement
- more financial and governance expertise on DHB boards, together with system and district accountability, should ensure better long-term asset management decision-making. More explicit asset performance standards and a strong central monitoring function from the HIU will be needed to reinforce this.