



Minister of Health

Confirming the five health targets

16 April 2024

These documents have been proactively released by the Ministry of Health on behalf of the Minister of Health, Hon Dr Shane Reti.

Title of Cabinet paper:

- Confirming the five health targets

Title of minutes:

- Report of the Cabinet 100-Day Plan Committee: Period Ended 8 March 2024 (CAB-24-MIN-0070)
- Confirming the Five Health Targets (100-24-MIN-0015)
- Confirming the Five Health Targets (CAB-24-MIN-0056)
- Confirming the Five Health Targets (SOU-24-MIN-0002)

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Key to redaction code/s:

- Out of scope of the subject of the release.
- S 9(2)(f)(iv) to maintain the constitutional conventions that protect the confidentiality of advice tendered by Ministers and officials.



Cabinet

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Report of the Cabinet 100-Day Plan Committee: Period Ended 8 March 2024

On 11 March 2024, Cabinet made the following decisions on the work of the Cabinet 100-Day Plan Committee for the period ended 8 March 2024:

Out of scope

100-24-MIN-0015

Confirming the Five Health Targets
Portfolio: Health

CONFIRMED

Out of scope

Rachel Hayward
Secretary of the Cabinet



Cabinet 100-Day Plan Committee

Minute of Decision

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Confirming the Five Health Targets

Portfolio **Health**

On 5 March 2024, the Cabinet 100-Day Plan Committee, having been authorised by Cabinet to have Power to Act [CAB-24-MIN-0056]:

- 1 **noted** that in November 2023, Cabinet agreed to the Governments 100-Day Plan, which commits to setting five major targets for the health system, including for wait times and cancer treatment [CAB-23-MIN-0468];
- 2 **endorsed** the suite of five health targets as follows:
 - 2.1 faster cancer treatment: 90 percent of patients to receive cancer management within 31 days of the decision to treat;
 - 2.2 improved immunisation: 95 percent of children are fully immunised at 24 months of age;
 - 2.3 shorter stays in emergency department: 95 percent of patients to be admitted, discharged or transferred from an emergency department within six hours;
 - 2.4 planned care - shorter wait times for first specialist assessment: 95 percent of patients wait less than four months for a first specialist assessment;
 - 2.5 planned care - shorter wait times for elective treatment: 95 percent of patients wait less than four months for elective treatment;
- 3 **noted** that the Minister of Health will announce the above health targets at an upcoming event;
- 4 **noted** that one or more of the above health targets will also be included in the all-of-government suite of targets;
- 5 **noted** that annual performance expectations and milestones against these targets will be set in the Government Policy Statement on Health for 2024-2027, and are subject to confirmation following investment decisions at Budget 2024;
- 6 **noted** that the Minister of Health will be requiring Health NZ to provide him, by 30 April 2024, with a performance framework that tracks clinical and non-clinical (including financial) performance of the entity as well as progress against implementing the five health targets, with a requirement that the framework be endorsed by the Ministry of Health and the Health Quality and Safety Commission in their monitoring capacities;

- 7 **invited** the Minister of Health to report back quarterly to the Cabinet Social Outcomes Committee on progress against the health targets;
- 8 **noted** that improved performance in all target areas in 2024/25 will be challenging;
- 9 **noted** that the Minister of Health will be working with Health NZ to improve productivity to free up resources and support ongoing improvement to make as much progress as possible toward targets in 2024/25 and beyond;
- 10 **noted** that pressures on the system mean the targets may not be met in the short to medium term but remain a useful way of focusing the system on change;
- 11 **agreed** to remove the formal status of Health System Indicators as being the leading public-facing Government health indicators, to be replaced by the five health targets in the first instance;
- 12 **noted** that the Government Policy Statement on Health for 2024-2027 will also confirm the performance framework in place from 1 July 2024 to monitor target implementation and wider priorities.

Rachel Clarke
Committee Secretary

Present:

Rt Hon Winston Peters (Chair)
Hon David Seymour
Hon Nicola Willis
Hon Brooke van Velden
Hon Shane Jones
Hon Chris Bishop
Hon Dr Shane Reti
Hon Simeon Brown
Hon Erica Stanford
Hon Paul Goldsmith
Hon Judith Collins
Hon Tama Potaka

Officials present from:

Office of the Prime Minister
Office of Hon Dr Shane Reti
Officials Committee for 100

In Confidence

Office of the Minister of Health

Cabinet

Confirming the five health targets

Proposal

- 1 This paper seeks Cabinet's endorsement for five health targets for the New Zealand health system.

Relation to government priorities

- 2 The proposal in this paper addresses the Coalition Government's commitment in the 100 Day Plan to set five major targets for the health system, including for wait times and cancer treatment.

Executive summary

- 3 Health system performance has declined in recent years across a range of areas important to New Zealanders such as wait times for first specialist assessments, elective treatment and in our emergency departments. We agreed to prioritise the establishment of five health targets in our 100-day plan to drive improved system performance.
- 4 I am asking Cabinet to endorse the following set of five health targets:
 - 4.1 **Faster cancer treatment:** 90% of patients receive cancer management within 31 days of the decision to treat;
 - 4.2 **Improved immunisation:** 95% of children fully immunised at 24 months of age;
 - 4.3 **Shorter stays in emergency department:** 95% of patients admitted, discharged or transferred from an emergency department within six hours;
 - 4.4 **Planned care - shorter wait times for first specialist assessment:** 95% of patients wait less than 4 months for a first specialist assessment;
 - 4.5 **Planned care - shorter wait times for elective treatment:** 95% of patients wait less than 4 months for elective treatment.
- 5 Performance in some areas has deteriorated to such an extent that achieving the required improvement will be challenging. However, I am confident that these targets will provide the system with the focus it needs. In the first year this performance

improvement will be delivered from within baselines, subject to the cost pressure funding being made available to Health NZ in Budget 2024.

- 6 Following Cabinet's endorsement, I will be announcing these targets, to commence from 1 July 2024. I will be setting in place a rigorous process of engagement, monitoring and reporting to ensure accountability for successful delivery.

Addressing health system challenges with health targets

- 7 We have inherited a health system that is in crisis due to a range of factors including widespread capacity and workforce challenges, an ageing and growing population, and the effects of the COVID-19 pandemic. Across various metrics, including access and timeliness, the system is not meeting the expectations of New Zealanders.
- 8 Our Coalition Government has committed to being results-driven, evidence-based, people-focussed and fiscally responsible. We have made a commitment to provide demonstrable progress in the short term to improving health outcomes for New Zealanders.
- 9 The health target approach has historically contributed to success in lifting health system performance. Health targets ensure prioritised focus for effort and resource. Health targets support all parts of the system to be clear on priority areas of performance so they can move together to achieve goals. They also support public accountability and improved trust and confidence in the health system.
- 10 By setting ambitious targets for the health system, our aim is to drive improved performance of the system to deliver timely access to quality health care, and ultimately better health outcomes for New Zealanders.

Supporting the success of health targets

- 11 There is good national and international evidence for the appropriate use of targets in driving improvements in health services. There is also evidence as to the potential risks of a target approach, as well as learning from past experience in New Zealand. This indicates that successful implementation of targets requires:
 - 11.1 **Visible and effective leadership and clear accountability for delivery for target areas**, including at the highest levels of the health system.
 - 11.2 **Clinical leaders to champion target performance** and support clinical buy-in to performance progress.
 - 11.3 **Effective use of levers and incentives** such as transparency of reporting and benchmarking of performance at different levels of the health system, and earmarked funding for target delivery.
 - 11.4 **Good quality, timely data**, which include balancing and supporting measures to monitor for any unintended consequences and provide contextual information to support analysis of progress.

- 11.5 **Recognition of the impact of wider determinants** outside of the health system that drive demand for health services. The provides an opportunity to work together across government to achieve target goals.
- 12 Previous health targets were introduced in the context of the district health board system. Health NZ as a national entity provides opportunities to deliver on some of the vision of previous target regimes, including coordinated national activities, optimised use of resources, and ownership across the system including through clinical leadership.
- 13 To drive system performance against the targets, and ensure accountability for delivery, the approach to health targets will be fully integrated into the formal accountability arrangements of health Crown entities. This will include:
- 13.1 A clear implementation plan for each target area, developed by Health NZ, aligned with the New Zealand Health Plan and Ministerially endorsed, that includes measurable activities and milestones, is deliverable within budgets and sets out how expectations will be monitored.
- 13.2 Formal quarterly engagements that I will lead with the Health NZ Board and management, with a specific focus on the targets programme alongside wider performance matters.
- 13.3 Formal reporting with feedback loops from me to the Health NZ Board, including the need for dedicated recovery planning and intensive leadership when activities are off track.
- 14 A formalised reporting regime will be put in place, including public reporting and regular reporting to Cabinet. Other public accountability tools are being considered such as league tables and sharing of positive progress in areas of good performance.
- 15 I remain cognisant of the potential for unintended consequences through ‘gaming’. I am actively considering mechanisms to address this including:
- 15.1 Ensuring a quality assurance process is in place to validate data from source to publication, including investigation of unexpected patterns or variations in results.
- 15.2 Ensuring clinical engagement is strong with regular discussions on any emerging concerns.
- 15.3 Using independent agencies to support reviews as needed (such as the Health Quality and Safety Commission).
- 16 The Ministry of Health will lead a strong and focused monitoring approach for health targets, as part of its wider responsibility for monitoring the health system. The Health Quality and Safety Commission will support Health NZ with performance improvement expertise to support the operation of a robust internal performance framework.

- 17 The forthcoming Government Policy Statement for 2024-2027 will include health targets alongside other year-on-year performance expectations and milestones, so that these are embedded in our direction for the system.

Setting five major targets for the health system

- 18 Delivering the step change in performance required to deliver on targets will be challenging. The five headline goals have been set to provide the medium-term ambition required to move the system forward. Incremental year on year improvement expectations will be set annually, and milestones for the first three years (to June 2027) will be included in the Government Policy Statement. These milestones are still to be finalised in line with Cabinet’s decisions on investment through Budget 2024. Overall, this approach allows the system time to direct resources and build capacity and capability to deliver on the aspiration of targets.
- 19 Baseline performance will be at 30 June 2024. Where targets are achieved earlier and are stable then the target will be further advanced.
- 20 Details of each of the five health targets are outlined in the section below.

Improved immunisation

- 21 Vaccination is one of the most cost-effective health interventions. Timely immunisations ensure children are protected against harmful and avoidable diseases. The 95% target for childhood immunisations aligns NZ with other countries such as Australia, the United Kingdom and Canada and is supported by the evidence to provide effective herd immunity.

National target: 95% of children fully immunised at 24 months of age	
Best historical performance	Current performance
June 2015	September 2023
93%	83%*
<p>Comment: The current rollout of the Aotearoa Immunisation Register, and associated improvement in data accuracy will lead to an initial drop in reported rates of coverage (due to an increased denominator) of around 3 percentage points.</p> <p>* 83% is the last quarterly figure using the old NIR system. Estimated current coverage using the new data source is ~80%</p> <p>Reaching 93% will require strategies that target groups with the lowest rates.</p>	

Faster cancer treatment

- 22 The faster cancer treatment target is intended to drive streamlined health services for patients with cancer and the delivery of better co-ordinated, faster quality care.

National target: 90% of patients to receive cancer management within 31 days of the decision to treat	
Best historical performance	Current performance
September 2020	September 2023
90.8%	84%

Comment: The focus of improvement will include addressing variation in performance around the country and improving data quality

Shorter stays in emergency department

- 23 This target provides a barometer for the performance of hospitals and the level of pressure in the health system across primary care (contributing to visits to the ED), and aged care (contributing to delays in discharge from hospital). The last five years has seen a steady decline in performance against the six-hour measure. It will be challenging to improve the flows in our system and this target area.

National target: 95% of patients to be admitted, discharged or transferred from an emergency department within six hours	
Best historical performance	Current performance
January 2015	September 2023
94%	69%
Comment: Addressing ED wait times will require management of broader system capacity and flow issues across primary care, acute care and aged care.	

Planned care: Shorter wait times for first specialist assessment (FSA)

- 24 New Zealanders have a strong expectation that they will receive clinical assessment and treatment in a reasonable time and that certainty will be provided on timeliness requirements and the performance of the health system in meeting them. There has been a long-standing policy in New Zealand for people to be assessed by a specialist and to receive elective treatment within four months where this is clinically appropriate.
- 25 The FSA waitlist has increased from approximately 105,000 people in 2018, to approximately 175,000 in September 2023. Increases in waitlists reflect population growth challenges compounded by COVID-19 impacts. As at September 2023, only 66.4% of those on the FSA waitlist were seen within four months. Managing the clinical and social needs of increasing waitlists is likely putting pressure on primary care and broader hospital services.

National target: 95% of patients wait less than 4 months for a first specialist assessment	
Best historical performance	Current performance
December 2014	September 2023
99.9% wait less than 4 months	66.4% wait less than 4 months
Comment: Modelling suggests keeping up with demand, to also reduce overall waitlists, will be a significant challenge.	

Planned care: Shorter wait times for elective treatment

- 26 The waitlist for elective treatment has grown from approximately 42,000 people in 2018 to approximately 75,000 people in September 2023. As at September 2023, 61.5% were waiting less than four months. The growth and increased complexity in

acute patient demand in our hospitals is a limiting factor to being able to address long waitlists through current system settings. Health NZ has focused recent efforts on seeing patients who have been waiting the longest.

National target: 95% of patients wait less than 4 months for elective treatment	
Best historical performance	Current performance
December 2014	September 2023
99.5% wait less than 4 months	61.5% wait less than 4 months
Comment: Performance improvement will need to address variation in access to, and delivery of, hospital and specialist services by district, region, ethnicity, and clinical specialty such as cancer, gynaecology, and cardiac services.	

Integrating the health target suite

All of Government targets

- 27 To focus Ministers and agencies on the most significant challenges facing New Zealand, the Prime Minister has signalled an intention to bring together a suite of targets from across key government portfolios. Health expects to contribute one or more targets to this suite from the five health targets proposed in this paper. Work on implementing and communicating the health targets will ensure it takes into consideration the requirements of both target programmes.

Mental Health and Addiction targets

- 28 The creation of the mental health portfolio allows for consideration of specific targets for this portfolio area to complement the health target suite. I continue to discuss with my colleague, the Minister for Mental Health, how to ensure alignment of our approach to targets for mental health and addiction so that collectively these set clear direction for the health system.

Refocusing Health System Indicators

- 29 The Health System Indicators framework established in 2021 is the current Cabinet-mandated set of 12 health system performance metrics in place for public accountability purposes (SWC-21-MIN-0002 refers). Crown entities and the Ministry of Health use the HSIs in their formal accountability documents.
- 30 To avoid any confusion from having multiple tier one performance accountability frameworks in place, I recommend that the formal status of Health System Indicators as being the leading public-facing Government health indicators be removed. The matters covered by the Health System Indicators will continue to be monitored as part of the wider framework for health system performance. We would use the five health targets as our tier one measurement suite, along with other headline measures as will be outlined in the forthcoming GPS.

A performance framework for Health NZ

- 31 The Board of Health NZ, as the primary monitor of the entity, needs a robust and comprehensive performance framework to assure itself of clinical and non-clinical

(including financial) performance. This framework should also inform performance reporting to Ministers and their monitoring agencies.

- 32 I will be requiring that Health NZ provide me, by 30 April, a comprehensive internal performance framework endorsed by the Ministry of Health and the Health Quality and Safety Commission in their monitoring capacities. This will include information on the implementation of health targets across the entity.

Next steps

- 33 I will be providing health Crown entities with Letters of Expectation in March 2024 so that planning on health targets can begin, and resources can be allocated to these areas of focus. The health targets programme will be fully operationalised from 1 July 2024.
- 34 Health NZ will formally report on targets starting with their first 2024/25 quarterly performance report, with the Ministry providing assurance on behalf of the Minister. The reporting approach will be established and tested over the next few months to ensure readiness to deliver from July 2024.
- 35 The five health targets will be reflected in the GPS and NZHP, both of which I plan to bring to Cabinet for endorsement in quarter two 2024.
- 36 The GPS will also confirm the system performance monitoring framework that will be in place from 1 July 2024 to support target implementation as well as wider priorities. It will include measures to ensure:
- 36.1 progress is being achieved across population groups, regions and service areas;
 - 36.2 the overall aim of the targets is being achieved without negative impact on other areas of performance.

Cost-of-living implications

- 37 Health targets are not expected to have a negative impact on the cost of living for New Zealanders. By addressing wait times for access to health care, this initiative will help address health issues impacting New Zealanders' independence and ability to work.

Financial implications

38 s 9(2)(f)(iv)

39 s 9(2)(f)(iv)

s 9(2)(f)(iv)

- 40 Given the financial pressure already on the system, I ask Cabinet to note that the targets may not be met in the short to medium term. I consider that setting and endorsing them is still an important and valuable means of creating momentum and concentrating the system on change.
- 41 I will be working closely with Health NZ throughout 2024/25 to understand what choices exist to change service offerings from 2025/26 onward to free up additional funding to focus on target achievement. Achieving significant reprioritisation within the health system in order to progress this work will almost certainly require significant changes to the breadth and depth of health services in other parts of the system. I ask Cabinet to note that such changes need to be made with care, as reductions in access to primary or preventative care could result in more people presenting at hospital with acute illnesses, making achievement of hospital-based targets harder.

Legislative implications

- 42 This paper has no legislative implications.

Impact analysis

- 43 This paper does not require a Regulatory Impact Statement or Climate Implications of Policy Assessment (CIPA).

Population implications

- 44 One of the core objectives of the 2022 health system reforms and the Pae Ora (Healthy Futures) Act 2022 (the Act) is to tackle persistent inequities in health outcomes and access to services for many of New Zealand's communities. Health target implementation will need to ensure equitable improvements in the targeted areas for population groups and geographical areas who are currently underserved. Most of the targeted areas have national data that can be disaggregated appropriately, but some data will need improving, such as waiting times data for FSAs.
- 45 The framework built by the Act and the establishment of iwi-Māori partnership boards strengthens the voice of Māori and commitment to Te Tiriti o Waitangi. There are opportunities to partner with iwi-Māori partnership boards, iwi, whānau and other Māori organisations to design approaches to addressing all the target areas for Māori. The value of such partnerships with Māori and Pacific health providers and communities was highlighted through the response to the COVID-19 pandemic.

Human rights

- 46 This paper does not have human rights implications.

Use of external Resources

47 No external resources have been used in the preparation of the policy advice in this paper.

Consultation

48 The following agencies were consulted on this paper and their feedback incorporated: the Department of the Prime Minister and Cabinet, the Treasury, Te Aka Whai Ora | the Māori Health Authority and Health New Zealand | Te Whatu Ora.

49 The creation of the mental health portfolio allows for consideration of specific targets for this portfolio area to complement the health target suite. I understand that the Minister for Mental Health intends to introduce targets for health entities aligned to his priorities for mental health and addiction of timely access, workforce growth, and prevention and early intervention. These align strongly with my priorities for the health system, and I continue to discuss this with my colleague.

Communications

50 I plan to announce the five health targets at an event in the coming week.

Proactive release

51 This paper and its associated minutes will be proactively released within 30 days in line with standard practice, subject to redactions as appropriate under the Official Information Act 1982.

Recommendations

The Minister of Health recommends that Cabinet:

- 1 note that the Coalition Government committed in the 100 Day Plan to setting 5 major targets for the health system, including for wait times and cancer treatment;
- 2 endorse the suite of five health targets to include:
 - 2.1 **Faster cancer treatment:** 90% of patients to receive cancer management within 31 days of the decision to treat;
 - 2.2 **Improved immunisation:** 95% of children are fully immunised at 24 months of age;
 - 2.3 **Shorter stays in emergency department:** 95% of patients to be admitted, discharged or transferred from an emergency department within six hours;
 - 2.4 **Planned care - shorter wait times for first specialist assessment:** 95% of patients wait less than 4 months for a first specialist assessment;
 - 2.5 **Planned care - shorter wait times for elective treatment:** 95% of patients wait less than 4 months for elective treatment.

- 3 note that the Minister of Health will be announcing the targets at an event in the coming week;
- 4 note that one or more of these health targets will also be included in the all-of-government suite of targets;
- 5 note that annual performance expectations and milestones against these targets will be set in the Government Policy Statement on Health for 2024-2027, and are subject to confirmation following investment decisions at Budget 2024;
- 6 note I will be requiring Health NZ to provide me, by 30 April 2024, with a performance framework that tracks clinical and non-clinical (including financial) performance of the entity as well as progress against implementing the five health targets, with a requirement that the framework is endorsed by the Ministry of Health and the Health Quality and Safety Commission in their monitoring capacities;
- 7 invite the Minister of Health to report back quarterly to the Cabinet Social Outcomes Committee on progress against the health targets;
- 8 s 9(2)(f)(iv)
- 9 s 9(2)(f)(iv)
- 10 note that service changes must be made with care, as reductions in access to primary or preventative care could result in more people presenting at hospital with acute illnesses, making achievement of hospital-based targets harder;
- 11 note that given the financial and other pressures already on the system s 9(2)(f)(iv) the targets may not be met in the short to medium term but remain a useful way of focusing the system on change;
- 12 agree to remove the formal status of Health System Indicators as being the leading public-facing Government health indicators, to be replaced by the five health targets in the first instance;
- 13 note the Government Policy Statement on Health for 2024-2027 will also confirm the performance framework in place from 1 July 2024 to monitor target implementation and wider priorities.

Authorised for lodgement

Hon Dr Shane Reti

Minister of Health



Cabinet

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Confirming the Five Health Targets

Portfolio **Health**

On 4 March 2024, following reference from the Cabinet Social Outcomes Committee (SOU), Cabinet:

- 1 **referred** the submission *Confirming the Five Health Targets* [CAB-24-SUB-0056], to SOU for consideration at its meeting on 6 March 2024;
- 2 **invited** the Minister of Health to submit a revised paper to SOU;
- 3 **authorised** SOU to have Power to Act at its meeting on 5 March 2024 to take decisions on the submission.

Rachel Hayward
Secretary of the Cabinet



Cabinet Social Outcomes Committee

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Confirming the Five Health Targets

Portfolio **Health**

On 28 February 2024, the Cabinet Social Outcomes Committee **referred** the submission under SOU-24-SUB-0002 to Cabinet on 4 March 2024 for further consideration.

Rebecca Davies
Committee Secretary

Present:

Hon David Seymour
Hon Nicola Willis (Chair)
Hon Paul Goldsmith
Hon Tama Potaka
Hon Nicole McKee
Hon Penny Simmonds
Hon Karen Chhour

Officials present from:

Officials Committee for SOU