



Te Kāwanatanga o Aotearoa
New Zealand Government



Operational Policy Expectations 2025-2026

1. Operational policy as agreed by Cabinet or Ministerial decision

These operational policy expectations (OPE) set out the operational policy arrangements for the health system.

The OPE summarises both new and long-standing operating expectations for the health sector and all of government as agreed by Cabinet or through ministerial decisions. These rules and decisions continue to apply, although they may be updated from time to time.

This document is updated regularly to reflect changes to operational policy decisions. A summary of key Government requirements is provided under each heading below. For the avoidance of doubt, these expectations also apply to wholly owned subsidiaries and business units within Health New Zealand (including the National Public Health Service).

Documents outlining updates on Ministerial expectations and decisions are available on the Ministry of Health website: www.health.govt.nz/about-us/new-zealands-health-system/health-system-roles-and-organisations/crown-health-entities/letters-of-expectations-for-health-statutory-entities.

2. Governance

This section covers general organisational requirements relating to legislative compliance, conflicts of interest, the process of self-evaluation by Board members, and political neutrality.

Health New Zealand is expected to:

- a. apply an open approach to disclosing interests and an active approach to managing conflicts of interest as they arise, as set out in Crown Entities Act 2004 section 65 and CAB (00) M32/2A (2) (section 2.3)
- b. apply the principles that guide Health New Zealand involvement in privately funded service provision, which are also relevant to private involvement more generally through sponsorship (see private involvement protocols for funded service provision (refer to Appendix One)
- c. follow the Public Service Commissioner's guidance, for example, on the public service principle of political neutrality; election guidance for the public sector; and Board and member performance evaluations¹
- d. have a documented operating model that outlines how parts of the organisation work and where accountabilities lie
- e. have an entity performance framework that includes information on internal management levers, escalation, intervention and recovery steps and who is accountable for these.

¹ Guidance for Statutory Crown Entities – Resource for preparation of governance manuals - www.publicservice.govt.nz/guidance/guidance-for-statutory-crown-entities

3. Planning and Accountability

This section covers requirements for the preparation of the health system planning and accountability documents.

Health New Zealand is expected to:

- a. implement the requirements of the Plain Language Act 2022, including report annually to the Public Service Commissioner on compliance with the Plain Language Act 2022
- b. act in accordance with the *Code of expectations for health entities' engagement with consumer and whānau* (the Code), working with Health Quality & Safety Commission and report annually in their Annual Report on how it has given effect to the Code
- c. give effect to the New Zealand Health Charter | Te Mauri o Ronga, and report at least every five years on how they have put the charter in practice
- d. ensure access to services and communication about those services are accessible, effective and responsive, and that those services are safe, effective, and promote personal dignity for all people (as per Ngā Paerewa Health and Disability Services Standard (NZS 8134:2021))
- e. develop, maintain and exercise Health Emergency Plans for significant incidents and emergencies as required under the National National Civil Defence Emergency Management Plan Order 2015 (CDEM Plan Order) arising from s39 in the Civil Defence Emergency Management Act 2002 (CDEM Act). Schedule 3 of the Pae Ora (Healthy Futures) Act 2022 captures the consequential amendments associated with the health and disability reform as they relate to the emergency management legislation and the CDEM Plan Order. Refer to sections 50, 51 and 71 of the CDEM Plan Order for the requirements specifically for Health New Zealand, Land and air ambulance, and all other health and disability service providers
- f. give effect to relevant international health obligations, including in particular provisions of the International Health Regulations 2005, such as those relating to competent authorities and the core capacities for public health surveillance, risk assessment, response and reporting
- g. have implemented written policies and procedures for seeking ethical review and advice from an approved research ethics committee
- h. act consistently with and comply with Pharmac Te Rārangī Rongoā pharmaceutical schedule²
- i. follow the service change protocols and processes on how public consultation is managed within the planning framework and the requirements of the Pae Ora (Healthy Futures) Act 2022 and Health Report (20101590 refers) (Refer to Appendix Two Service Change protocols)

² www.pharmac.govt.nz/pharmaceutical-schedule

- j. maintain the Nationwide Service Framework (NSF) to provide common definition, processes and information to ensure nationwide consistency were required and clarity of the services to be funded and provided. NSF components include, but are not limited to nationwide service specifications, purchase unit (PU) codes, common costing guidelines, common counting standards, clinical coding (CAB (00) 319, CAB (00) 418 and SPH (00) 160 of the Nationwide Service Framework refers)
- k. PU codes should be consistently used when commissioning to account for spending. For example, when commissioning public health services, health PU codes should be used (as per the nationwide service specifications) so that total spending on commissioning of public health services can be calculated³.

*Cancer medicines funded through transitional access:*⁴

- l. starting from 1 July 2025, when a cancer medicine starts to be funded by Pharmac, patients in private facilities will be able to continue their treatment with publicly funded medicines in the same facility (SOU-25-MIN-0033 and CAB-25-MIN-0101 refers)
- m. transitional access is intended for patients who are currently receiving treatment in private facilities, or are about to start treatment, when the specific cancer medicine becomes available
- n. transitional access supports continuity of care for cancer patients. It enables patients in private facilities to benefit from the publicly funded cancer medicine, without changing facility or planned treatment timings
- o. cancer medicines that can be funded through transitional access will be identified by Pharmac as they are funded. Transitional access is not available to any cancer medicines funded prior to 1 July 2025
- p. publicly funded cancer medicines can be used in private facilities, as long as both the patient and provider meet the eligibility criteria. However, other associated costs within private facilities – such as the administration of the medicine – will remain the responsibility of the patient when accessed in private facilities.

4. System and service planning

This section covers service planning requirements in addition to those already specified in the Pae Ora (Healthy Futures) Act 2022, like the six health strategies and the Government Policy Statement on Health). The additional key national health and disability strategies and action plans and identifies specific key system operational policies to support service planning are listed out below.

³ www.tewhatauora.govt.nz/health-services-and-programmes/nationwide-service-framework-library/about-nationwide-service-specifications/public-health

⁴ Cabinet and briefing material: Enabling Transitional Access to Newly Funded Cancer Medicines for Patients in Private Facilities - www.health.govt.nz/information-releases/cabinet-and-briefing-material-enabling-transitional-access-to-newly-funded-cancer-medicines-for

Health New Zealand is expected to:

- a. ensure their work programmes reflect the Government's priorities for health of older people including, the Healthy Ageing Strategy 2016 and priority actions 2019-23, the health component of Better Later Life 2019-2034 and Action Plan, and Mahi Aroha Carers Strategy 2008 and Action Plan 2019-2023
- b. ensure the provision of disability and long-term support services is coordinated with other disability support services funded by the Ministry of Social Development, Ministry for Disabled People | Whaikaha and ACC
- c. work to improve the health and wellbeing of infants, children, young people and their whānau and carers, with a particular focus on improving equity of outcomes, guided by the Child and Youth Wellbeing Strategy (2019)
- d. deliver mental health, addiction and suicide prevention services in line with Kia Manawanui Aotearoa: Long-term pathway to mental wellbeing (2021) and the Oranga Hinengaro System and Services Framework (2023), Every Life Matters – He Tapu te Oranga: Suicide Prevention Strategy 2019-2029 and Suicide Prevention Action Plan 2025-2029, and the Strategy to Prevent and Minimise Gambling Harm 2025/26 to 2027/28
- e. commission, deliver and promote public health programmes specified by the Public Health Agency as outlined in the public health service specifications⁵ (including health promotion, health protection, preventative interventions, health assessment and surveillance, public health capacity development), and meeting relevant policies and standards to achieve government goals and/or targets
- f. plan and deliver planned care services in accordance with the Planned Care Strategic Approach 2019-2024 and treat patients in accordance with the Planned Care Principles
- g. have appropriate service information to meet the communication needs of consumers and communities about eligibility for publicly funded services, and how to access these services. This information must be made available before any person is offered the option of private treatment, where a publicly funded alternative is available
- h. ensure, for services that incur a patient charge, the patient is informed of the cost prior to service delivery commencing
- i. note that public providers shall be deemed provider of last resort in all circumstances, for example when a third-party contractor fails to provide or deliver care
- j. support the implementation of the Public Health Surveillance Strategy 2025-2030
- k. support the implementation of the Health National Adaptation Plan for climate change
- l. establish and maintain a Maternity Quality and Safety Programme to continually improve the maternity services funded for its population; and will seek the views of women about

⁵ www.tewhatauora.govt.nz/health-services-and-programmes/nationwide-service-framework-library/about-nationwide-service-specifications/public-health

those services. Maternity services will promote and support breastfeeding by achieving and maintaining Baby Friendly Hospital accreditation

- m. fund services that support and care for people with diabetes must deliver against and meet the Quality Standards for Diabetes Care 2020.

5. Quality and system improvement

This section covers requirements responsible commissioners must follow when developing provider quality specifications. It also describes other quality standards they must adhere to, and related quality and system improvement processes.

Health New Zealand as responsible Commissioner is expected to:

- a. comply with the Health and Disability Services (Safety) Act 2001
- b. comply with clinical audit and the review of credentialing processes as per the Health Practitioners Competence Assurance Act 2003
- c. participate in a systematic approach to continuous quality improvement across the wider sector, and collecting data to support Health Quality & Safety Commission | Te Tāhū Hauora (HQSC) quality and safety markers to monitor progress of its priority programmes⁶, including ensuring providers participate in the quality and safety marker for consumer engagement and upload data and information twice yearly
- d. comply with and require contracted medical testing laboratory providers to comply with NZS/ISO 15189:2022 Medical Laboratories – Requirements for Quality and Competence, as defined and published by International Accreditation New Zealand, including any variation or future iteration or equivalent replacement
- e. support the implementation and compliance with the National Adverse Events Reporting Policy 2023⁷ to contribute to the improved quality safety and experience of health and disability services
- f. ensure national mortality review committee's advice, highlighted by HQSC, is considered and implemented, where possible
- g. ensure providers survey consumer experience of the care they received using national survey tools, data collection and reporting systems, and to participate in activities to measure consumer experience nationally led by HQSC
- h. ensure implementation and maintenance of governance for the quality and safety systems including clinical governance⁸.

⁶ www.hqsc.govt.nz/

⁷ Healing, learning and improving from harm | Health Quality & Safety Commission Te Tāhū Hauora

⁸ From knowledge to action - A framework for building quality and safety in the New Zealand health system www.hqsc.govt.nz/resources/resource-library/from-knowledge-to-action-a-framework-for-building-quality-and-safety-capability-in-the-new-zealand-health-system/

6. Workforce

This section covers requirements related to the workforce, including planning, reporting, employment relationships and settlements.

Health New Zealand is expected to:

- a. undertake sector-wide workforce planning for both regulated and non-regulated roles, submit draft plans (including implementation and communications components) to the Ministry of Health for review prior to publication or implementation, and provide quarterly progress reports – or more frequently if milestones are at risk or initiatives change
- b. collect and share monthly raw workforce data and intelligence, as requested by the Ministry of Health, to support sector wide workforce planning and reporting at a service, local, regional and national levels. Make this information available as required by the Ministry of Health
- c. in accordance with the established Employment Relations settings, develop, implement, and share a health workforce employment relations strategy and report progress and risks against the strategy to the Ministry of Health, quarterly
- d. in accordance with the established employment relations settings, lead and share with the Ministry of Health the development and implementation of bargaining and communication strategies for major collective bargaining events and report on the progress of major and other bargaining events to the Minister of Health, on a weekly basis
- e. provide real-time detailed updates quarterly including costings, potential or perceived risks to the bargaining process, and barriers to reaching settlement
- f. work with the In-between-travel (IBT) settlement parties to incorporate IBT and guaranteed hours funding into home care support services contracts
- g. work with the Holidays Act Remediation Programme National Programme Management Office and the Ministry of Health (which provides governance and oversight) to deliver remediation payments and rectification of payroll systems to ensure ongoing compliance with the requirements of the Holidays Act 2003
- h. publish internal procedures as required in the Protected Disclosures (Protection of Whistleblowers) Act 2022
- i. implement the care capacity and demand management programme and the eight recommendations outlined within the Safe Staffing Report (2022), and report quarterly on progress, issue and risks.

7. Digital, data and technology services

This section covers general requirements for investment in and use of digital, data and technology services (digital services).

Health New Zealand is expected to:

- a. ensure services, and the suppliers that provide them, adhere to the digital, data and technology services minimum requirements
- b. develop and deliver digital services in accordance with the Government Chief Digital Officer (GCDO) mandate, as appropriate, and where requirements are not specifically mandated, to operate in accordance with the principles promulgated by the GCDO
- c. proactively support the development and adoption of Health Information Standards Organisation (HISO) standards, including security standards
- d. adhere to the agreements (including the Data Tripartite Agreement or equivalent replacement) and any other directives of either the Minister of Health or Director-General of Health (or their delegates). The Tripartite agreement remains in place despite Te Aka Whai Ora having been disestablished. This includes ensuring access to data is maintained and enabled for the Ministry of Health
- e. develop and implement a Digital Investment Plan integrated with the Health Infrastructure Plan
- f. maintain and update the data products and services they govern on behalf of the Crown for, and on behalf of the wider system (including national datasets and collections, health provider index, and health workforce information programme), in line with best practice
- g. appropriately advise the Minister of Health of key decisions and actively involve the Ministry of Health in decision-making processes, in relation to decisions that are likely to impact sector data requirements and/or services. This includes ensuring representation of Ministry of Health officials on working groups and decision-making bodies for system level data (including national datasets and programmes).

8. Financial and capital operations

This summary covers various financial operating rules and requirements, including in relation to fixed assets and capital.

Health New Zealand and its contracted providers must:

- a. operate in a financially responsible manner by:
 - i. planning to ensure annual costs (including cost of capital) are fully covered by net annual income
 - ii. prudently manage organisational assets and liabilities
 - iii. planning effectively to deliver long-term financial viability
 - iv. acting as a successful going concern

- b. have robust internal financial controls including procurement policies and practices (including capital items)
- c. have a formal written Treasury policy approved by its Board to address key financial risks it faces, that include liquidity and funding risk, foreign exchange/currency risks (classified separately by capital and operating), interest rate risk, guarantees and indemnities
- d. ensure it has appropriate insurance to cover risks
- e. ensure working capital facilities for public owned facilities comply with legislation in terms of maximum limits and counterpart
- f. provide the Ministry of Health with sufficient information to enable a clear identification of its projected financial position and cash flow when requesting operating or capital equity support
- g. be aware the Crown must not incur expenses or capital expenditure, except as expressly authorised by an appropriation, or other authority, by or under the Public Finance Act (section 41)
- h. meet the expenditure and reporting expectations set by the Ministry of Health through the mental health and addiction ringfence
- i. have practises that allow accounting for categories of services e.g. for public health ensure all commissioned services that fit the criteria under the public health service specifications⁹ are coded with the relevant PU codes, so the total spend for public health can be reported on annually
- j. comply with the Minister of Health Letter of Expectations¹⁰ regarding the delivery of projects on time, budget and scope
- k. apply the delegated approval thresholds for capital investments as per SWC-22-MIN-0063 (New governance arrangements for health infrastructure)
- l. apply funding attributable to depreciation of assets to ensure the levels of asset service reflect the strategic intentions of Health New Zealand CO (23) 9 (Investment Management and Asset Performance in Departments and Other Entities)
- m. provide an annual report back to the Minister of Health and Minister of Finance, with the Ministry of Health, on the enhancement of infrastructure management as per SWC-22-MIN-063 (New governance arrangements for health infrastructure)
- n. pay capital charge instalments into the Ministry of Health's Crown Receipt Account at the notified rate based on six-monthly invoices from the Ministry of Health

⁹ www.tewhatauora.govt.nz/health-services-and-programmes/nationwide-service-framework-library/about-nationwide-service-specifications/public-health#public-health

¹⁰ www.health.govt.nz/about-us/new-zealands-health-system/health-system-roles-and-organisations/crown-health-entities/letters-of-expectations-for-health-statutory-entities

- o. use the full-time equivalent (FTE) definition¹¹ for all financial planning and reporting
- p. revalue property, plant and equipment in accordance with Public Sector Public Benefit Entity Accounting Standards (PBE Standards) (PBE International Public Sector Accounting Standards (IPSAS) 17 Property, Plant and Equipment, as interpreted in the Crown accounting policies
- q. comply with Cabinet expectations regarding asset management planning and asset performance reporting through the implementation of the National Asset Management Strategy.

9. Monitoring, reporting and providing information to National Collections

This section covers monitoring and reporting and access to data requirements, encompassing reporting to the Minister of Health and the Director-General of Health, national health information management and reporting requirements, national collections requirements, the maintenance of and access to nationally significant datasets and requirements relating to ACC.

Health New Zealand is expected to:

- a. have a risk management and reporting system to manage risks and report them to its Board
- b. follow the Health Information Privacy Code 2020¹² and security rules
- c. make documentation available on request to the Ministry of Health for audits of data collection and reporting processes
- d. use standard procedures in the HISO 10001:2007 Ethnicity data protocols¹³ for the health and disability sector to collect, report, store and output accurate and complete ethnicity data
- e. maintain processes to assign the correct National Health Index (NHI) number to all records relating to services provided for an individual patient
- f. adhere and operate the Medical Warnings System, that is aligned with the NHI
- g. ensure information collected and provided is of the highest possible quality and data quality improvement processes are in place. Where data quality and/or timeliness issues exist, appropriate support and remediation is expected to be made available within Health New Zealand, and escalated as required

¹¹ The FTE definition and associated reporting is in the process of being reviewed by Health New Zealand, with input from the Ministry of Health, and the new FTE definition/approach is expected to be in place from 1 July 2025.

¹² [privacy.org.nz/privacy-act-2020/codes-of-practice/hipc2020/](https://www.privacy.org.nz/privacy-act-2020/codes-of-practice/hipc2020/)

¹³ www.tewhatauora.govt.nz/our-health-system/digital-health/data-and-digital-standards/approved-standards/identity-standards/

- h. ensure key stakeholders - including those outside of Health New Zealand - have access to relevant information, where known significant data gaps exist
- i. ensure and prioritise that all providers of publicly funded health services - including those directly delivered by Health New Zealand and those commissioned through other providers - submit accurate and complete data to National Collections and national systems in the specified timeframes, including:
 - i. submitting all hospital inpatient and day patient services data to the national minimum data set (NMDS) at least monthly and successfully loaded into NMDS within 21 days from the end of the month of the patient's discharge from, or attendance at, hospital, or the cessation of the provision of health care to that patient
 - ii. adhering to the rules relating to the national booking reporting system (NBRS), including submitting records to NBRS at least monthly with data loaded in NBRS within 21 days from the end of the month, from the patient's procedure date
 - iii. submitting data to the programme for the integration of mental health data, within 20 days from the end of each calendar month, and to any other mental health and addiction national data collection
 - iv. entering and storing at least the minimum dataset for Before School Checks (B4SC) into the B4SC information system and enter and complete all B4SC into the B4SC information system no later than 7 days after the child's fifth birthday
 - v. providing data to the national non-admitted patient collection (NNPAC), within 20 days of the end of the month in which the service delivery occurred, for all mandatory reporting PU codes to NNPAC
 - vi. maintain the health provider index¹⁴ (HPI) which identifies health practitioners, health provider organisations and facilities, the physical address where the health care takes place, in three separate indexes
 - vii. supply information as is reasonably necessary to enable ACC to monitor, audit or otherwise verify or report on the delivery of services set out in the annual service agreement for the purchase of public health acute services, pharmaceuticals, therapeutic devices, laboratory tests and renal dialysis services agreed between the Minister for Accident Compensation Corporation and the Minister of Health
 - viii. the Aotearoa Immunisation Register
 - ix. any ad hoc requirements for a major epidemic or pandemic response
 - x. the event identifiers included in NNPAC must also be reported in National Patient Flow and NBRS (that is, to ensure the specific outpatient event can be identified for a given referral)

¹⁴ The Health Provider Index was previously known as the "Health Practitioner Index"
www.tewhātuora.govt.nz/health-services-and-programmes/health-identity/health-provider-index

- xi. primary maternity services that are not delivered under a Pae Ora Act primary maternity notice, which must report to the Maternity Data Collection
- xii. national Community Oral Health data, including but not limited to data on caries, decayed, missing and filed teeth (DMFT), on age 5 and year 8 dental care
- xiii. maintaining and updating any other datasets reasonably considered to be national health datasets that are the responsibility of Health New Zealand.

10. Abbreviations used

Unless otherwise stated, all terms used in this document use the definitions and meanings set out in the Pae Ora (Healthy Futures) Act 2022.

Appendix One: Provider selection and private involvement protocols

(See CAB (00) M32/2A (2), CAB (01) 12/12 and Statement of Government Intentions: Community Government Relationships, CAB Min (02) 31/13, POL Min (03) 27/3, CAB Min (04) 42/5A and SOC Min (09) 13/1).

Background

In 2000, Cabinet agreed protocols to assist the then DHBs to make decisions about the delivery of publicly funded health and disability support services. The Minister of Health amended the protocols in 2005 and they were further amended by Cabinet in 2009. The context for these protocols is the relationship between the public and private sectors (including for-profit and not-for-profit sectors). The private sector can assist the public sector to deliver care in many circumstances, and it can provide products and services that complement the public health and disability sector. In certain instances, Health New Zealand will be heavily dependent on private providers to deliver some publicly funded services.

Provider selection protocols

1. The protocols below help to determine which services Health New Zealand purchases from private providers and how to manage the associated risks. The protocols indicate where it is appropriate for Health New Zealand to inform the Ministry of Health, or to seek approval of the Minister of Health.
2. The provider selection protocols set out the following requirements for the process of choosing a provider.
 - a. The providers and facilities chosen for publicly funded services should, first and foremost, be the most effective option to achieve gains in health and independence for New Zealanders and meet Government objectives within available funding.
 - b. In respect of services for Māori, the choice should be one that continues to build Māori capacity for providing for Māori needs. In respect of services for Pacific peoples, it should continue to build Pacific people's capacity for providing for Pacific people's needs.
 - c. Health New Zealand should purchase services to best meet population needs. Health New Zealand is free to use the private sector to complement their own service delivery but must ensure the long-term viability of their own resources and delivery is not undermined.
 - d. The choice must be consistent with any specific requirements set out in other Government policies (such as those for primary health organisations (PHOs)).
 - e. Where Health New Zealand has a significant¹⁵ proposal to shift services from a public provider to a Non-Government Organisation (NGO) provider, the shift must result in demonstrable benefits to patients that outweigh any costs (in terms

¹⁵Significant proposals may be significant in terms of funding (possibly over a multi-year contract), or in terms of the potential impact on Health New Zealand and its capacity to deliver the remaining services in the long term.

of any flow-on effects such as deterioration in financial performance, reduced viability of existing Health New Zealand services or facilities, or reduced certainty of service provision in the long term). For the purposes of clarity, the Ministry of Health expects this clause to be also applied vice versa.

- f. Where Health New Zealand has a significant proposal to shift services from public provision to private provision or to start providing services previously provided by an NGO provider, this change is subject to approval by the Minister of Health.
 - g. The chosen provider is required to provide the same set of information to Health New Zealand (such as numbers of patients seen, details of services provided) regardless of whether the provider is publicly owned or not.
3. Where a Health New Zealand employee or contractor has a financial interest in an NGO provider (such as an owner, director, or employee) and has influence over a decision to enter a service agreement with that provider, the Board must:
 - a. be advised of the potential conflict
 - b. explicitly approve the arrangement, together with any measures required to manage the conflict (with this approval coming specifically from the Board, not from a committee or individual/group acting under delegation from the Board).
 4. If the arrangement is approved by the Board, Health New Zealand must disclose details of this arrangement in its annual report.
 5. There should be no cross-subsidy of NGO/independent providers by the public sector.

Note: Where Health New Zealand contracts a private provider to deliver publicly funded services, the provider must act consistently with all pharmaceutical schedule rules including those relating to the provisions of hospital pharmaceuticals as set out in section H of the pharmaceutical schedule¹⁶ (Hospital Medicines Schedule).

6. For further information, refer to the [Protocol on the Public Interface with Private Radiation Oncology Services](#) and [Protocol for Sharing of Public Radiation Oncology Capacity Between Cancer Centres](#)¹⁷.
7. The paramount consideration for Health New Zealand to determine the use of private providers is that the option selected must be the one that most effectively achieves the goals of the public health and disability sector. Health New Zealand must exercise best judgement whether to escalate the decision-making process, by either informing their Board or seeking ministerial approval.

Private involvement protocols for funded service provision

8. There may be instances where it is appropriate for Health New Zealand to become involved in the provision of privately funded services. This could mean allowing a private provider to run services from their spare facilities or treating patients privately.
9. For Health New Zealand to be involved in the provision of privately funded services, Cabinet has agreed a set of protocols focused on benefit to public patients, transparency and managing conflicts of interest.

¹⁶ pharmac.govt.nz/pharmaceutical-schedule/general-rules-section-a

¹⁷ www.tewhatauora.govt.nz/our-health-system/nationwide-service-framework-library/about-nationwide-service-specifications/specialist-medical-services-specifications/#oncology-services

10. Health New Zealand must notify the Ministry of Health of any intended proposals for involvement in privately funded service provision. Use of a public provider or public facility for privately funded services is only likely to be acceptable if all the following conditions are met.
 - a. There is no reduction in service quality to publicly funded patients or disabled people.
 - b. There must be spare capacity beyond that required for services to public patients, that is:
 - i. the level of publicly funded service already meets or exceeds any minimum service coverage expectations.
 - ii. the private involvement must not interfere with the service provision to publicly funded patients and must not compromise the drive to reduce waiting times for planned care services.
 - c. Patients must be advised of publicly funded options before choosing to pay for treatment in public facilities and be offered the opportunity of independent vetting of any referral by Health New Zealand specialist to themselves in a private capacity.
11. If Health New Zealand staff will be directly involved in the delivery of privately funded services (as opposed to the Health New Zealand simply making spare facilities or land available), the services must be part of the range and standard of services (clinical and non-clinical) that are publicly funded.

Note: Health New Zealand staff will be directly involved in the delivery of privately funded services, they must act consistently with the pharmaceutical schedule (as outlined in section 3.h. *Planning and Accountability*). For the avoidance of doubt, Health New Zealand must not use these private involvement protocols to enable privately funded pharmaceuticals to be given in their facilities.
12. There is public disclosure of the arrangement in the Health New Zealand annual report.
13. Where Health New Zealand employee or contractor has influence over a decision for Health New Zealand to be involved in privately funded care and has a financial interest in the arrangement (including through the potential for patients to be referred to the privately funded service from Health New Zealand publicly funded service).
14. The Board must be advised of the potential conflict:
 - a. the Board (rather than a committee or individual/group acting under delegation from the Board) must explicitly approve the arrangement, together with any measures that may be required to manage the conflict
 - b. if the arrangement is approved by the Board, details must be disclosed in the Health New Zealand annual report
 - c. there is no cross-subsidy of NGO/independent providers by the public sector.
15. As clarification of protocol (c) in paragraph 14 above, Health New Zealand cannot branch into new service lines on a purely private basis.

Note: As established in CAB (00) M32/2A (2), these protocols do not apply to:

- a. services funded by ACC and other accident insurers

- b. the treatment of ineligible patients from overseas who require urgent care but have not come to New Zealand seeking that care.

Sponsorship arrangement principles

16. The principles that guide Health New Zealand involvement in privately funded service provision is also relevant to private involvement more generally through sponsorship. The following additional principles apply:
 - a. any sponsorship must lead to a benefit for publicly funded patients
 - b. there must be transparency
 - c. conflicts of interest should be avoided.
17. Sponsorship arrangements should not be entered into where they:
 - a. directly or indirectly increase costs for another funder, or
 - b. are in conflict with Government or health policy.
18. These principles apply both when Health New Zealand is considering providing sponsorship and when Health New Zealand is being offered sponsorship as a means of raising funds.
19. In all proposals for private sponsorship, a judgement is required against these principles. Before committing to a sponsorship arrangement that raises any concerns, Health New Zealand should inform the Ministry of Health of the substance of the proposal and discuss it, including how it would manage the concerns. On gaining support, Health New Zealand should forward details of the proposed sponsorship to the Ministry of Health for referral to the Minister of Health where appropriate.
20. Health New Zealand should also give effect to the following:
 - a. New Zealand Government procurement rules¹⁸ represents the Government's standards of good practice for procurement planning, approaching the market and contracting. Health New Zealand is required to adhere to these rules following the Whole of Government direction, effective 1 February 2015.
 - b. *Procurement guidance for public entities*, Office of the Controller and Auditor-General (2008)¹⁹.
 - c. Principles to underpin management by public entities of funding to non-government organisations, Office of the Controller and Auditor General (2006)²⁰ and subsequent replacements.
 - d. the Ministry of Business Innovation and Employment [Social services procurement on line resource](#)²¹.
21. Health New Zealand must make every effort to prevent double payments for the same services and to eliminate them where identified.

¹⁸ www.procurement.govt.nz/procurement/principles-charter-and-rules/government-procurement-rules/

¹⁹ oag.parliament.nz/2008/procurement-guide/docs/procurement-guide.pdf

²⁰ www.oag.parliament.nz/2006/funding-ngos

²¹ www.procurement.govt.nz/procurement/specialised-procurement/social-services-procurement/

22. The Government also requires agencies (including Health New Zealand) to report on the contracts entered with NGOs, by both name and value.

Appendix Two: Significant Service change process

(A new approach to managing DHB significant service change, H20101590 refers)

1. The following are the key service change processes.
 - a. All Health New Zealand significant service change proposals must be discussed at an early stage, prior to Board approval, with the Ministry of Health to clarify if the Minister of Health is to be notified, and to facilitate the Minister's prior approval or approval in principle, where appropriate. The responsibility lies with Health New Zealand, to ensure the proposals align with Government expectations and legislation.
 - b. Early discussion of significant service change proposals with the Ministry of Health must also include any service change implications that will occur as a result of the implementation of information technology or capital business cases. (Where there are service change implications the Ministry of Health should be contacted prior to the approval of the business case.)
 - c. Where the Minister of Health directs Health New Zealand to make significant changes, the Minister may also require them to consult on how those changes should be made. The Minister has a role in determining the need for Health New Zealand to engage in public consultation for any proposed major service reconfiguration or significant service change.
 - d. Health New Zealand is expected to disclose agreed service changes in on their website.

Health New Zealand service change protocols and requirements

2. Health New Zealand has the mandate to improve the health of their population through national, regional and local initiatives and are accountable for their investment decisions and consultation processes. Most Health New Zealand service changes do not require the Minister of Health's direct involvement. When required, the Ministry of Health will facilitate decision-making of the proposed service change.
3. Health New Zealand will continue current arrangement for funding and/or provision of services until the agreed significant service change process is approved and completed.
4. Health New Zealand will thoroughly develop a case for the significant service change and will follow a robust process from stakeholder engagement and management including Māori participation, to gaining stakeholder support for the service change. All relevant parties must reach agreement on the proposed service change and implementation process.
5. Not all service changes require input from the Ministry of Health or the Minister of Health. The decision tool for triggering significant service change protocols (Table 1 below) identifies the level that requires early engagement with the Ministry of Health. This tool supports planning service change and decision-making and increases confidence there are sufficient controls in place to manage potential risks of proposed service change.

Table A: Decision tool for triggering service change protocols

A. Does this proposal meet the current Service Coverage Expectations (SCE) and/or OPE mandatory components?	If YES, proceed to B. If NO, Health New Zealand discusses with the Ministry of Health before proceeding to secure ministerial approval for SCE exceptions, or approval for OPE mandatory component exceptions.
	
B. Does this proposal trigger any of the existing protocols that require ministerial approval (that is, significant service change, the capital approval process, the public/private service protocols)?	If YES, Health New Zealand discusses with the Ministry of Health. The Ministry of Health will use agreed criteria as to whether the Minister of Health needs to be consulted using the service change protocols. If NO, proceed to C.
	
C. Is the proposal likely to result in substantial public comment?	If YES, Health New Zealand discusses with the Ministry of Health to facilitate the proposal as to whether the Minister of Health needs to be consulted on the substance of the proposal. If NO, Health New Zealand can proceed with the change proposed, provided the change is clinically appropriate, that a robust process is followed, and public confidence is managed by Health New Zealand

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6. When significant service change is identified Health New Zealand must contact the Ministry of Health to facilitate engagement with the Minister of Health on the proposed service change.

Significant service change and consultation

7. When consultation is required, Health New Zealand will not implement the proposed service change until the appropriate consultation has been undertaken with the affected population(s).

Information guide for significant service change proposals

8. An information guideline for proposed significant service change is provided in Table B below. An initial discussion will take place with the Ministry of Health, covering the relevant key points (bolded) of the proposed service change. Depending on the significance of the proposed change, the Ministry of Health may ask for further

information to facilitate timely decision-making before forwarding the proposal to the Minister of Health for noting or decision-making.

9. The Ministry of Health will facilitate final sign-off in relation to any significant service change and, where applicable, the Minister of Health will decide whether to give prior approval or approval in principle.

Table B: Information guideline for early discussion of a proposed service change

a. Name and nature of the proposed service change

The proposal description may include:

- the relationship with and alignment to the Health Strategies, New Zealand Disability Strategy, Health Needs Assessment, Government Policy Statement on Health, New Zealand Health Plan, prioritisation processes
- implementation timeframe
- proposal scale – is it a change to an existing or new local, regional, or national service? Confirm the current service cover will not be diminished
- the affected community/population
- other stakeholders who will have input into the proposal
- the consultation process proposed
- why the service change has been proposed (rationale for change)

b. Describe the collaboration process in planning the service

Consider and include the following as appropriate:

- how you will demonstrate the effectiveness of the funding mechanisms to achieve the aims of planning services (local, regional or national) collaboratively
- what agreement on the proposed service change (where necessary) is to be reached with stakeholder and the Ministry of Health:
- the proposed effect on service volumes/capacity
- funding arrangements
- changes to access and eligibility of recipients of the services (if any)

c. Consider the impact on community/population

Including but not limited to:

- health outcomes/inequities
- Māori
- Pacific peoples
- disabled people, and their family and whānau
- rural populations
- women
- other equity population groups
- access to services
- eligibility

- consumer choice
 - quality of services
 - costs (including opportunity costs faced by consumers)
 - likely perspective of community/population and other stakeholders
 - clinical appropriateness and clinical perspective.
-

d. What is the impact on your organisation?

Consider:

- clinical impact analysis
 - patient impact analysis
 - revenue and cost incremental impact analysis, net present value, realistic forecast financial impact
 - workforce implications
 - infrastructure (such as buildings, information systems).
-

e. What is the impact on NGO providers, including Māori and Pacific providers?

Consider:

- clinical impact analysis
 - patient impact analysis
 - revenue and cost incremental impact analysis, net present value, realistic forecast financial impact workforce implications
 - infrastructure (such as buildings, information systems)
 - letter(s) supporting the proposal from affected NGO providers.
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Appendix Three: Key legislation relevant to the health sector

- Pae Ora (Healthy Futures) Act 2022
- Crown Entities Act 2004
- Public Finance Act 1989
- Public Finance Amendment Act 2013
- Public Service Act 2020
- Health and Disability Services (Safety) Act 2001
- the Health Practitioners Competence Assurance Act 2003
- Health Act 1956
- Smokefree Environments and Regulated Products Act 1990
- Children's Act 2014
- Plain Language Act 2022
- Civil Defence Emergency Management Act 2002
- Holidays Act 2003
- Coroners Act 2006
- Births, Deaths, Marriages and Relationship Registration Act 1995
- Equal Pay Act 1972
- Support Workers (Pay Equity) Settlements Act 2017
- Protected Disclosures (Protection of Whistleblowers) Act 2022
- Medicines Act 1981
- Contraception, Sterilisation, and Abortion Act 1977
- End of Life Choice Act 2019
- Employment Relations Act 2000
- Privacy Act 2020
- Official Information Act 1982
- New Zealand Bill of Rights Act 1990
- Mental Health (Compulsory Assessment and Treatment) Act 1992
- Substance Addiction (Compulsory Assessment and Treatment) Act 2017
- Intellectual Disability (Compulsory Assessment and Rehabilitation) Act 2003
- Accident Compensation Act 2001
- Residential Care and Disability Support Services Act 2018