

Hon Simeon Brown

Minister of Health
Minister for State Owned Enterprises
Minister for Auckland



Professor Lester Levy
Commissioner
Health New Zealand

By email to: s 9(2)(a)

Dear Lester,

As you are aware, this Government is committed to improving health outcomes by providing New Zealanders with timely access to high-quality services, delivered by a financially sustainable health system.

Today I announced my priorities to make immediate improvements to the delivery of health services to New Zealanders.

My key areas of focus are:

- getting Health New Zealand (Health NZ) back to basics;
- driving shorter stays in emergency departments;
- getting on top of the elective surgery backlog;
- enabling faster access to primary care;
- setting out a long-term health infrastructure programme; and
- streamlining accountability mechanisms, statutory and regulatory settings to drive performance.

I am therefore writing to convey my expectations for Health NZ in the delivery of those priorities and the *Health Delivery Plan* over the remainder of this Parliamentary term. This is consistent with my role as the Responsible Minister under the Crown Entities Act 2004. It will form the basis of the manner in which I will consider the performance of Health NZ over that period.

My overarching expectation is that Health NZ is relentless in its pursuit of the delivery of more and better health services for New Zealanders. In doing so, I expect Health NZ to put patient need at the heart of every decision it makes and to prioritise care based on clinical need, not race.

These expectations should drive your operational delivery plans, along with all your formal organisational plans that outline the steps to reorganise Health NZ's operations and structures to be a financially sustainable, fit for purpose organisation that delivers timely, high-quality services every day.

My expectations should form the basis of the Health NZ Statement of Performance Expectations for the coming financial year. I intend to publish this letter following your review of it.

My more specific expectations of Health NZ are as follows:

1. **Delivery against health targets:** Deliver measurable improvements in the short term across all key metrics outlined in the Government's health targets. This includes lifts in performance in relation to new volumes-based measures for the wait times targets for first

specialist assessments and elective treatment. I will also be establishing a target to galvanise primary care performance, as I expect wait times for access to primary care to be tackled and there needs to be appropriate measurement accountability in place to achieve this.

2. **Reporting on health targets and production plans:** s 9(2)(f)(iv)

Additionally, each region is to have a production plan detailing volumes and costs prior to 1 July each year. This is expected to supplement the current quarterly performance reporting activities that include balancing measures.

3. **Delivery of an Electives Boost:** Implement initiatives to urgently lift the volume of surgeries to reduce the elective treatment wait list. A \$50 million investment in 2024/25 and a s 9(2)(f)(iv) investment in 2025/26 to deliver an additional 31,600 elective treatments between March 2025 and June 2026, an approximately 19 percent increase against relevant baselines. I expect this will lift performance against the target towards 70 percent by June 2026. I would like Health NZ to deliver an implementation plan for this work in late March 2025 that sets out the actions that will be taken and the regular performance monitoring approach that will be implemented. This implementation plan should consider and incorporate as many of the recommendations from the August 2022 Planned Care Taskforce Reset and Restore Plan as is feasible. I expect to receive weekly updates on delivery against the implementation plan.
4. **Enable faster access to primary care:** Implement and report to me monthly on the implementation of each of the following initiatives and other measures as appropriate to deliver quality and timely primary care:

- Provide digital access to 24/7 primary care, with a soft launch in April 2025 and a full launch in mid-June 2025. All stages of development are to make a meaningful improvement in access to these services for patients;
- Increase and retain doctors in primary care with 25 additional medical places in 2025; support for up to 100 international doctors to enter primary care in 2025 (including 10 funded from Health NZ baselines); and up to 50 placements for graduate doctors from 2026;
- Increase and bond nurses in primary care with incentives for primary care employers to support up to 400 new graduate nurses each year beginning in 2025; improved access for up to 120 primary care nurses to accelerate advanced education from 2025; and training support for up to an additional 61 nurse practitioners in 2025 and 120 additional nurse practitioners ongoing to specialise in primary care (on top of up to 60 training places annually from Health NZ's baselines);
- Drive more consistent delivery of urgent and after-hours care beginning this year by ensuring existing clinics in major centres remain open overnight s 9(2)(f)(iv)); establishing new urgent care services in South Auckland and key provincial centres (Whangarei, Palmerston North, Tauranga and Dunedin); extending hours of services in remaining provincial cities and major towns s9(2)(f)); and establishing a new 24/7 on-call service in remote rural locations (iv);
- Introduce an enhanced capitation payment for practices of \$95 million per annum for three years starting in 2025/26 that meet new access to care performance standards; an outcomes payment based on performance against key quality targets; and activity-based funding to support health targets through interventions such as streamlined access to diagnostics and delivering more specialist interventions in primary care settings. s 9(2)(f)(iv)

s 9(2)(f)(iv)

5. **System capability and partnerships:** Partner with PHOs, non-government organisations and the community sector, and private providers to maximise delivery for New Zealanders, with an unrelenting focus on improving outcomes and achieving results. Health NZ is expected to maximise partnering with the private sector (including entering into agreements) particularly on low acuity high volume surgical procedures, to enable public hospitals to focus on acute care.
6. **Long-term contracting:** Prioritise medium term (circa 3 years) agreements with private providers prior to moving towards longer term agreements (circa 10 years) to improve the cost effectiveness of delivery from the private sector and to provide clear investment signals. I expect Health NZ to work with the New Zealand Private Surgical Hospitals Association and major private providers on a set of operating principles around matters such as management of waitlists, co-ordination around patients' needs, sharing of workforce and contracting arrangements, co-location of infrastructure, and report back to me in April.
7. s 9(2)(f)(iv)

8. **Fiscal responsibility:** Consistent with obligations under the Crown Entities Act to operate in a financially responsible manner, organisational budgets will be set ahead of the new financial year and stuck to. This includes operating efficiently and effectively, with clear financial plans that show the budgets at a regional and district level, for the provision of hospital and specialist services and those outsourced through commissioning functions. This work must be completed by 1 July 2025 to allow the new financial year to start with clear budget in place for all districts, clear output plans and clear KPIs in order to meet the health targets across New Zealand. Health NZ must also look to maximise third-party revenue opportunities. I would like a progress update on this planning work in early May 2025.
9. **Return to a breakeven position:** Maintain the track to a breakeven position by 2026/27.
s 9(2)(f)(iv)

10. **Focus on core responsibilities:** Focus on health service delivery and avoid advocacy roles. Health NZ should refrain from making submissions on local government policies or proposed developments. By mid-2025 the national office of Health NZ should be significantly smaller as people should be allocated to regional and district service delivery. The national office should be located in Wellington.
11. **Delegations for service delivery:** Health NZ's delivery must be nationally planned and locally delivered. I expect Health NZ to accelerate the shift to local decision-making and service delivery by 1 July 2025, supported by clear accountability, effective planning, delegation and management, and proactive performance improvement, using real-time information to address delivery performance issues rapidly. There must be clear and singular lines of accountability in place at a national executive level, with those accountabilities flowing out to the frontline and any regional function is to focus on coordination only.
12. **Infrastructure investment:** Consider all available funding and financing options (including long term leases and Public Private Partnerships) to support health infrastructure development. For your awareness, I also intend to explore the feasibility and potential benefits of establishing a dedicated health infrastructure company. Health NZ should seek

my approval for any significant changes to scope or cost changes to building projects included in the Health NZ Infrastructure Plan.

13. **Faster decision making and recruitment for frontline clinical roles:** Remove unnecessary bureaucracy slowing down overseas appointments from getting onto the frontline, particularly in geographic locations or services experiencing acute workforce shortages which are impacting on patient care. I would like Health NZ to explore actions such as fast track recruitment pathways, expedited credentialing and employment approvals, and collaboration with medical and nursing councils to fast track registration for overseas trained clinicians from trusted jurisdictions.

I look forward to your response to these expectations, including the provision of local level financial and operational delivery plans, and to continuing our collaborative efforts to improve health outcomes for all New Zealanders.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Simeon Brown'.

Hon Simeon Brown
Minister of Health

Copy to: Dr Dale Bramley, Acting Chief Executive, Health New Zealand
Audrey Sonerson, Acting Director-General of Health