

Minister of Health

Cabinet material: Achieving Pae Ora Through Primary Care

28 August 2023

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

Title of Cabinet paper:

Achieving pae ora through primary and community healthcare

Titles of minutes:

Achieving Pae Ora Through Primary Care (SWC-23-MIN-0097)

Report of the Cabinet Social Wellbeing Committee: Period Ended 28 July 2023 (Cab-23-MIN-0338)

Some parts of this information release would not be appropriate to release and, if requested, would be withheld under the Official Information Act 1982 (the Act). Where this is the case, the relevant sections of the Act that would apply have been identified. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Key to redaction codes:

- s9(2)(f)(iv): to protect constitutional conventions protecting for the time being the confidentiality of advice tendered by Ministers and officials
- Out of scope of the subject of this proactive release.



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 Social Wellbeing Committee: Period Ended 28 July 2023

On 31 July 2023, Cabinet made the following decisions on the work of the Cabinet Social Wellbeing Committee for the period ended 28 July 2023:

Out of scope	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

SWC-23-MIN-0097	Achieving Pae Ora Through Primary Care Portfolio: Health	CONFIRMED
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Out of scope	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

Rachel Hayward
Secretary of the Cabinet



Cabinet Social Wellbeing Committee

Minute of Decision

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Achieving Pae Ora Through Primary Care

Portfolio Health

On 26 July 2023, the Cabinet Social Wellbeing Committee:

- 1 **noted** that the primary and community healthcare system must meet the expectations set by the health sector principles in the Pae Ora (Healthy Futures) Act 2022, which specify that the health sector should provide opportunities for Māori to make decisions about matters of importance to them, provide equitable access, choice, levels of service, and outcomes, focus on a population health, and engage with Māori, Pacific, and other populations to design services that meet their needs and aspirations;
- 2 **agreed in principle, subject to** consultation with key partners, that in addition to the health sector principles, the following specific design features will underpin the provision of primary and community healthcare within the reformed health system:
 - 2.1 comprehensive and accessible;
 - 2.2 continuous;
 - 2.3 coordinated;
 - 2.4 individual and whānau centred;
 - 2.5 fit for purpose and continually improving;
- 3 **noted** the key role of locality planning in the reformed health system, and the importance of providing a strong direction for establishing localities and creating locality plans to ensure that the intent of the health reforms is achieved;
- 4 **agreed** that the following policy parameters will underpin the development of localities and locality plans:
 - 4.1 a locality provides a geographical boundary within which local health services are planned through the development of the locality plan;
 - 4.2 responsibility for commissioning health services sits with Te Whatu Ora and Te Aka Whai Ora;

- 4.3 Te Whatu Ora and Te Aka Whai Ora must provide and/or commission a minimum and consistent range of core services within each locality, in line with the expectations in the Government Policy Statement on Health, Service Coverage Schedule and other future accountability requirements (Core services may be delivered in a way that meets local needs and aspirations to ensure that all New Zealanders have access to an agreed range of core services funded from available budgets);
- 4.4 within available resources, Te Whatu Ora and Te Aka Whai Ora may commission services over and above the core services required, to ensure that they meet the commitments they agree to in locality plans and balance the resources and requirements of the region in which the localities sit;
- 4.5 Te Whatu Ora must develop locality plans, in consultation with whānau and communities, health service providers, social sector agencies and other entities, and engage with Te Aka Whai Ora and relevant IMPB on the development work and Te Whatu Ora must be satisfied that all consultation and engagement requirements under s.55(3)(a)-(e) of the Pae Ora Act have been met before the locality plan is made;
- 5 **noted** that the locality framework supports the policy parameters and aligns with wider social sector priorities, and that Te Whatu Ora and Te Aka Whai Ora will develop implementation guidance to give effect to how locality boundaries are developed, and how locality planning is undertaken at local, regional, and national levels;
- 6 **noted** that the Minister of Health has directed Manatū Hauora to provide her with a policy work programme, to be developed in conjunction with Te Whatu Ora and Te Aka Whai Ora in accordance with their respective statutory roles, to achieve the vision of the primary and community healthcare sector over the next ten years;
- 7 **noted** that Manatū Hauora, Te Aka Whai Ora, and Te Whatu Ora will publish details of the primary and community healthcare work programme on their websites;
- 8 **noted** that the Minister of Health has directed Manatū Hauora to work with Te Whatu Ora and Te Aka Whai Ora to develop a communication and engagement plan for engaging across government, and with health and other sectors on the vision for primary and community healthcare.

Rachel Clarke
Committee Secretary

Present:

Rt Hon Chris Hipkins
Hon Carmel Sepuloni
Hon Grant Robertson
Hon Dr Megan Woods
Hon Jan Tinetti
Hon Dr Ayesha Verrall
Hon Priyanca Radhakrishnan
Hon Ginny Andersen
Hon Barbara Edmonds
Hon Willow-Jean Prime
Hon Dr Deborah Russell

Officials present from:

Office of the Prime Minister
Officials Committee for SWC

In Confidence

Office of the Minister of Health

Cabinet Social Wellbeing Committee

Achieving pae ora through primary and community healthcare

Proposal

- 1 This paper:
 - i. seeks in principle agreement to the design features that will underpin my vision for primary and community healthcare in Aotearoa
 - ii. seeks agreement for policy parameters for developing localities and the implementation of locality plans, and presents a framework for locality planning
 - iii. notes the policy and operational work programmes and engagement plan to begin shaping the future primary and community healthcare sector.

Relation to government priorities

- 2 The proposals will help implement the health reform in primary and community healthcare and inform the development of localities as referred to in the Pae Ora (Healthy Futures) Act 2022 (Pae Ora Act). Proposals are in line with the strategic direction for the health system, including the high-level focus areas and intended outcomes, set through the Pae Ora Act health strategies.
- 3 The proposals also support delivery of related government priorities, such as the disability and mental health and addiction system transformations.

Executive Summary

- 4 While aspects of current primary and community healthcare work well for some people, we know the system fails many New Zealanders. Key challenges we face include:
 - i. providing equitable access to services and achieving equitable health outcomes, especially for Māori, Pacific peoples, disabled people, older people, children and young people in care, rainbow communities, people living rurally, former refugees/recent migrants, and low-income populations
 - ii. delivering effective prevention through a population health approach. This approach is crucial to improving outcomes and to the sustainability of the system in the context of demographic, climatic, and economic change.
- 5 The health reforms introduced by the Pae Ora Act strengthened the Crown's commitment to Te Tiriti o Waitangi (Te Tiriti) and established new entities and functions. The reform programme encompasses the Crown's response to the legislative recommendations by the Waitangi Tribunal in the *Hauora: Report on Stage One of the Health Services and Outcomes Inquiry*.

- 6 My vision is that over the next decade we will create a sustainable primary and community healthcare system that delivers high-quality and equitable care to New Zealanders in their local communities. This will be underpinned by Te Tiriti. Whānau will be able to access affordable care of their choice – and continuity of care by a team they trust – that protects and promotes health and wellbeing, and prevents illness, injury, and harm throughout the life course.
- 7 It is my expectation that primary and community healthcare will meet the requirements set by the health sector principles in the Pae Ora Act, which specify that the health sector should provide opportunities for Māori to make decisions about matters of importance to them, provide equitable access, choice, levels of service, and outcomes, focus on population health, and engage with Māori, Pacific, and other populations to design services that meet their needs and aspirations.
- 8 I am seeking Cabinet’s in principle agreement that, in addition to the health sector principles in the Pae Ora Act, five specific design features should underpin primary and community healthcare in the reformed system: comprehensive and accessible, continuous, coordinated, individual and whānau-centred, and fit for purpose and continually improving.
- 9 Locality plans are a key mechanism for planning effective local health and wellbeing services and supports for populations across Aotearoa. I am therefore also proposing that Cabinet agree to a set of policy parameters to underpin the development of localities and locality plans, to enable them to respond to local needs and deliver on the intent of reform. I am also setting out a framework to guide how locality planning will work within local, regional, and national contexts.
- 10 Manatū Hauora, in conjunction with Te Aka Whai Ora and Te Whatu Ora according to their statutory roles, will provide me with a detailed work programme on key areas of policy to deliver the vision for primary and community healthcare. These areas include but are not limited to, investment and funding settings, prevention through a population and public health approach, continuity of care, the primary and community healthcare workforce, the structure and function of primary and community healthcare, and system settings to better enable Māori to design and deliver whānau-centred care.
- 11 Manatū Hauora will also work with Te Aka Whai Ora and Te Whatu Ora to provide me with a communication and engagement plan for engaging across government, and with health and other sectors on the vision for primary and community healthcare.

Background

What is primary and community healthcare?

- 12 Primary care has a defined set of core functions:
- i. first point of contact and access into the wider healthcare system
 - ii. provides a comprehensive range of healthcare services
 - iii. continuity of care for individuals and whānau

- iv. coordination of care across the system.
- 13 Primary care aims to provide health promotion, protective, preventive, curative, rehabilitative, and palliative services to individuals and whānau throughout their lives. It aims to optimise population health and reduce disparities across the population by ensuring that priority populations have equitable access to programmes and services and equitable outcomes. These functions and services will continue to play an important role in how New Zealanders access care.
- 14 Primary and community healthcare encompasses a broad range of generalist and specialist services and practitioners based in the community.¹
- 15 Over the next decade my aim is to develop a primary and community healthcare system that fully incorporates the roles and functions of both primary care and community healthcare, and which works effectively with the social sector to respond to the wider determinants of health.

The last significant changes to primary and community healthcare occurred in the 2000 health reforms and the Primary Health Care Strategy 2001

- 16 The health reforms of 2000, the New Zealand Public Health and Disability Act 2000 and the Primary Care Strategy 2001, led to significant changes to the health system and the delivery of primary and community healthcare.

The Primary Care Strategy had some successes...

- 17 The Primary Care Strategy improved access to services and began to shift the focus from acute care to prevention and early intervention. Capitation funding for general practice helped embed the beginning of a population-based approach and implementation of the strategy has contributed to reductions in some patient co-payments and service costs, and incentivised continuity of care.

...but its full potential has not been realised

- 18 Despite the progress, implementation failed to deliver in key areas. The lack of clear accountability on the roles of entities within the system, particularly the Ministry of Health, district health boards, and primary health organisations, was a major issue. Poor targeting of funding, with mixed fee for service and capitation, means that providers have not been able to deliver good access to services.
- 19 There remains a combination of barriers to the primary care system, including patient co-payments and service charges, restrictions in availability of services (for example, because of limited opening hours), lack of culturally safe services, and siloed service provision. Implementation also failed to achieve the intention of working effectively at an intersectoral level to improve population health.

¹ This includes Māori and Pacific providers, mātanga rongoā and rongoā service providers, general practitioners, pharmacists, midwives, allied health professionals, dentists and dental therapists, aged care and home care workers, disability support service providers, nurse practitioners, community and practice nurses, the non-clinical workforce, district nurses, community mental health and addiction services, public health nurses, non-governmental organisations, and in some circumstances rural hospitals which operate as de facto primary care providers in communities.

...and challenges remain

- 20 The key challenges we face now and into the future include improving access to care and ensuring our system provides equitable access to services for priority populations and focuses effectively on prevention. Delivering effective prevention is also critical to building a financially sustainable system given the range of challenges in the health system context and broader environment, including demographic, climatic, and economic change.
- 21 The majority of New Zealanders access the health system through local primary and community healthcare services. For many people the current health system is working effectively, and the New Zealand Health Survey 2021-22 shows that 88% of all adults reported their health as being good, very good, or excellent. However, we know that people face challenges in accessing the primary and community healthcare and that it fails a significant proportion of New Zealanders, particularly Māori, Pacific peoples, older people, children and young people in care, disabled people, rainbow people, people living rurally, former refugees/recent migrants, and low-income populations.
- 22 Primary and community healthcare is often fragmented, is suffering from significant workforce shortages and is not always easy to access due to barriers including cost, location of services, hours, availability of appointments, and cultural safety. People can often face lengthy wait times to get an appointment. The 2021-22 New Zealand Health survey estimated that 478,000 adults (11.5% of the population) and 73,000 children (7.6% of the population) could not get a GP appointment because of the length of waiting times.
- 23 Unmet need is higher for Māori and Pacific peoples. The New Zealand Health Survey 2021-22 estimated that 14.6% of Māori could not get a GP appointment because of the length of waiting times and that 14.5% reported not seeing their GP because of cost. 8.4% did not collect their prescription medicine because of cost. Avoidable hospitalisation rates amongst Pacific children have been persistently high for the last decade and adult rates are increasing. The New Zealand Health Survey 2021-22 estimated that 11.4% of Pacific peoples reported not seeing their GP because of cost.
- 24 At the same time, because of pressures on specialist services in the wider health system, the volume and complexity of work being undertaken in general practice is increasing, with utilisation rates in early 2023 an average of 6% higher than last year. One third of general practices have also closed their books to new patients, and there is a lack of after-hours care in many areas of the country. All these factors place increasing pressure on our workforce with, for example, the Commonwealth Fund survey 2022 showing that half of our GPs report that they are burnt-out. This is the highest proportion in any of the countries surveyed.

Systemic issues and inequities have persisted for Māori

- 25 Progress made under previous reforms and the Primary Care Strategy have failed to address many of the intergenerational health issues and inequities faced by Māori and tāngata whaikaha Māori, and to deliver equitable health and wellbeing outcomes.
- 26 The Waitangi Tribunal's *Hauora: Report on Stage One of the Health Services and Outcomes Inquiry* 2019 (the Hauora Report) focused on systemic issues and the

primary and community healthcare sector. The Hauora Report found that legislative, strategic and policy frameworks, funding arrangements, the way Crown entities are held to account, and the partnerships that the Crown has with Māori, were not Te Tiriti compliant. It also found that the capitation funding formulas consistently disadvantaged primary healthcare delivery in communities with high deprivation and significantly large numbers of Māori enrolments. It further found that funding measures intended to address this had not adequately compensated for the higher health and equity needs of those communities, which had contributed to serious and persistent health inequities for Māori.

- 27 Addressing health inequities for Māori is one of the underlying reasons for the current reform. *Whakamaua: Māori Health Action Plan 2020-2025* sets Government's current policy for Māori health and directly responds to the recommendations of the Hauora Report. Part of this policy are the changes introduced in the Pae Ora Act and subsequent health reforms programme.

Health inequities and poor outcomes have persisted for Pacific peoples

- 28 Pacific peoples continue to experience persistent and significant health inequities. Although Pacific families have high rates of enrolment in general practice, they have greater unmet need when compared with the total population. The main barriers that impact on Pacific peoples' access to primary and community healthcare include cost, poor location of services, restricted appointment times, and the lack of culturally appropriate services.
- 29 *Ola Manuia: Pacific Health and Wellbeing Action Plan 2020-2025* sets the government's policy for Pacific health. It challenges us to do things differently to realise the best outcomes for Pacific peoples through effective collaboration within the health sector, and between the health sector and the housing, employment and education sectors.

Building on the health reform and learning from the COVID-19 response

- 30 The Pae Ora Act establishes a national health system that incorporates contracted services in a nationally consistent way, aiming to deliver consistent and high-quality health programmes and services to people in Aotearoa to achieve pae ora and equity. Pae ora is the defining concept of the reforms and is framed clearly in terms of our commitment to Te Tiriti and health equity. It is a holistic concept with three interconnected elements – mauri ora, whānau ora, and wai ora. Pae ora means that individuals and whānau can flourish and thrive in their communities – living long, fulfilling lives in good health, and are supported to maintain their health and wellbeing.
- 31 The health strategies required by the Pae Ora legislation have now been finalised. They set the medium to long-term direction for the health system and identify priority areas for change to improve health outcomes. Engagement on the six strategies has underlined the importance of primary and community healthcare to delivering equity or access and outcomes.

Building on a continuously improving and innovative system...

- 32 The reform is a major opportunity to improve outcomes for our priority populations. The new structure we have created will enable us to work effectively alongside whānau, iwi, and communities to plan, design, and invest in the system. From a Māori perspective it is crucial that we utilise Te Aka Whai Ora and its connections into Māori communities to inform how we reset primary and community healthcare.
- 33 To achieve the intent of reform, we need to continue to learn from previous reforms, develop an evidence-based approach to service design, and implement a holistic approach to care. Most recently, our COVID-19 response enabled a more flexible, community driven and permissive approach to commissioning, service design, and delivery. Communities were able to design services according to their needs, including providing access to flexible holistic primary and community care eg, Pacific-led initiatives, digital enablement and greater mobile services, Care in the Community, and enhanced services from pharmacies. We also need to learn from the negative impacts of the COVID-19 response on some populations, such as Māori, disabled people and carers.
- 34 The response showed the effectiveness of Māori mobilising a by Māori for Māori approach, and the overall success of locally led, centrally enabled responses. We have a significant opportunity to build on and maintain the gains made across all levels of the system during the COVID-19 response, both within the health sector and across the wider social sector.

What primary and community healthcare should look like in the reformed health system

- 35 Changes to the primary and community healthcare system are critical to delivering pae ora but will take time.
- 36 Over the next decade I am seeking to shift Aotearoa towards an integrated primary and community healthcare approach that fully incorporates the roles and functions of the broad range of health services based in the community. This is a whole-of-society approach with three components:
- primary and community healthcare and essential public health functions as a core of integrated health services
 - addressing the wider determinants of health through multisectoral policy and action
 - enabling individuals, whānau, and communities to take charge of their own health.
- 37 My vision is that we will create a sustainable primary and community healthcare system that delivers high-quality and equitable care to New Zealanders in their local communities. This will be underpinned by Te Tiriti. Whānau will be able to access affordable care of their choice – and continuity of care by a team they trust – that protects and promotes health and wellbeing, and prevents illness, injury, and harm throughout their life course.

38 The health sector principles in the Pae Ora Act are derived from Te Tiriti principles in the Hauora Report. They guide how all health entities will work to build the new health system. The Pae Ora Act specifies that the sector should:

- i. provide opportunities for Māori to exercise decision-making authority on matters of importance to Māori
- ii. be equitable in terms of access, choice, and levels of services, for Māori, Pacific, and other populations, and deliver equitable outcomes
- iii. focus on prevention and protecting and promoting the health and wellbeing of New Zealanders through a population health approach², with services tailored to treat mental and physical health equitably
- iv. engage with Māori, Pacific, and other populations to develop and deliver services that reflect their needs and aspirations.

39 It is my expectation that primary and community healthcare will meet the requirements set by the health sector principles in the Pae Ora Act.

40 Within the overall framework provided by the health sector principles, I believe further clarity is required on specific key features of the future design of primary and community healthcare. I am therefore seeking your in principle agreement to the following five design features needed to achieve my vision for primary and community healthcare.

Design Feature	Rationale
Comprehensive and accessible	People must be able to access a diverse range of high-quality health programmes and services that are delivered close to home where possible. Delivering these across Aotearoa means increasing our use of data and digital technologies to deliver care and developing a range of evidence-based models of care and multi-disciplinary approaches. Services will be clinically and culturally safe, accessible, protective, preventive, curative, rehabilitative, and palliative. They will treat the individual and their whānau and respond to physical and mental health and wellbeing.
Continuous	People should be able to have an ongoing relationship with a primary and community healthcare team that provides seamless care, and that effectively manages long-term conditions and focuses on preventing ill health and improving wellbeing.

² Population health includes Te Tiriti o Waitangi, equity by working with populations to understand/respond to their needs, and cross-sectoral collaboration to address determinants of health and wellbeing.

Coordinated	People will experience smooth referral pathways and transitions between services – across primary and community healthcare, with hospital and specialist services, and across the social sectors – as their needs change.
Individual and whānau-centred	Individuals and whānau will be enabled to make decisions concerning their health and wellbeing and partner in the delivery of their care. Services will be based on what matters to individuals and whānau and reflect the community they serve.
Fit for purpose and continually improving	People should be able to expect that the primary and community healthcare system is sustainable, learns from whānau and community voices, research, evaluation, and innovation, and adapts and improves over time, including through utilising digital advancements.

- 41 Subject to your in principle agreement, I intend to test these design features with key partners, including Māori and the primary and community healthcare sector.

Work programme to support the development of primary and community healthcare

- 42 All three health entities will work together to develop the future primary and community healthcare system, working within the following roles:
- Manatū Hauora will undertake work on the future policy directions and settings for primary and community healthcare, in conjunction with Te Aka Whai Ora and Te Whatu Ora in accordance with their statutory roles. In its role as system steward, Manatū Hauora will monitor the delivery of primary and community health services by Te Whatu Ora and Te Aka Whai Ora.
 - Te Whatu Ora has operational responsibility for the commissioning and delivery of primary and community health services set out in Te Pae Tata. Te Whatu Ora is also responsible for developing and delivering locality plans, in agreement with Te Aka Whai Ora and Iwi-Māori Partnership Boards.
 - Te Aka Whai Ora provides policy advice on matters relevant to hauora Māori and commissions kaupapa Māori services and other services developed for Māori. Te Aka Whai Ora is also responsible for monitoring the delivery of hauora Māori services by Te Whatu Ora and, in co-operation with Manatū Hauora and Te Puni Kōkiri, the performance of the publicly funded health sector in relation to hauora Māori. Te Aka Whai Ora will work in conjunction with Manatū Hauora on the future policy directions for primary and community healthcare.
- 43 As part of its disability leadership role, Whaikaha - Ministry of Disabled People will work alongside the health entities on the development of primary and community

healthcare policy to ensure that the sector meets the primary and community healthcare needs of disabled people.

- 44 Through Budgets 2021, 2022, and 2023 we have already begun investing in some of the system shifts required for the primary and community healthcare system to achieve pae ora. Of investments to date:
- i. Budget 2021 provided \$49.98 million to support the development of the new locality prototypes between 2021-22 and 2024-25. This funding has enabled Te Whatu Ora and Te Aka Whai Ora to establish locality prototypes, including leadership and governance, and to begin the design and development of services and initiatives to address local whānau and community health and wellbeing priorities specified in draft locality plans. A further \$1.126 million for 2022-23 and \$3.62 million for 2023-24 allocated in Budget 2022 is enabling agencies to support the development of locality teams providers, including communication material, kaimahi capability development, and digital community engagement advisors. Localities are a new national approach to improve how healthcare is delivered and will give communities a voice in deciding what's needed in their local area.
 - ii. Budget 2022 allocated \$86 million over four years to adjust the equity weighting of the primary care capitation funding formula. To date \$12.758 million for 2023-24 and \$24.414 million for 2024-25 of this investment has been contracted and payments are underway. The funding is enabling general practices serving populations with high health needs to develop more responsive models of care and to implement these in a sustainable way. This means that practices can improve the availability and convenience of appointments, provide more accessible location of services, extend their opening hours, and expand workforce teams to increase access and improve health outcomes.
 - iii. Budget 2022 provided \$102 million over three years to establish integrated and Comprehensive Primary Care Teams within locality provider networks. The funding for these teams is helping teams improve their capacity to provide care, particularly for Māori and Pacific populations and for rural populations with complex needs. This helps to improve early intervention, provide faster treatment, and improve the health and wellbeing of those in the most need. Of the Budget 2022 allocation, \$3.886m has been contracted for 2023-24. Contracting for future years needs to be completed.
 - iv. Budget 2023 provided \$619 million over four years to fund the removal of the standard prescription co-payment. This initiative will improve access to medicines prescribed through the publicly funded primary care services that the majority of New Zealanders access regularly and means that people can get the medicine they need to stay well. An estimated three million people will benefit annually from this change.

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s 9(2)(f)(iv)

Policy work programme

- 46 I have directed Manatū Hauora to lead a policy work programme focussing on key areas that are critical to achieving the vision for primary and community healthcare. These areas include but are not limited to:
- i. system settings that better enable Māori to design and deliver whānau-centred primary and community healthcare that works for Māori and other populations
 - ii. the investment, financing, and funding settings for primary and community healthcare. This will include work on how primary and community healthcare providers are funded, including settings for capitation funding, and is likely to indicate the scale of potential future investment that may be required
 - iii. prevention through a population health approach, and working effectively on this approach across primary and community healthcare, across government, and with the social sector
 - iv. ensuring continuity of care in primary and community healthcare
 - v. the primary and community healthcare workforce
 - vi. the structure and function of primary and community healthcare.
- 47 Meeting the health needs and aspirations of Māori, and New Zealand's diverse populations, including Pacific peoples, disabled people, older people, rainbow communities, and ethnic communities, will be central to this work.
- 48 Te Aka Whai Ora will work closely with Manatū Hauora on this work programme, reflecting its strategy and policy roles in relation to hauora Māori. This policy work programme will also sit alongside the work that Te Whatu Ora and Te Aka Whai Ora are undertaking to implement Te Pae Tata. It is also my expectation that the three health entities will publish the details of the policy and operational primary and community healthcare work programme on their respective websites with progress shown over time.
- 49 Alongside regular engagement with the primary and community healthcare sector, I have also directed Manatū Hauora to work with Te Whatu Ora and Te Aka Whai Ora to develop a coordinated plan to engage and communicate widely on the policy work programme. This will ensure there is collective understanding of the future direction of primary and community healthcare across the health sector and among stakeholders such as iwi, the social sector, users of health services, and those with lived experience of a range of issues affecting their health and wellbeing.
- 50 Progressing the work required to achieve my vision for primary and community healthcare will be reflected in the three-yearly Government Policy Statement on Health (GPS). The next version of Te Pae Tata will provide the three-year operational plan, specifying how the service priorities and areas for improvement will achieve the Government's expectations in the GPS.

Localities, the locality approach, and locality plans

- 51 Localities and locality planning are a new feature of the reformed health system and will play an important role in the primary and community healthcare, the wider health system, and in social sector integration. Locality plans are a key mechanism that assist with understanding local needs and aspirations, and enabling Te Whatu Ora and Te Aka Whai Ora to organise, coordinate and respond in an effective way.
- 52 While there is broad agreement amongst health entities and the health sector on the concept of localities and locality planning, I believe we need to be clear about the role and function of locality planning within the primary and community and wider health and social support systems.

What are localities?

- 53 Localities are geographic areas that can be defined and bounded, and are areas within which health services are planned and delivered. Localities do not have to be a specific size. While the original population covered by each locality area was expected to be between 20,000 and 100,000 people, this will need to be decided by Te Whatu Ora as part of how it determines borders and works within available resource.
- 54 Locality planning, with engagement and agreement from IMPBs, is an important way to ensure there are opportunities for communities and Māori to directly input into service needs and decisions.
- 55 While localities are an important opportunity to bring whānau and community voice into the planning and delivery of health services, they are not legal entities in and of themselves and will not commission services. Rather, the priorities identified through locality plans will inform the commissioning decisions of Te Whatu Ora and Te Aka Whai Ora.

The locality approach supports the health system to operate in new ways

- 56 The health reforms support the system to work in new and different ways to better support health and wellbeing across the population and eliminate health inequities. The locality approach is an important component of this shift and provides a different way of working across the primary and community healthcare sector. The locality approach:
- i. brings together a range of expertise across providers to offer people seamless, connected care closer to home, with a better balance between nationally consistent services and standards, and local tailoring
 - ii. emphasises prevention through population and public health approaches, including cross-sectoral collaboration to address the wider determinants of health
 - iii. gives voice to communities (particularly Māori and Pacific peoples), and people with lived experience of a range of issues affecting their health and wellbeing
 - iv. integrates health and social care for those with complex needs.

- 57 Te Whatu Ora and Te Aka Whai Ora are currently working with 12 prototype localities to test the locality approach, with all parts of Aotearoa to be covered by a locality by July 2024. I expect that the locality approach will mature over time as we learn from the prototypes and more localities are established.

What the Pae Ora Act says about localities and locality plans

- 58 The Pae Ora Act sets out that Te Whatu Ora, in agreement with Te Aka Whai Ora, must determine the geographic area of localities. Before determining a locality, Te Whatu Ora and Te Aka Whai Ora must consult relevant IMPBs and local authorities. Te Whatu Ora must ensure that all of Aotearoa is covered by a locality.
- 59 Under the Pae Ora Act Te Whatu Ora is required to develop locality plans that set out the priority outcomes and services for the locality and give effect to the relevant requirements of Te Pae Tata. To develop locality plans Te Whatu Ora must engage with Te Aka Whai Ora and the IMPBs for an area, and consult with consumers and communities, local authorities and social sector agencies, and other entities that contribute to relevant population outcomes.
- 60 A locality plan is made once it is agreed to by Te Whatu Ora, Te Aka Whai Ora and the relevant IMPB. IMPBs evaluate hauora Māori in a locality with findings contributing to determining priorities in the locality plan.

The Pae Ora Act sets a key role for Iwi-Māori partnership boards in locality planning and monitoring

- 61 IMPBs play a central role in the development of locality plans. The purpose of IMPBs is to represent local Māori perspectives on:
- i. the needs and aspirations of Māori in relation to hauora Māori outcomes
 - ii. how the health sector is performing in relation to those needs and aspirations of Māori
 - iii. the design and delivery of services and public health interventions within localities.

- 62 IMPBs must agree to a proposed locality plan and have a function to monitor the performance of the health sector within a locality.

Confirming the intent of localities and locality plans

- 63 I believe that locality policy requires greater specificity so that key design elements are consistent across the country and that we have common understanding of the intent of localities and locality plans in the reformed health system and their contribution to health service planning, commissioning, and delivery. Confirming this detail is also important to support a collective understanding by health entities of the intent of localities and locality plans. Greater specificity will ensure that Te Whatu Ora, Te Aka Whai Ora, IMPBs, the primary and community healthcare sector, and local communities have certainty on how these new features will be implemented and sit within the broader primary and community healthcare system.
- 64 I am therefore seeking your agreement to the following policy parameters to underpin localities, and the creation and implementation of locality plans.
- i. A locality provides a geographical boundary within which local health services are planned and organised through the development of the locality plan.
 - ii. Responsibility for commissioning health services sits with Te Whatu Ora and Te Aka Whai Ora.
 - iii. Te Whatu Ora and Te Aka Whai Ora must provide and/or commission a minimum and consistent range of core services within each locality, in line with the expectations in the GPS, Service Coverage Schedule, and other future accountability requirements. Core services may be delivered in a way that meets local needs and aspirations. This will ensure that all New Zealanders have access to an agreed range of core services funded from available budgets.
 - iv. Within available resources, Te Whatu Ora and Te Aka Whai Ora may commission services over and above the core services required, to ensure that they meet the commitments they agree to in locality plans and balance the resources and requirements of the region in which the localities sit.
 - v. Te Whatu Ora must develop locality plans, in consultation with whānau and communities, health service providers, social sector agencies and other entities, and engage with Te Aka Whai Ora and relevant IMPB on the development work. Te Whatu Ora must be satisfied that all consultation and engagement requirements under s.55(3)(a)-(e) of the Pae Ora Act have been met before the locality plan is made.

Expectations for implementation of locality boundaries and plans

- 65 The localities framework in Appendix Two outlines my expectations in relation to the role of localities and locality planning in the health system, and the roles of Manatū Hauora, Te Whatu Ora, Te Aka Whai Ora, and IMPBs in localities and locality planning. The framework also shows how community voice will inform and influence the approach to care and services at regional and national level. The localities framework indicates how locality planning will integrate with the work of government agencies, local government, and the wider social sector at local, regional, and national levels to enable us to jointly progress the wider wellbeing needs of individuals, whānau, and communities.

- 66 It is also my expectation that Te Whatu Ora and Te Aka Whai Ora will develop implementation guidance and/or information on how locality boundaries are developed, and how locality planning is undertaken at local, regional, and national levels. This will ensure that the intent and role of locality development and planning are consistent, clearly set out and communicated, and understood at all levels of the system and by all stakeholders.
- 67 Amongst other things, this operational guidance and/or information will detail:
- i. the need to align the requirements of the Pae Ora Act, the Pae Ora health strategies, GPS, and Te Pae Tata with the priority outcomes and services agreed in each locality plan
 - ii. a process for developing and agreeing locality boundaries, including consultation with local authorities and consideration of the importance of aligning with existing regional boundaries
 - iii. a clear process for locality planning (see Appendix Three for the high-level process – Achieving whānau-led commissioning for pae ora through locality planning), including guidelines on the formation and operation of local planning groups, such as locality partnership groups, which might lead the development of locality plans on behalf of Te Whatu Ora
 - iv. how to work with and influence the social sector at all levels to reflect the broader government wellbeing priorities in the development of locality boundaries and plans, for example the work of the regional public service leadership framework, and the role that the health sector plays in contributing to these priorities.
- 68 The Localities Learning and Insights programme is a three-year programme lead by Te Whatu Ora and designed to review and refine the locality prototypes and inform the future rollout of localities. This programme covers how, and how well, the locality prototypes have been developed and delivered, including how well communities were engaged and the operation of community partnership planning groups. I expect that the learning from the programme and changes to be considered will be reported to the Te Whatu Ora Board. This will provide us with confidence that any changes and refinements are being made to the locality approach and planning process.

Monitoring of locality development and planning

- 69 Manatū Hauora has overall responsibility for monitoring the health system, including system performance as it relates to the progress of reform, and for monitoring population health outcomes. The Boards of Te Whatu Ora and Te Aka Whai Ora are responsible for monitoring the activities of the entities, including health services and outcomes within and across localities.
- 70 Te Aka Whai Ora monitors the delivery of hauora Māori services by Te Whatu Ora. It also works with Manatū Hauora and Te Puni Kōkiri to monitor the performance of the publicly funded health sector in relation to Māori health. IMPBs monitor the performance of the health sector in a relevant locality.

- 71 Feedback loops between and across all parts of the system are being established by Manatū Hauora, in partnership with Te Whatu Ora and Te Aka Whai Ora, to monitor and evaluate the health system's performance. This, supplemented by research and evaluation, will enable continuous learning and improvements at local, regional, and national levels of the system.

Communications and engagement with the primary and community healthcare sector

- 72 To deliver on the primary and community healthcare vision, it is important to ensure the wider sector is well connected to the future directions for primary and community healthcare.
- 73 I have directed Manatū Hauora to work with Te Whatu Ora and Te Aka Whai Ora to develop a communications and engagement plan for engaging with the wider health sector on my vision for primary and community healthcare. This will ensure that engagement across the health entities is coordinated and aligned and that there is a purposeful approach to engaging with the sector and communities.
- 74 I also expect that Manatū Hauora will engage across government, with other sectors and the Wai 2575 claimants on the future of primary and community healthcare and the detailed work programme. The engagement process that has contributed to the development of health strategies required by the Pae Ora Act has created a valuable database of insights from New Zealanders about primary and community healthcare. I anticipate that there will be further opportunities for Manatū Hauora to engage widely, including working with Te Aka Whai Ora to gather insights from IMPBs.
- 75 Manatū Hauora, Te Aka Whai Ora and Te Whatu Ora already engage regularly with key sector groups and these relationships will be important to achieving my vision for primary and community healthcare.
- 76 Substantive engagement on the policy work programme will occur after the 2023 General Election.

Engagement with communities on the development of locality plans

- 77 Engagement with communities in the new locality areas is underway. Te Whatu Ora and Te Aka Whai Ora have been meeting with people in the 12 prototype areas during May and June 2023, and engagements are on-going. This engagement is focussing on building the relationship with partners in the locality areas and discussing what matters to their populations.
- 78 As part of the prototypes, local planning groups have been engaging with whānau and community to gather their views, and this community voice is integral to designing and shaping the approach to care and will inform decisions that Te Whatu Ora makes to commission and fund services.

Cost-of-living implications

- 79 The proposals in the paper do not have any cost-of-living implications.

Financial Implications

- 80 This paper does not have financial implications.

81 s 9(2)(f)(iv)

Legislative Implications

82 The proposals in the paper do not have legislative implications.

Impact Analysis

Regulatory Impact Statement

83 A regulatory impact assessment is not required as the proposals in the paper do not have implications for legislation or regulations.

Climate Implications of Policy Assessment

84 The Climate Implications of Policy Assessment (CIPA) team has been consulted and confirms that the CIPA requirements do not apply to this proposal as the threshold for significance is not met.

Population Implications

85 The redesign of primary and community healthcare is intended to provide New Zealanders with the opportunity to achieve equitable health outcomes, regardless of who they are or where they live.

86 The work programme to develop the future primary and community healthcare system will focus on improving the health outcomes of populations experiencing inequities, particularly Māori, Pacific peoples, disabled people, older people, rainbow communities, people living rurally, former refugees/recent migrants, children and young people in care, and low-income populations, and eliminating the barriers to care. The specific population implications, and related strategies and action plans, such as *Ola Manuia: Pacific Health and Wellbeing Action Plan 2020-2025* and *Whakamaua: Māori Health Action Plan 2020-2025*, will be considered in the work programme.

87 The development of localities and locality planning is a key opportunity to improve prevention through a population health approach, including working effectively across health and other sectors that influence the wider determinants of health, and to provide comprehensive and locally led primary and community health services to the diverse populations of Aotearoa.

Human Rights

88 The proposals in this paper are consistent with the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993.

Use of External Resources

- 89 External resources such as contractors or consultants have not been used to prepare the policy advice in this paper.

Consultation

- 90 This paper was prepared by Manatū Hauora. Te Aka Whai Ora, Te Whatu Ora, the Ministry of Social Development, The Treasury, Department of the Prime Minister and Cabinet, Te Puni Kōkiri, Whaikaha Ministry of Disabled People, Ministry for Pacific Peoples, Oranga Tamariki, Ministry of Education, Ministry of Housing and Urban Development, Te Kawa Maataho - Public Service Commission, and the Accident Compensation Corporation have been consulted.

Proactive Release

- 91 I intend to proactively release this paper and its associated minute within the standard 30 business days from the decision being made by Cabinet, with any appropriate redaction where information would have been withheld under the Official Information Act 1982.

Recommendations

The Minister of Health recommends that the Committee:

- 1 **note** that the primary and community healthcare system must meet the expectations set by the health sector principles in the Pae Ora (Healthy Futures) Act 2022, which specify that the health sector should provide opportunities for Māori to make decisions about matters of importance to them, provide equitable access, choice, levels of service, and outcomes, focus on a population health, and engage with Māori, Pacific, and other populations to design services that meet their needs and aspirations.
- 2 **agree in principle** that, in addition to the health sector principles, the following specific design features will underpin the provision of primary and community healthcare within the reformed health system:
 - i. comprehensive and accessible
 - ii. continuous
 - iii. coordinated
 - iv. individual and whānau centred
 - v. fit for purpose and continually improving.
- 3 **note** the key role of locality planning in the reformed system and the importance of providing a strong direction for establishing localities and creating locality plans to ensure that the intent of the health reforms is achieved.
- 4 **agree** that the following policy parameters will underpin the development of localities and locality plans:
 - i. A locality provides a geographical boundary within which local health services are planned through the development of the locality plan.

- ii. Responsibility for commissioning health services sits with Te Whatu Ora and Te Aka Whai Ora.
 - iii. Te Whatu Ora and Te Aka Whai Ora must provide and/or commission a minimum and consistent range of core services within each locality, in line with the expectations in the GPS, Service Coverage Schedule and other future accountability requirements. Core services may be delivered in a way that meets local needs and aspirations. This will ensure that all New Zealanders have access to an agreed range of core services funded from available budgets.
 - iv. Within available resources, Te Whatu Ora and Te Aka Whai Ora may commission services over and above the core services required, to ensure that they meet the commitments they agree to in locality plans and balance the resources and requirements of the region in which the localities sit.
 - v. Te Whatu Ora must develop locality plans, in consultation with whānau and communities, health service providers, social sector agencies and other entities, and engage with Te Aka Whai Ora and relevant IMPB on the development work. Te Whatu Ora must be satisfied that all consultation and engagement requirements under s.55(3)(a)-(e) of the Pae Ora Act have been met before the locality plan is made.
- 5 **note** that the locality framework supports the policy parameters and aligns with wider social sector priorities, and that Te Whatu Ora and Te Aka Whai Ora will develop implementation guidance to give effect to how locality boundaries are developed, and how locality planning is undertaken at local, regional, and national levels.
- 6 **note** that I have directed Manatū Hauora to provide me with a policy work programme, to be developed in conjunction with Te Whatu Ora and Te Aka Whai Ora in accordance with their respective statutory roles, to achieve the vision of the primary and community healthcare sector over the next ten years.
- 7 **note** that Manatū Hauora, Te Aka Whai Ora, and Te Whatu Ora will publish details of the primary and community healthcare work programme on their websites.
- 8 **note** that I have directed Manatū Hauora to work with Te Whatu Ora and Te Aka Whai Ora to develop a communication and engagement plan for engaging across government, and with health and other sectors on the vision for primary and community healthcare.

Authorised for lodgement

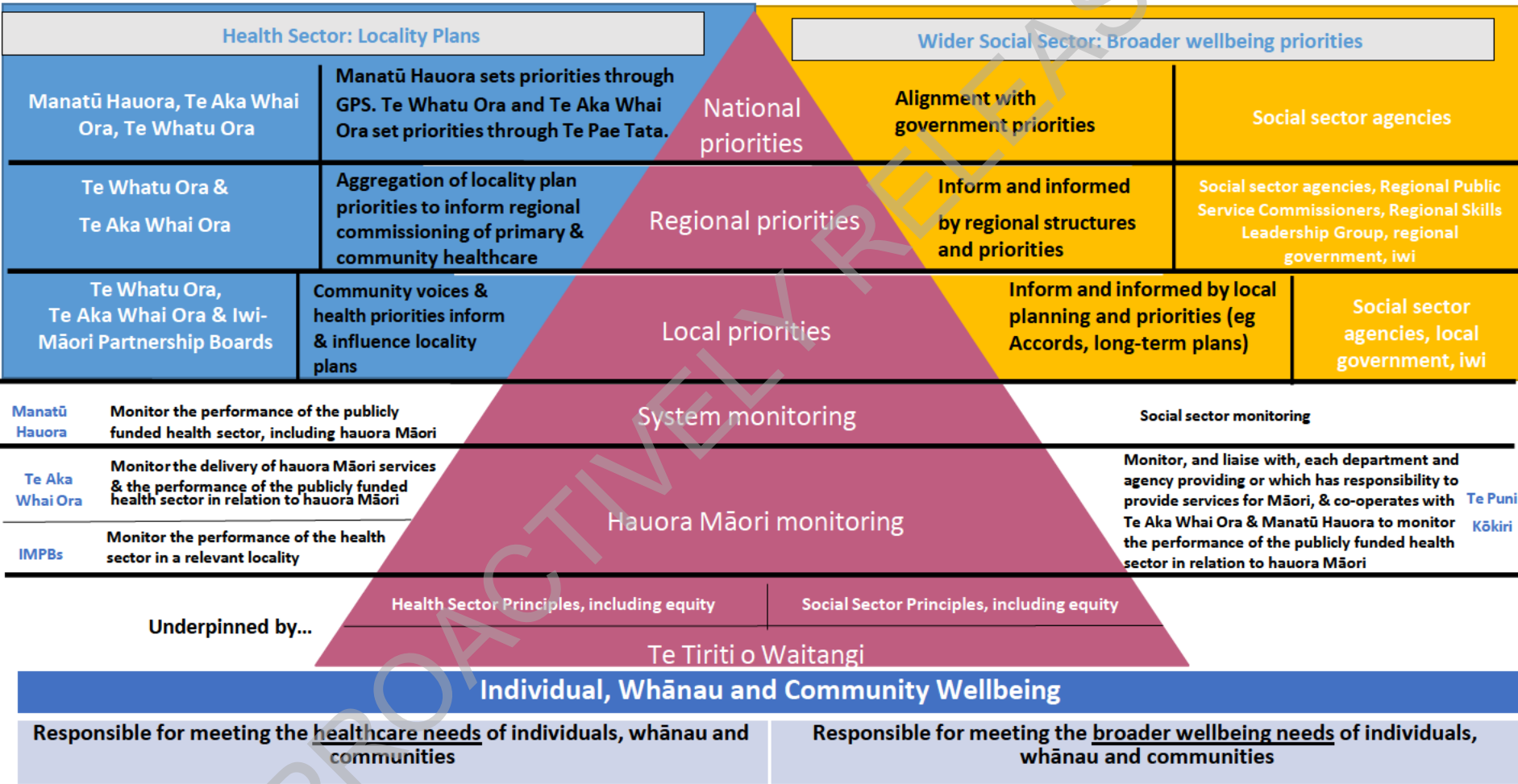
Hon Dr Ayesha Verrall

Minister of Health

PROACTIVELY RELEASED

PROACTIVELY RELEASED

Localities Framework



Local, Regional and National Integration of Locality Planning

Local	Regional	National
<p>What: A locality provides a geographical boundary within which local health services are planned and organised through the development of the locality plan.</p> <p>Who: Te Whatu Ora develops the locality plan, in agreement with Te Aka Whai Ora and the relevant IMPB.</p> <p>Requirements: Locality plans must set out priority outcomes and services for the locality. Locality plans inform and are informed by social sector agencies' local plans.</p> <p>Accountability: Te Whatu Ora is the owner of locality plans and is accountable for delivering on the priority outcomes and services. Te Whatu Ora with Te Aka Whai Ora must prepare an annual report on progress.</p> <p>Coordination: Te Whatu Ora must engage with consumers, communities, local authorities, and social sector agencies, and engage with IMPBs in the creation of locality plans. Te Whatu Ora can partner with other agencies to address wider wellbeing priorities included in the locality plan, but Te Whatu Ora remains accountable for delivering what is included in the plan.</p> <p>Monitoring: Manatū Hauora monitors locality plan delivery in the context of health system performance, Te Aka Whai Ora monitors the delivery of hauora Māori outcomes, and IMPBs monitor the performance of the health sector in the locality.</p>	<p>What: Te Whatu Ora and Te Aka Whai Ora draw on locality plans, aggregated at a regional level, to inform the commissioning and delivery of healthcare services across the region. Te Whatu Ora and Te Aka Whai Ora can use aggregated locality plans to influence wider social sector agencies' regional plans.</p> <p>Who: Te Whatu Ora and Te Aka Whai Ora commission and deliver healthcare services. Social agencies deliver social sector priorities.</p> <p>Requirements: Te Whatu Ora and Te Aka Whai Ora must work with other agencies' regional structures (such as Regional Public Service Commissioners) to inform healthcare service commissioning and integrate with broader social services.</p> <p>Accountability: Te Whatu Ora and Te Aka Whai Ora are accountable for the delivery and performance of healthcare services that they commission and deliver.</p> <p>Coordination: Te Whatu Ora and Te Aka Whai Ora are part of regional cross-agency networks to ensure that mahi is coordinated and integrated.</p> <p>Monitoring: Manatū Hauora monitors regional delivery in the context of health system performance, and Te Aka Whai Ora, in cooperation with Te Puni Kōkiri and Manatū Hauora monitors the performance of the publicly funded health sector in relation to hauora Māori.</p>	<p>What: Priorities for the healthcare system are aligned with broader government priorities</p> <p>Who: Manatū Hauora, Te Aka Whai Ora in consultation with Te Whatu Ora set national priorities for the healthcare system.</p> <p>Requirements: Health system priorities must align with broader government priorities.</p> <p>Accountability: Boards of Te Aka Whai Ora and Te Whatu Ora are accountable to Ministers for delivery of Te Pae Tata. Manatū Hauora is accountable to Ministers for its strategy, policy and monitoring of the health system.</p> <p>Coordination: The health system is part of cross-agency coordination networks, such as Caring for Communities Chief Executives and Social Wellbeing Board, Te Puna Aonui Board.</p> <p>Monitoring: Manatū Hauora monitors health system performance, and Te Aka Whai Ora monitors in the context of hauora Māori outcomes. Te Aka Whai Ora, in cooperation with Te Puni Kōkiri and Manatū Hauora, monitors the performance of the publicly funded health sector in relation to Hauora Māori.</p>

Collaboration with agencies and organisations to address the wider determinants of health

Achieving whānau-led commissioning for pae ora through locality planning

