

# Memo

## Health reform messages to support podcast interview

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<b>Date:</b>	22 February 2023
<b>To:</b>	Hon Dr Ayesha Verrall, Minister of Health
<b>Copy to:</b>	Di Safarti, Director-General of Health
<b>From:</b>	Maree Roberts, Deputy Director General, Strategy, Policy and Legislation
<b>For your:</b>	Information

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1. You have been invited to appear on the NZME podcast, *On the Tiles*, to talk about health and science research funding reforms. To support your interview, this memo outlines some key messages on the health reforms, the major areas of change and what they mean in practice. It includes information provided by the Ministry and Te Whatu Ora.

### Health reforms

2. Our health system is being transformed to support all New Zealanders to have better health outcomes. Our vision across the health reform programme is pae ora – healthy futures – where everyone in Aotearoa New Zealand lives longer, healthier lives and achieve equitable health outcomes.
3. The health reforms are aimed at tackling longstanding barriers to equity, reducing variation and supporting collaboration and partnership across the health sector.
4. At the heart of the reforms are five objectives:
  - a. **Partnership** – to develop a system that partners meaningfully with Māori and the communities that it serves; and that works collaboratively across organisations to improve health and wellbeing.
  - b. **Equity** – to tackle persistent inequities in health outcomes and access to services for many of our communities.
  - c. **Person and whānau-centred care** – to refocus the design and delivery of health services around the needs and aspirations of people.
  - d. **Sustainability** – to prevent, reduce or delay health need wherever possible, and ensure a more financially sustainable system.
  - e. **Quality** – to drive improvements in the quality and safety of care, and reduce variation between services and areas.

5. These are long-term objectives and will not be delivered overnight. As a first step, we have reformed health system structures and created new entities to put in place the foundations for change.
6. At the centre of the reformed health system are three entities:
  - a. **Manatū Hauora (Ministry of Health)** is the chief steward of the health system and lead advisor to government on health. The Ministry sets direction, policy, the regulatory framework and investment for health, and monitors outcomes and system performance.
  - b. **Te Whatu Ora (Health New Zealand)** is a Crown entity, led by a board, that replaces the 20 district health boards. Te Whatu Ora plans, commissions and provides most publicly funded health services through a nationally coordinated and regionally delivered health system. Te Whatu Ora regions oversee commissioning of primary and community services and manage the delivery of hospital and specialist services networks.
  - c. **Te Aka Whai Ora (Māori Health Authority)** is a statutory entity, led by a board, that drives a focus on hauora Māori, prioritising the voice of whānau Māori and ensuring health services deliver equitable outcomes to Māori. Te Aka Whai Ora works in partnership with Te Whatu Ora to plan and commission all health services jointly at a national, regional and local level, commissions hauora Māori services directly, and monitors the system-wide outcomes for Māori.
7. The first two years of the reforms are focused on building these new roles and functions, while delivering early improvements and maintaining existing programmes and performance.
8. As these new arrangements embed, we will have a more collaborative and better functioning system, with shared leadership and common aims. This will strengthen how the system works as a whole and how it tackles inequities – and provide the platform for future improvements.
9. The next phase of reform from July 2024 onwards will be focused on taking forward those future improvements as we drive towards our five long-term objectives.
10. It's important to remember that implementing these changes is a long-term programme. We are in the early days of implementation, with new entities and ways of working. But we have already achieved a good deal:
  - a. Establishing the new entities on 1 July 2022.
  - b. The publication of the first, interim New Zealand Health Plan – Te Pae Tata – which sets national service priorities for improvement in the first two years.
  - c. New system leadership mechanisms, which are changing how the system is led and providing collective leadership and decision-making.
  - d. The first tranche of 11 iwi-Māori partnership boards were formally recognised by Cabinet in December 2022.

- e. The removal of barriers such as inter-district flow funding has enabled patients to move around the country to receive appropriate care, and regional leadership changes have enabled services to support each other where there are capacity challenges (such as planned care delivery).

## **Key areas of change and what it means in practice**

### ***Sustainable and skilled health workforce***

11. People are our greatest asset and the enabler to improving the health and wellbeing of New Zealanders. Many of the workforce issues faced by the health system are long-standing and require new approaches.
12. Manatū Hauora, Te Aka Whai Ora, and Te Whatu Ora are focused on a long-term strategic approach to give us a health workforce which can deliver on the promise of pae ora while addressing short-term priorities.
13. In the longer-term, we are developing a Health Workforce Strategy that will establish the priorities and direction required to support workforce development. This work will be informed by engagement with the health sector to date.
14. In the immediate term, the health reforms allow us to do things differently. As Te Whatu Ora is now the national employer, we can take a national approach to workforce issues.
15. Te Whatu Ora and Te Aka Whai have also established the Workforce Taskforce which will lead on the tactical responses to workforce challenges including by agreeing the key interventions for immediate workforce expansions where service failure is at risk.
16. Te Whatu Ora are working on a series of priority workforce initiatives to address health workforce pressures. This includes recruiting more doctors and nurses across the whole health system to ease the pressure on the frontline workforce. Changes to immigration settings means nurses, midwives and all doctors are now eligible for residency immediately.
17. Te Whatu Ora has recently opened registrations for this year's Voluntary Bonding Scheme. This is part of our recruitment approach for nurses, and means those accepted can become eligible for payments in the first three to five years of their career to help repay their student loan or as extra income.
18. We know that registered nurses on the scheme have higher retention rates in hard-to-staff specialties compared to nurses not on the scheme. Of graduate nurses who have registered for the scheme, the retention rate in eligible specialties after five years is up to 27% higher than those graduates who did not register.
19. The scheme is targeted at:
  - a. encouraging recently qualified health professionals to work in eligible hard-to-staff communities or specialties; and
  - b. retaining essential health professionals in Aotearoa New Zealand. It also aims to increase representation of Māori and Pacific peoples across the health workforce.

### ***Keeping people well in communities***

20. Our health system must focus on supporting people to stay well in their communities and preventing illness in the first place. This means taking a more holistic view of health and wellbeing while addressing immediate needs.
21. It also means shifting to provide more community-based services that are designed by and for the people that they serve, with a focus on improving support for Māori, Pacific people, disabled people and other groups with the poorest outcomes.
22. The locality approach is at the heart of the health reforms. This is a way of bringing together voices from across our diverse communities to identify their aims and objectives for health, and for those objectives to drive the planning of local services.
23. Nine prototypes have started testing the locality approach. By July 2024, every community in Aotearoa will be part of a locality.
24. In addition to supporting people in communities through the locality plans, we are implementing digital advancements, including telehealth and the 'zero data' programme. While over 90% of our population have access to a smart phone, a key barrier for access is the cost of mobile data. Te Whatu Ora is creating a 'zero data' programme to provide free access for consumers to access essential online health information and health services. The initiative is now generating interest from other government agencies who are discussing the creation of a 'multi-agency' portal.

### ***Wait times (access to care)***

25. Increasing timely access to services is a priority for the reformed health system.
26. We know the health system has been under significant pressure from the Covid-19 pandemic, and more recently, the devastation we have seen as a result of Cyclone Gabrielle.
27. One of the major changes under the reforms is the ability to work nationally and use digital technology more consistently to support patients and clinicians. This means that in the future, patients can transfer across the country to ensure they get the best care regardless of where they live.
28. Te Whatu Ora has put in place national measures and escalation models so we can see where the pressures are in the system and allow our staff to make real-time decisions to improve hospital capacity in the most under pressure areas. This will help to ensure patients receive timely treatment and discharge, and support regional and national collaboration.
  - a. For example, when Gisborne Hospital needed ICU nurse support, Tauranga Hospital could provide help through a newly-established integrated operations centre.
29. Rather than disconnected planning across individual DHBs, planned care can now be managed nationally. For instance, hospital areas and regions are now collaborating to deliver planned care, such as South Canterbury providing extra orthopaedic operations to Canterbury patients who have been waiting over 365 days.

30. With the removal of inter-district flows, we have abolished one of the biggest barriers to people receiving care depending on where they live. This enables patient transfers across the country.
31. Te Whatu Ora has also established a Planned Care Taskforce to improve the quality, efficiency, and timeliness of planned care services. Additional funding has been reprioritised to support existing services and reduce wait times.

***Setting long-term direction for health***

32. While there has been significant effort already put into reforming our structures and systems, there is more work to do to realise the full promise of the reforms.
33. Our approach to the reform has a dual focus: to deliver the short-term requirements in the first two years, and to put in place the system architecture to set and deliver long-term objectives from July 2024 onwards.
34. The new system architecture will link long term outcomes and strategic direction-setting to medium-term Government priorities, financial settings and budget, and system-wide planning and accountability processes.
35. Health strategies are how the long-term direction for health (and for the health system specifically) is set by Ministers. We are currently developing a suite of new strategies for the future of health: the New Zealand Health Strategy, the Hauora Māori Strategy, the Pacific Health Strategy, the Health of Disabled People Strategy, the Women's Health Strategy, and the Rural Health Strategy.
36. Together, the strategies will set the direction across the health system and inform decision-making. While the strategies will be high level, they will inform the specific actions to be captured in the Government Policy Statement and the New Zealand Health Plan.
37. We are also developing a Health Outcomes Framework to help us to grow a deeper understanding of how the health system is performing and to track our longer-term aspirations over time.
38. We are engaging now with different communities and stakeholders to help us develop these strategies.

ENDS