Template 1: Budget Initiative template

There are five sections of this template agencies need to fill out:

- Overview and context
- Detail on the investment proposal
- Wellbeing impacts and analysis
- Cost understanding and options
- Collaboration

Overview and context

Key Question/area	Comment/answer
Agency to complete	
Portfolio of lead Minister	Hon Dr David Clark, Minister of Health
Portfolio(s) of other Ministers involved (if this is a joint initiative)	N/A
Votes impacted	Health
Initiative title	National Community Maternity Services – Additional Support
Initiative description	This funding will provide for the [redacted] (driven by increased births and an increase in the number of women using primary community maternity services), increased service delivery costs, and an additional contribution to workforce pressures ('Lead Maternity Carers').
Type of initiative	Non-discretionary cost pressure
If this initiative relates to a priority, please outline the specific priority/ies it contributes to	Reducing child poverty and improving child wellbeing, including addressing family violence Supporting mental wellbeing for all New Zealanders, with a special focus on under 24s
Does this initiative relate to a commitment in the Coalition Agreement, Confidence and Supply Agreement, or the Speech from the Throne?	N
Agency contact	Clare Perry, Group Manager, Health System Improvement Clare_Perry@moh.govt.nz ; [redacted]
Responsible Vote Analyst	s 9(2)(a) [redacted]

Funding

Funding Sought ($m)	2019/20	2020/21	2021/22	2022/23 & outyears	TOTAL
Operating	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

Funding Sought ($m)	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	TOTAL
Capital	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

1. Executive Summary

1.1 EXECUTIVE SUMMARY

A. Short summary of the proposed initiative and expected outcomes.

The national maternity services cost pressure bid provides s 9(2)(f)(iv) of funding for price [redacted] for business as usual primary community maternity services. The price pressures provide a contribution to increased service delivery costs for primary community maternity services. [redacted].

This initiative works to attract, retain and engage the primary community maternity workforce while further work is undertaken pursuant to the Ministry of Health and New Zealand College of Midwives Settlement (MOH/NZCOM Settlement).

This initiative is expected to result in the following outcomes:

- women, babies and their families, including in rural and hard to staff areas, not losing access to community midwifery services, leading to lower rates of maternal and infant morbidity and in some cases maternal mortality,
- recruitment and retention of the community midwifery workforce and Lead Maternity Carers (LMCs, of which midwives are the largest workforce) are better supported to meet professional development obligations, engage in quality improvement activities, support health promotion activities (such as smoking cessation and healthy nutrition) and wider government goals through active linking to other social services.

If this funding is not provided, the community maternity workforce will continue to decline leaving mama, pēpi and whānau without the care they require during pregnancy and early infancy.

2. The Investment Proposal

This section asks you to outline your overall investment proposal and intervention logic. It should be supplemented with a one page intervention logic map showing the progression from outputs, outcomes and impacts of the initiative. See template 5 for an example of an intervention logic map that you can use as a template or guide.

2.1 Description of the initiative and problem definition

What is this initiative seeking funding for?

Initiative

This initiative provides funding s 9(2)(f)(iv) over four years for increased service delivery costs and s 9(2)(f)(iv) [redacted]

Community maternity model

Community maternity in New Zealand is a low cost/high return, internationally recognised, evidence-based service that meets the needs of pregnant women, babies and families in homes and communities.

Maternity services are important for women, babies, families, and for the future health of children across the life course. For women, especially first-time mothers, maternity service providers are in

a unique position to promote a healthy lifestyle, support a healthy pregnancy, a normal birth and the transition to parenthood, as well as a positive experience of the health system. For babies, the first 1000 days of life (including conception) is the period in which optimum health, growth and neurodevelopment are established. Maternity services support health, growth and development during this critical period, and are the gateway to all future health prevention measures, education for parenting and child development needs, as well as primary health care and specialist services.

Community maternity increases access to other primary care and prevention services and brokers engagement with social services, reducing overall system cost and supporting good health outcomes and good experience for families. There are positive impacts throughout the life course for two or more individuals per intervention.

s. 9(2)(f)(iv)

[redacted]

Price pressures

The price pressure is designed to compensate community midwives for cost pressures in undertaking business as usual. The table below illustrates the cost of providing a 10% increase in the 2019/20 year. The increases in subsequent years amounts to the 2.35% of Treasury's labour cost pressure projections.

	2019/20	2020/21	2021/22	2022/23
Price-driven	[redacted]	[redacted]	[redacted]	[redacted]

Both Budget 2017 and 2018 provided price increases for services under Section 88, however Budget 17 was largely to address that service price had not been increasing alongside the CPI. Budget 18 was the first actual increase for the cost of service over and above the CPI since 2007. However, given the increasing pressures on the workforce and the complexity of care they are

required to provide, our forecasts suggest the funding provided in Budget 18 will not be enough to ensure that the workforce is stable and able to provide care required to our pregnant wahine.

Personnel pressures

The community midwifery model of care is facing sustainability issues in large part due to the current funding and delivery model, which does not adequately compensate midwives for the costs of delivering primary maternity care to the increasing number of women with high and complex needs, those living rurally and those facing barriers to access. The personnel pressures component of this initiative is a contribution to attract, retain and engage the primary community maternity workforce while further work is undertaken pursuant to the MOH/NZCOM Settlement. Using current forecasting models, the workforce will be under sustained pressure due to the increasing complexity of caseloads and the declining number of midwives. This initiative mitigates some of the funding pressures on the community midwifery workforce.

If the workforce continues to decline, the average caseload (weighted for complexity of care) for a LMC will increase from 76 to 83 women per year by 2023. In Auckland there will be a 25 percent increase to 131.7 women per year. This increasing workload is unlikely to be able to picked up by the DHB midwives, who are also experiencing workforce shortages.

Opportunity

This initiative is expected to have the biggest impact on the retention and recruitment of the primary community maternity workforce and, therefore, on service coverage; and on workforce morale and engagement.

These workforce effects are expected to have an impact on health outcomes, by decreasing the rates of potentially avoidable adverse events. About 16% of perinatal mortality is due to potentially avoidable barriers to access, and 4% to lack of access to antenatal services.

The scope for improvement is greater in Māori and Pacific people, who are less likely to use antenatal services in their first trimester, have higher rates of potentially preventable perinatal infant mortality, and are less well represented in the midwifery workforce.

2.2 Options analysis and fit with existing activity

What other options were considered in addressing the problem or opportunity?

Alternative options

Option 1 – fund cost pressures through reducing community maternity service coverage/timeliness

Primary community maternity is a core service for pregnant women and infants so any reduction in service coverage is likely to be a cost shifting exercise needing to be picked up by clients (in the form of co-payments), PHOs and DHBs. DHBs are currently funded as the primary maternity provider of last resort and could be expected to cover a higher proportion of the population within this appropriation, but this would have significant impacts on operating budgets in other areas in many DHBs.

WHO recommends the midwife-led continuity-of-care models to support women through antenatal care, birth and postnatal period which is a service the DHBs are unable to provide.

Option 2 – fund cost pressures through user co-payments

The New Zealand Maternity Standards require the Ministry to provide access to maternity services at no cost for eligible women. While this requirement does not rule out introduction of co-payments for community maternity services, DHBs would continue to be expected to provide a free primary maternity service and we would expect to see a significant volume shift to their services. This

	erodes the model of care which seeks to uphold continuity of care and community & home based services and would presents a significant additional cost to DHBs. s. 9(2)(f)(iv) **Option 4** – maintain the status quo Given the existing and increasing pressures on workforce, maintaining the status quo is not recommended. The main risk of selecting this option is that it could accelerate the rate of midwives exiting the profession as they perception of the sector will be that the Government is ignoring, or refusing to recognise the problem. **Preferred option** The decision to submit a cost pressures Budget initiative recognises that the existing community maternity service delivers value for money and is positioned within the health system to deliver a greater return on investment than the counterfactual. The alternative options would lead to a more fragmented service that does not align with the international maternity care evidence base or consumer preference; is likely to increase inequity by increasing access barriers and making traversing the system more complex; and increase total system cost due to reduced continuity of care, opportunity for prevention and increased intervention/medicalisation of birth.
What other similar initiatives or services are currently being delivered?	s 9(2)(g)(i)
What other, non-spending arrangements in pursuit of the same objective are also in place, or have been proposed?	s 9(2)(g)(i)
Strategic alignment and Government's priorities/direction	**Ministry's Four Year Plan and Statement of Strategic Intent** This initiative contributes to one of the six strategic priorities in the Ministry's Four Year Plan and Statement of Strategic Intent: *Improve health outcomes for population groups with a focus on Māori, older people and children* As highlighted in both documents, investing well in children earlier can lower costs for the government in the future as they have better health and social outcomes. The system is working with the wider social sector to improve outcomes for New Zealand children. A key aspect of our system is the role of community primary maternity services in supporting young families to have healthy pregnancies and early years which is the focus of this initiative. **New Zealand Health Strategy** This initiative contributes to the Ministry's strategic direction through alignment with the New Zealand Health Strategy: • People-Powered: it supports pregnant women having choice about their care and receiving continuity of care. • Closer to home: maternity services (excluding labour and birth) are largely delivered in communities and homes

	He Korowai Oranga The initiative contributes to He Korowai Oranga with its focus on better supporting high needs populations including Māori and Pacific who are missing out or are not accessing early antenatal care, continuity of care and community based services. **Government and Ministry reviews** This initiative is taking place within the context of other Government and Ministry of Health reviews including the development of a Child and Youth Wellbeing Strategy, the inquiry into mental health services in New Zealand and the Review of the Health and Disability System. Maternity services are integral within all of these reviews.
2.3 Outcomes	
Overall outcomes expected from this initiative	This initiative is expected to result in the following outcomes: • women, babies and their families, including in rural and hard to staff areas, not losing access to community midwifery services, leading to lower rates of maternal and infant morbidity and in some cases maternal mortality, • recruitment and retention of the community midwifery workforce and LMCs are better supported to meet professional development obligations, engage in quality improvement activities, support health promotion activities (such as smoking cessation and healthy nutrition) and wider government goals through active linking to other social services.
2.4 Implementation, Monitoring and Evaluation[1]	
How will the initiative be delivered?	[redacted] be managed by MOH Sector Services within usual parameters for processing of claims for primary maternity services from primary maternity service providers. Implementation of the price pressure component would require update of the schedule of fees for primary maternity services under the Primary Maternity Services Notice 2007. This is a regulatory process that requires Ministerial approval of a revised fee schedule in an amendment to the Notice that is then gazetted and presented as a non-parliamentary paper in the House. There is sufficient existing Ministry capacity and capability to implement the initiative in a timely manner.
How will the implementation of the initiative be monitored?	[redacted] is expected to maintain the community maternity service while work is progressed pursuant to the MOH/NZCOM Settlement to put community midwifery on a sustainable funding path. The following outcome and output measures will be used to monitor the impacts of the initiative. Output measures • number and percentage of births receiving community maternity care • rate of community midwife recruitment and retention • rate of first trimester registration • rate of second trimester registration • rate of primary and home birth • rate of referral for health services (for example, WCTO, GP, maternal mental health services) Outcome measures

[1] This doesn't necessarily have to include a full implementation and evaluation plan, however the information provided must provide confidence that the proposal will be successfully delivered and there is a plan to ensure that the outcomes described are actually achieved.

	• rate of normal birth/intervention/trauma • percentage of women giving birth who registered with a LMC in first trimester by ethnic group and deprivation • satisfaction with maternity services (three yearly survey).
Describe how the initiative will be evaluated	Not applicable as this initiative is for cost pressures on a business as usual service

3. Wellbeing Impacts and Analysis

This section builds on the information provided in section 2 above and goes into further detail on the impacts, evidence and assumptions underpinning the intervention logic. It also asks that you demonstrate how your initiative will impact on wellbeing domains, the four capitals and risk and resilience.

The focus is on showing a strong narrative underpinned by evidence rather than monetisation of benefits and showing a positive return on investment. However, the use of the CBAx tool and monetisation is encouraged for key impacts with good evidence where it will strengthen the case for intervention.

Completion of this section is strictly limited to a maximum of three pages. This section helps the Treasury to assess and advise how the proposed initiative will impact the wellbeing of New Zealanders relative to the counterfactual. It may be provided to Ministers to support Budget prioritisation.

Impact summaries need to be framed against the three components of the Living Standards Framework, with supporting evidence where available:

- ***Wellbeing domains** – identify the value to New Zealand, magnitude and timeframe (up to 50 years) for impacts on the primary and (up to three) secondary domains targeted.*
- ***Four capitals** – identify the draw-downs, build-ups and/or transfers across the four capitals (physical, social, natural, human) resulting from funding the initiative.*
- ***Risk and resilience** – linking to the counterfactual and intervention logic, explain how the initiative adapts to or absorbs risk and/or how it maintains or builds resilience*

Please be aware that impacts or evidence are not mutually exclusive between wellbeing domains, capitals, and risk and resilience. They are interrelated cuts of the same information, we would expect that some answers may be duplicated.

3.1 Wellbeing domains – People's experience of wellbeing over time	
Identify and quantify how the initiative impacts on wellbeing domains	Please fill in Table 3.1 below. Impacts need to be grouped under the relevant domains, as provided in the key below. Use the relevant domains, ordering them from top to bottom according to which domain your initiative achieves the greatest impact in. This analysis must also capture any negative impacts. The wellbeing domains are outlined here for you to use in your table:

Civic engagement and governance	Jobs and earnings
Cultural identity	Knowledge and skills
Environment	Safety
Health	Social connections

Housing	Subjective wellbeing
Income and consumption	Time-use
	Other

3.1 Wellbeing domains – People's experience of wellbeing over time

Domains	Impact(s) description	Who are affected?	Magnitude of impact	How big?	Realised in	Evidence base	Evidence quality
Health Primary	The continued ability for early engagement with a lead maternity carer – this enables pregnant people to access the time-sensitive first-trimester screening tests, and the provision of health promotion, education and nutritional information for pregnant, as well as risk assessment and timely referral to specialist services.	All pregnant people and their whānau, but particularly those with multiple/complex needs, and those with barriers to access.	High quality maternity services that support primary health care engagement, health literacy and healthy behaviours (for example, breastfeeding and smoke-free homes) represent a sound investment reducing downstream personal and health system costs, for example by improving infant immunisation rates or reducing rates of obesity and cardiovascular disease.	High	<5 years ongoing	WHO recommend midwife-led continuity-of-care models to support women through antenatal care, birth and postnatal period: https://extranet.who.int/rhl/topics/improving-health-system-performance/implementation-strategies/who-recommendation-midwife-led-continuity-care-during-pregnancy	High
	Fewer pregnant women, who do not require secondary or tertiary services, seen in the hospital	Government – District Health Boards	The more maternity services that are able to appropriately provided in the community, the less the DHBs and PHOs have to provide at a primary level, the more they can free up the secondary and tertiary hospital settings for more high and complex need.	Moderate	<5 years ongoing	New Zealand Report on Maternity provide reliable information on the numbers of women who receive maternity care from a LMC, and those who receive their primary maternity care in a hospital – although the cost is not known.	Low
Subjective wellbeing Primary	Importance of first 1000 days of life (including conception) – period of optimum health, growth and neurodevelopment are established	Infants and whānau – in particular those with highest need	Failure of children to meet their developmental potential. The mama, pēpi and whānau with the highest and most complex need are the most likely to lose the support they require if the workforce is not stabilised and retained. Effects flow from health, into education, justice and other social agencies	High	<5 years ongoing	Universal understanding on the importance of the first 1000 days to a child's life Unicef – 'The First 1000 Days of Life: The Brain's Window of Opportunity' https://www.unicef-irc.org/article/958-the-first-1000-days-of-life-the-brains-window-of-opportunity.html Royal Children's Hospital Melbourne 'The First 1000 days – an evidence paper' https://www.rch.org.au/uploadedFiles/Main/Content/ccchdev/CCCH-The-First-Thousand-Days-An-Evidence-Paper-Summary-September-2017.pdf New Zealand College of Public Health Medicine Policy Statement on First 1000 Days of Life https://www.nzcphm.org.nz/media/64578/2017_11_15_nzcphm_first_1000_days_of_life__reviewed_2017_.pdf	High

3.2 Wellbeing capitals – Sustainability for future wellbeing	
Wellbeing capitals	Please fill out the table below to demonstrate how your initiative may contribute positively, negatively or neutrally to the four capitals.

Capitals	**Describe the impact and its magnitude**	**Realised in** <5 / 5-10 / 10+ years
Financial/Physical	***Decrease.*** *This initiative draws down financial capital to fund the cost of stabilising the workforce.*	<5 years as the cost is immediate
Human	**Maintain or increase** *Providing adequate funding for community midwifery enables the retention of a large highly skilled workforce that is integral to the care of our mama, pēpi and whānau.*	<5 years ongoing
Natural	***Maintain****. This initiative has no impact on natural capital.*	N/A - no impact
Social	***Maintain.*** *This initiative has no direct impact on social capital.*	N/A - no impact

3.3 Risk and resilience narrative	
Does the initiative respond to or build resilience?	Please outline any implications for risk and resilience as a result of funding this initiative, linking to 3.2 and 3.3 where appropriate e.g. does the proposal build resilience that will assist New Zealand to maintain or improve existing levels of wellbeing or does the initiative directly respond to any current risks to wellbeing? ***NB.*** *If you have already covered this in your narrative around the problem definition in section 2.1 then please just cross reference and summarise your response to avoid duplication.*

4. Costing understanding and options

This section will provide further information on the costs of delivering the initiative and options for scaling and phasing to support assessment, prioritisation and decision-making.

4.1 Detailed funding breakdown

Please provide a breakdown of the costs of this initiative

The cost estimate has been based on a 10% increment to fees paid for primary maternity services under the Primary Maternity Services Notice 2007 with the exception of ultrasound.

[redacted] based on predicted changes in birth patterns and trends in service cost [redacted].

	2019/20	2020/21	2021/22	2022/23
Volume-driven	[redacted]	[redacted]	[redacted]	[redacted]
Price-driven	[redacted]	[redacted]	[redacted]	[redacted]

4.2 Options for scaling and phasing

Scaling, phasing or deferring - including 75% and 50% scenarios

The bid set out here is the minimum-level of investment for this initiative. The volume pressures are in line with population projections and current access rates. The cost pressure of 10% is the amount considered necessary to sustain the workforce until the community midwifery funding and payment model can be changed and resourced in line with fair and reasonable remuneration.

The bid has already been scaled in that the cost pressures do not apply community radiology providers as radiology providers set co-payment levels. Services provided by GPs, Obstetricians and Paediatricins have been included as these have not received an increment since 2012. Midwives will be the main beneficiaries of the increase as they are the predominant provider of primary maternity services.

As per previous years, the Ministry could fund volume pressures but not cost pressures. However this is expected to lead to a significant reduction in the number of midwife LMCs, significant cost shifting to DHBs and significant disruption for women and families. The Government is then likely to face higher downstream system costs to re-recruit enough community midwives to the service.

The Ministry could reduce service entitlements e.g. to limit entitlement to free pregnancy testing in primary care or capping the number of free community ultrasounds. This is unlikely to generate sufficient savings to cover volume and cost pressures, is complex to implement via a Gazetted Notice and is likely to receive backlash from the health sector and consumers.

5. Collaboration

This section provides information on how agencies have engaged both within and outside of their own departments in the development of this initiative. Cross-agency and cross-portfolio collaboration are both important in this context. Please ensure this section is clear and succinct, and no longer than one page.

5.1 Collaboration and evidence	
What type of cross-agency and/or cross-portfolio initiative is this?	This bid is not a cross-agency and/or cross-portfolio bid where there is collective responsibility, but there are cross-agency implications. A strong community maternity workforce is critical to supporting our pregnant women, new mama, pēpi and whānau; without them other support services in the community will face increasing burden and be unlikely to manage the specific requirements of our pregnant population.
Agencies and Ministers that have been engaged in initiative development	No other agencies/Ministers have been engaged in the development of this initiative. A wider engagement process on priorities within our maternity system has been undertaken as part of the Ministry priority to look at improvements to the maternity system as a whole. From July 2018 the Ministry of Health engaged with clinicians, District Health Boards, community maternity providers, consumers, related professional colleges and other special interest group. Engagement with the sector on wider maternity system improvements confirmed that stability and sustainability of workforce was required immediately.
Impact of cross-agency collaboration	The majority of maternity services are delivered from within Vote Health - this bid is not a cross-agency and/or cross-portfolio bid.
Risks and challenges	nil - this bid is not a cross-agency and/or cross-portfolio bid.