

# Briefing

## Health System Reform Progress Report Q2 FY 2023/24

|                        |   |                              |             |
|------------------------|---|------------------------------|-------------|
| <b>Date due to MO:</b> | N/A   | <b>Action required by:</b>   | N/A         |
| <b>Security level:</b> | IN CONFIDENCE   | <b>Health Report number:</b> | H2024037885 |
| <b>To:</b>             | Hon Dr Shane Reti, Minister of Health   |                              |             |
| <b>Consulted:</b>      | Health New Zealand: <input checked="" type="checkbox"/> Māori Health Authority: <input checked="" type="checkbox"/> |                              |             |

### Contact for telephone discussion

| Name                    | Position                            | Telephone |
|-------------------------|-------------------------------------|-----------|
| <b>Dr Diana Sarfati</b> | Director-General of Health          | s 9(2)(a) |
| <b>Dr Mary Seddon</b>   | Director, System Reform Integration | s 9(2)(a) |

### Minister's office to complete:

- |   |                                    |  |
|---|------------------------------------|--|
| <input type="checkbox"/> Approved             | <input type="checkbox"/> Decline   | <input type="checkbox"/> Noted               |
| <input type="checkbox"/> Needs change         | <input type="checkbox"/> Seen      | <input type="checkbox"/> Overtaken by events |
| <input type="checkbox"/> See Minister's Notes | <input type="checkbox"/> Withdrawn |  |

Comment:

# Health System Reform Progress Report Q2 FY 2023/24

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**Security level:** IN CONFIDENCE      **Date:** 25 March 2024

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**To:** Hon Dr Shane Reti, Minister of Health

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## Purpose of report

1. This briefing provides the second progress report from the System Reform Integration Office (SRIO), which reflects evidenced activity across the second quarter of 2023/24 financial year (October to December 2023 - Q2 FY 2023/24) for the Ministry of Health - Manatū Hauora, Health New Zealand – Te Whatu Ora, and Te Aka Whai Ora – the Māori Health Authority. The full report is enclosed as attachment 1.

## Summary

2. This report provides an update on the health system reform, based on evidence available against expected achievements on the Health System Reform Roadmap (attachment 2) for Q2 FY 2023/24, key progress towards future achievements, and barriers to success. The report follows the System Reform Progress Report Q1 2023/24 (July to September 2023), proactively released on 10 November 2023.
3. Ten achievements were due for completion during Q2 FY 2023/24. Four of these were completed (achieved), substantial progress was made during the quarter for another three achievements, and the remaining three require significant work.
4. This report acknowledges other areas of progress such as the establishment of clinical networks, improvements in standardising data collection, and recruitment of regional leadership.
5. Several critical areas are not evidenced as progressing as intended. For example, workforce engagement, clinical leadership and governance, and transparency and timely reporting of data have been repeatedly identified as areas of concern through previous reports such as the Q1 report and the assessment conducted by the Ministerial Advisory Committee for Health Reform Implementation (MAC) in November 2023.
6. An area of significant concern is system risk management capability. While operational risks are managed at an entity level, there has been limited evidence of active system risk management for the reform process in the last quarter. The role of the Joint Leaders Group must be strengthened to give confidence that these system wide risks are being managed at a senior leadership level. The establishment of a System Reform Assurance Office will provide an additional layer of confidence.
7. With the disestablishment of the Ministerial Advisory Committee on 1 March 2024, it is important that reporting on system progress remains objective and thorough. This will be led by the System Reform Integration Office.

## Recommendations

We recommend you:

- a) **Note** the contents of the Q2 FY 2023/24 report (attachment 1), including:
- of the 10 achievements due in Q2 2023/24, four were completed, three made significant progress, and three achievements require further work to ensure completion
  - key progress made during Q2 2023/24 by all entities for future roadmap achievements
  - further work is underway to better manage reform risks
  - that we are nearing completion of the structural reform, and entities are confident that the planned elements of reform will be in place by June 2024. With the structural reform phase completed the health system will move into the transformation phase
  - work is underway to develop an integrated health system transformation plan to replace the system reform roadmap
- b) **Note** the Health System Reform Progress Report Q2 FY 2023/24 will be proactively released on the Ministry of Health website in April 2024. A communication pack will be provided to your office ahead of the release.

Dr Diana Sarfati

**Director-General of Health**

**Te Tumu Whakarae mō te Hauora**

Date: 26/3/24

Hon Dr Shane Reti

**Minister of Health**

Date: 31/3/2024

## Enclosed

Attachment 1: Health System Reform Progress Report Q2 FY 2023/24

Attachment 2: Health System Reform Roadmap

ENDS.

## Minister's Notes

PROACTIVELY RELEASED