

23 July 2020

Mr John Ryan
Controller and Auditor-General
Level 2, 100 Molesworth Street
Thorndon 6011

Dear John

Response to report – Ministry of Health: Management of personal protective equipment in response to COVID-19

I'd like to take this opportunity to thank you and your team again for the work you have done to produce the report *Ministry of Health: Management of personal protective equipment in response to COVID-19*. The Ministry largely agrees with your assessments in the report and we accept all ten recommendations.

While we are still working through all the actions that will be undertaken to address the recommendations made in the report, several pieces of work are either already underway or will be started in the coming months in response to the report and the wider learnings from COVID-19.

- The Ministry is completing an interim update to the National Reserve Supplies Management and Usage Policy (3rd edition) to clarify roles and responsibilities for the national reserve supply, eligibility for accessing the national reserve and prioritisation. A full update will be completed once activities to address the recommendations made in the report are implemented.
- In the 2020/21 year, the National Health Emergency Plan (NHEP) will be reviewed. The updated NHEP will reflect any changes to the national reserve supply model and include clear direction to the health and disability sector on the purpose and scope of the national reserve supply, roles and responsibilities in readiness and response, and distribution at the time of an event.
- The Ministry will review the processes and accountability documents referring to the national reserve supply, to ensure alignment and clarity on roles and responsibilities at all levels. The Ministry will also work with DHBs to re-establish a nationally consistent process to review DHB health emergency plans to ensure alignment and that they meet legislative requirements and responsibilities.

- The scope and makeup of the national reserve will be reviewed in response to the recommendations and the lessons learned from the response to COVID-19, and include consideration of:
 - the range of Personal Protective Equipment (PPE) items required be held in the national reserve
 - the types, specifications and sizing requirements for each identified item
 - the volume required to meet forecast requirements.
- Once we move out of a COVID-19 environment, the Ministry will work in partnership with DHBs to review the national reserve inventory management model. Based on the recommendations made in the report, the Ministry intends to create an iterative stock rotation supply model for PPE that operates at a national level which addresses inventory management, stock rotation and obsolescence management. Once established, this model may be broadened to cover other national reserve supply items.
- The Ministry is working with the Health Quality and Safety Commission and health sector to establish a national clinical network. The network will consider the various COVID-19 reviews and reports in order to provide sector direction related to Infection Prevention and Control and PPE. An initial meeting will be confirmed by end of July to commence this process.
- More broadly, the Ministry is establishing a governance framework with clear roles and responsibilities to determine and agree on the criteria for the management and purchasing of PPE in the current environment, which we would consider retaining in a post COVID environment. This will include:
 - a national procurement coordination function performed by an external body, with oversight, strategic direction, monitoring and funding continuing to be provided from the Ministry
 - working with stakeholders to strengthen the short-, medium- and long-term procurement strategies and plan for the active and reactive management of critical medical supplies (including PPE)
 - working with DHBs and procurement category leads to implement a reporting structure that will provide clarity on inventory forecasting and support better quality sourcing.

We anticipate that many of these actions will be completed by the end of July 2020, positioning the Ministry well to continue responding to COVID-19. This will include establishing the governance framework and completing an interim update to the National Reserve Supplies Management and Usage Policy. Other actions, such as changes to the national reserve inventory management model for PPE (and other supplies, if appropriate), may require structural shifts that will require longer to develop and implement. In any event, the Ministry anticipates all changes in response to the report to be implemented by the end of the 2020/21 year.

We intend to proactively release this letter on the Ministry website, as a means of publishing our response to the recommendations made in the report.

Yours sincerely

Dr Ashley Bloomfield
Director-General of Health