Health and Disability System Review

Executive overview
He tirohanga whānui

March 2020 | Poutū-te-rangi 2020

New Zealand
HEALTH AND DISABILITY System Review
HAUORA MANAAKI ki Aotearoa Whānui

Whakataukī

E kore e taea te whenu kotahi ki te raranga i te whāriki
kia mōhio tātou ki ā tātou.
Mā te mahi tahi ō ngā whenu,
mā te mahi tahi ō ngā kairaranga,
ka oti tenei whāriki.
I te otinga
me titiro tātou ki ngā mea pai ka puta mai.
Ā tana wā,
me titiro hoki
ki ngā raranga i makere
nā te mea, he kōrero anō kei reira.

The tapestry of understanding
cannot be woven by one strand alone.
Only by the working together of strands
and the working together of weavers
will such a tapestry be completed.
With its completion
let us look at the good that comes from it
and, in time we should also look
at those stitches which have been dropped,
because they also have a message.

Nā Kūkupa Tirikatene (1934–2018)

Message from the Chair / He mihi nā te Heamana

Heather Simpson | Chair

This Review is probably the most comprehensive integrated look at the New Zealand Health and Disability System in a generation. The terms of reference were wide and challenging and required the Review to confront many of the inequities the system has perpetuated over the years.

This review was essentially completed before Covid-19 hit New Zealand. Obviously this pandemic has put the system under extreme stress. While the Review is totally supportive of the leadership and commitment the system is showing to help New Zealanders through, what only a few months ago seemed unimaginable, the experience only reinforces the Review's conclusions. To meet the challenges of the future our population health focus has to be stronger, our preparedness for emergencies greater, and our system has to be much better integrated with clear lines of accountability and decision rights.

Putting this report together has involved a huge amount of effort from a wide range of contributors.

From written submissions, through face to face meetings, expert analysis, and the dedication of a secretariat who have worked tirelessly to pull it all together.

> continued

The Panel has had many lively discussions as we debated the merits of alternative proposals, but throughout, all Panel members have been driven by a strong commitment to providing a set of recommendations which we believe have the best chance of ensuring the Health and Disability system in New Zealand can evolve into a system which delivers health outcomes for all New Zealanders both equitably and efficiently. In the end there was no consensus on the extent to which the Māori Health Authority should control the funding and commissioning of services for Māori. But while that is a significant difference, and is a debate which is sure to be ongoing, it should not detract from the rest of the recommendations.

I firmly believe that, the changes being proposed by this Review have the potential to deliver a system which is a truly New Zealand system. A system which embeds te Tiriti principles throughout, where Māori have real authority to develop and implement policies which address their needs in ways which respect te Ao Māori, and a system where all New Zealanders, Māori, Pacific, European, Asian, disabled, rural or urban, understand how to access a system which is as much about keeping them well, as it is about treating them when they become sick.

It is important to acknowledge also that the real strength of our health system comes from the people who provide the care and deliver the services.

The job of this Review was to recommend system level changes which will allow those staff to be more effective. Staff need to be able to use all their skills to the best of their ability and consumers and whānau need to feel that the system is working for them. Policy makers need to have confidence that when decisions are made to introduce a new policy, effective levers are in place to translate those policies into action and create feedback loops to continually improve performance.

Equally importantly it should be a system where financial management is driven through clear accountability lines so that any government can be confident when it allocates funding to improve the system, it will be able to track where the money has been spent and will be able to see the changes which have come about as a result of the expenditure.

I am confident that if the system changes proposed by this Review are implemented and funded over the next few years, the system would grow stronger, the outcomes would be more equitable and overall the system would be much more sustainable.

So my sincere thanks go to all those who have contributed, to the Director and the staff of the secretariat, and especially to the Panel members and the members of our Māori Expert Advisory Group.

I commend the Review and its recommendations to the Government.

Executive summary / He whakarāpopoto

Introduction

The Health and Disability System Review was charged with recommending system-level changes that would be sustainable, lead to better and more equitable outcomes for all New Zealanders and shift the balance from treatment of illness towards health and wellbeing.

The challenge is clear. New Zealand has a diverse population with a history of experiencing significantly different health outcomes.

An indigenous Māori population whose ability to encompass te Ao Māori and participate in whānau and cultural connections are prerequisites to good health.

Increasing populations of Pacific peoples and a growing Asian population.

More disabled people, an ageing population, and a rural population that often feels they are invisible to urban decision-makers. As well, New Zealand has a level of intergenerational poverty which, perhaps more than anything else, negatively impacts on health outcomes.

On the positive side, New Zealand has, by world standards, a very good publicly funded health and disability system which can evolve into being more effective and more sustainable.

On the other hand, the health and disability system is under serious stress. Financially, it has had difficulty managing within the resources provided to it for some years. From a workforce point of view staff are feeling more and more stressed, facing increasing demands and significant shortages in supply, and the public hear more about deficits than they do good news stories.

In August 2019 the Review published an Interim Report that identified areas where submissions, and the Review's own analysis indicated that change was needed.

These were grouped around four key themes.

- Ensuring consumers, whānau and communities are at the heart of the system.
- Culture change and more focused leadership.
- Developing more effective te Tiriti based partnerships within health and disability and creating a system that works more effectively for Māori.
- Ensuring the system is integrated and deliberately plans ahead with a longer-term focus.

Since the Interim Report, the Review has continued to talk with a wide range of stakeholders and conducted its own more detailed analysis in many of these areas and arrived at a set of final recommendations.

The recommendations range from legislative change, to structural and culture changes. The changes cannot happen all at once. To realise the benefits of a new system would require a determined change programme over a number of years.

This executive summary discusses some of the Review's proposals under the themes previously identified.

Ensuring consumers, whānau and communities are at the heart of the system

Improving the equity of the health outcomes achieved in New Zealand requires first that we acknowledge that current inequities are not acceptable, that we understand better what is contributing to that inequity, and the health and disability system becomes more determined to operate differently so that inequities are addressed.

The system must understand the needs of individuals, whānau and communities in much more detail and must design and deliver services to address the identified needs. It also requires that the costs and benefits of service design to consumers are given much more weight relative to those of providers than has been the case in the past.

Analysis by the Review points to improvements in the way primary and community (Tier 1) services are organised as having the biggest potential to improve the health outcomes of those currently disadvantaged. The Review proposes working towards a much more networked Tier 1 environment where the full range of primary and community services are planned with the community, where services are digitally connected so information flows as required, and where more of the services have an outreach element making it easier for whānau to stay connected to the system.

Planning and funding these services must be driven by the needs of each community, not just the population numbers, so higher deprivation localities have more funding to allocate. Similarly, services need to be designed to work for the population they are serving, so Māori communities need to have access to a wider range of kaupapa Māori services.

Disabled people have not been well served by the existing health and disability system. Their health outcomes are worse and the way the disability support system operates is complex and confusing. The Review found that there is wide unexplained variability in the way assessment processes work around the country, and this should be addressed. The Review proposes that disability support becomes an integral part of Tier 1 service planning, funding and provision.

Home-based support, in particular, should be assessed by need rather than having eligibility determined by diagnosis. Needs assessment processes need to be more streamlined and less repetitive.

Consumers, whānau and communities are not, however, only concerned with their immediate wellness. Communities need to have a part in the decision making about the design and delivery of treatment services at all levels.

Tier 1 and Tier 2 services need to be well integrated and the Review proposes improved care management, within Tier 1 networks, and better digital information flows. Priority should be given to moving Tier 1 services currently provided in hospitals into communities.

The Review also proposes a much more transparent planning and reporting system. It stretches all the way from the New Zealand Health Outcomes and Services Plan (NZ Health Plan) which takes a long-term look at what outcomes we should be trying to achieve and how and where services will need to be developed, through five year district and regional strategic plans to funded annual DHB plans which describe what primary and secondary services communities can expect to see locally and that ensures regular reporting back to communities on health outcomes.

Culture change and more focused leadership

The further work of the Review reinforced the view that the health and disability system needs more active leadership at all levels. The Review concludes that this cannot be achieved through any one action or decision, but would require a clearer definition of functions and structures, more collective responsibility and more deliberate upskilling throughout the sector, from kaiāwhina to DHB board members.

The Review proposes that a new agency is created, provisionally called Health NZ, which is accountable to the Minister of Health for leadership of health service delivery, both cinical and financial.

Leadership for hauora Māori is also strengthened with the creation of the Māori Health Authority (provisional title) to sit alongside the Ministry of Health (the Ministry) and Health NZ, to not only be the principal advisor on all hauora Māori issues, but also to lead the development of a strengthened Māori workforce and the growth of a wider range of kaupapa Māori services around the country.

Leadership within the DHBs also needs to change. At the governance level the Review concludes that the effectiveness of elected over appointed boards is not compelling. The Review recommends that all board members be appointed by the Minister of Health against a transparent set of competencies ranging from financial and governance experience through to tikanga Māori and specific health and disability sector knowledge. The Review also concludes that the number of DHBs needs to be reduced within the next five years, to between 8 and 12 DHBs.

Providing effective leadership is, however, about much more than creating new organisations or changing governance structures. Effective leadership is as much about the culture of the sector as it is about the structure. Health NZ is not envisaged as an organisation that just tells DHBs what to do. It is designed to be an organisation that is responsible for working with all parts of the delivery system to ensure it is operating effectively, fairly and sustainably.

The Interim Report highlighted the lack of a collective culture in the health and disability system. The Review addresses this in a number of ways.

A legislated charter setting out the common values and workforce behaviours expected throughout the system is a start but will need to be reinforced by active management.

As noted above, New Zealand is a country of different cultures. Cultural safety for all and an absence of racism must be a given.

Interprofessional teamwork happens brilliantly in some places but in others it is still largely non-existent. Yet, if the system is to focus on keeping people well and treating patients with complex comorbidities as the norm, no single part of the system will be able to work on its own and be effective.

The culture needs to change at the organisational level as well. Currently, DHBs are only accountable for what happens in their own district. The Review proposes this should change and while each DHB must take responsibility for their domicile population, they should also be expected to consider how their planning and delivery impacts the overall system. This should be reflected in their formal accountabilities.

Along with these changes, the focus of the health and disability system needs to move. Despite primary health care strategies and numerous reviews of the system recommending more focus on keeping people healthy rather than simply treating illness, the structure, funding streams and accountabilities built into the system have not made this culture change happen.

This Review proposes that population health functions, which would underpin a shift to a health and wellness focus, need to be strengthened. The Ministry needs to lead with more focus on capacity and capability, planning and outcomes used to measure performance need to be population focused, and the funding and accountability for improving these measures need to be firmly managed by DHBs.

Developing more effective te Tiriti based partnerships within health and disability and creating a system that works more effectively for Māori

The fact that Māori health outcomes are significantly worse than those for other New Zealanders represents a failure of the health and disability system and does not reflect te Tiriti commitments.

Designing a health and disability system that will produce better results in the future requires a recognition that change has to happen right across the system.

A system which doesn't reflect mātauranga Māori or enhance rangatiratanga will not be effective at improving health and wellbeing for Māori. As a first step the Review recommends that, in line with recommendations of the Hauora Report (Wai 2575) te Tiriti principles in key health legislation are updated.

As noted above, the Review proposes to create an independent Māori Health Authority. As well as the functions referred to above it would be expected to monitor and report on the performance of the health and disability system as it impacts on Māori. The Māori Health Authority would identify the issues which need to be addressed and develop and test solutions.

The Māori Health Authority would also need to partner with other parts of the system; no one part of the system can improve equity on its own. The Māori Health Authority would need to partner with Health NZ to develop commissioning models that will work for Māori, whether for general, taha Māori or kaupapa Māori services. It would need to work with DHBs and iwi to develop partnership arrangements that can co-govern service networks and work with communities and providers to develop better need and outcome measures.

Governance in other parts of the system needs to reflect te Tiriti partnerships. The Review proposes that the Health NZ board have equal numbers of Crown and Māori members so that the way the delivery system functions incorporates different world views.

While improvements in leadership and governance will assist Māori, perhaps the most immediate concern is to ensure the next generation of Māori have better lives and health outcomes

More effort must go in to identifying unmet needs across the board, but especially for Māori communities. Health outcomes will not improve if the health and disability system waits for whānau to turn up to be 'treated'. The system has to reach out with the explicit aim of preventing illness. For example, providing more flexibility to ensure Well Child / Tamariki Ora services meet whānau needs, rather than always expecting the community to adjust to the 'rules'.

To achieve this there will need to be significant new investment. Funding for Māori communities needs to better reflect need and be protected from being diverted to broader treatment programmes. The Review proposes increased ethnicity and socioeconomic deprivation weighting within the population-based funding formula, formal ringfencing of Tier 1 funding within DHB budgets and a requirement to disclose indicative budgets to communities and report on expenditure against those budgets and outcomes.

Ensuring the system is integrated and deliberately plans ahead with a longer-term focus

The Interim Report highlighted the lack of structured planning within the current health and disability system. The Review is convinced this is a fundamental flaw and proposes a properly integrated planning system is legislated for which requires the system to cooperate and plan within an agreed framework.

The first requirement is to have a clearly articulated NZ Health Plan that looks ahead at least 20 years. Health systems take a lot of time to turn around and investment that is needed is often large and complex. Without a long-term plan there can be no certainty that the enablers: an appropriately trained workforce; buildings and facilities that are suitably equipped and fit for purpose; and data and digital systems that enhance integration, patient safety, efficiency and effectiveness, can be in place in a timely manner to produce an effective system.

Workforce development is a key constraint in our current health and disability system. In line with worldwide trends New Zealand is experiencing growing clinical workforce shortages. Our system will not be sustainable unless we change models of care and use the workforce differently. While the Review does not recommend immediate changes to workforce regulatory structures it notes that there are large numbers of different bodies involved in workforce training and regulation. Unless they work effectively together to promote and achieve relevant workforce plans then, in future, some tighter oversight may be required.

The New Zealand system is too small to duplicate expertise and effort unnecessarily, and when significant investments are needed, it is important they are made in the right places at the right time so that health outcomes and equity are improved for all New Zealanders.

The current system for planning and delivering capital projects is not cohesive or effective. While the Government has recently introduced improvements, such as establishing a health infrastructure unit and changing the capital charge regime, the system still encourages duplication and spreads scarce expertise too thinly.

The Review proposes a more streamlined prioritisation process coming from the New Zealand Health Plan. This process, along with improved governance from appointed national and regional boards should reduce time wastage and duplication of effort and give the Government more confidence the right investment decisions are being taken and can be kept on track.

Planning for the level of digital technology needed to support an effective health and disability system is lagging behind in New Zealand. The quality of data, the ability to transfer data securely, and the interconnectedness of the various systems operating around the country are all barriers. Having an agreed plan and an ability to enforce decisions regarding issues such as interoperability standards, would be a benefit from adopting the Review's recommendations.

The health and disability system must act and be managed as a single integrated system comprising public, private and non-governmental organisation (NGO) providers. District health board strategic plans need to complement each other and be consistent with the New Zealand Health Plan. This does not mean that all health and disability services have to be delivered in exactly the same way. In fact, the Review proposes that there be less reliance on national contracts, especially for providing tier 1 services, because services must be more responsive to local communities.

That flexibility must be operated within a framework that gives New Zealanders the assurance that they know what to expect from their health and disability system, they understand the rationale for where and how services are being delivered, and they have confidence that where they live is not unfairly disadvantaging them in accessing quality services.

The Final Report discusses all these and many other issues in more detail. It does not repeat the analysis presented in the Interim Report but has applied the same structure to help readers make necessary connections.

Each chapter concludes with a set of changes which the Review proposes need to be taken to build the most effective health and disability system. Some of these changes would require government policy decisions, others are or would be within the control of the system itself.

Very few of the Review's recommendations are stand alone. The lesson from past reviews and attempts to change the health and disability system is that it can not be done piecemeal.

- Without structural and accountability changes, cultural changes will not follow.
- Without changes to planning frameworks, investment strategies will be meaningless.
- Without changes to governance and performance management, governments can have little confidence that additional funding is really providing better and more equitable services for New Zealanders.
- Without changes to enhance rangatiratanga and embed mātauranga Māori, the health and disability system will never fulfil the promise of te Tiriti.

The Minister of Health commissioned the Review; the key recommendations are directed to Government. These are decisions the Government needs to make to allow the system to evolve into one which has the promise to change both the way New Zealanders view their health and disability system and in the level and equity of the outcomes it achieves.

Recommendations / Ko ngā tūtohinga

This report discusses a range of detailed proposals regarding all the elements that need to change for the New Zealand health and disability system to produce more equitable health outcomes and to become more financially sustainable.

The recommendations here are more general and should be read with the detailed explanations and proposals contained in the body of the Final Report.

Ensuring accountabilities, structures and functions match

The health and disability system needs a clear accountability framework with stronger leadership at all levels, more distinct focus and a better reflection of te Tiriti principles.

The Review recommends the following.

Ministry of Health

- The Ministry of Health retains responsibility as the chief steward of the health and disability system and, in particular, is responsible to the Minister for:
  - being the principal advisor to the Government on health strategy, policy and legislation
  - developing, monitoring and updating the New Zealand Health Strategy and population or service strategies derived from it
  - developing long-term system outcomes and performance measures to integrate into planning and accountability arrangements and for the Ministry to use to monitor performance
  - building population health capacity to rebalance the health and disability system
  - leading the Vote Health Budget process.

Māori Health Authority

- A Māori Health Authority is established as an independent departmental agency, reporting directly to the Minister of Health with responsibility for:
  - advising the Minister on all aspects of Māori health policy
  - monitoring and reporting to the Minister on the performance of the health and disability system with respect to Māori health outcomes and equity
  - partnering with the system to ensure that mātauranga Māori and other Māori health issues are appropriately incorporated into all aspects of the system
  - managing the development and implementation of the Māori workforce strategy and plans
  - managing investment in workforce and Māori provider development and in initiatives to develop innovative approaches to improving Māori health outcomes.

Health NZ

- A new crown entity (provisionally called Health NZ) is established to:
  - ensure consistent operational policy and lead the delivery of health and disability services across the country. All DHBs would be required to operate cohesively subject to Health NZ leadership
  - be accountable to the Minister for the overall financial balance of the system
  - ensure continuous clinical and financial improvement and address unwarranted variation in performance
  - take on common services roles for the system, for example, strategic employment relations
  - develop and support new commissioning frameworks, ensuring that it partners with the Māori Health Authority to include specific provisions for commissioning Māori health services
- Health NZ should be governed by a board of 8 members and a Chair, with 50:50 Crown–Māori representation, with board membership drawn from DHB board members in each of the regions.

District health boards

- DHBs should be refocused and fully accountable for achieving equitable health outcomes for their population and should also be accountable for contributing to the efficiency and effectiveness of the nationwide health and disability system.
- In particular DHBs should assume full accountability for ensuring Tier 1 services are planned and delivered appropriately for their communities.
- The number of DHBs should reduce to between 8 and 12 DHBS within five years of Health NZ being established.
- The provision to elect board members should be repealed and boards should comprise eight appointed members and a Chair, appointed against a transparent framework to ensure board members' experience covers an appropriate range of governance and health sector competencies, and reflects te Tiriti partnership.

Regional entities

- Regional entities should be managed directly by Health NZ to provide:
  - population health expertise guidance and coordination to DHBs,
  - expertise in planning and engagement and other operational functions
- Regional entities should also lead the development of regional plans and facilitate other collaborative efforts on behalf of DHBs. The number of regional entities should be reduced from four to two or three as the number of DHBs is reduced.

A system with shared values

While the structures above are designed to ensure clearer accountabilities for different functions, no individual part of the health and disability system will be effective unless all parts of the system work together. This will be equally true at all levels, from provider networks within tier 1 localities through interprofessional teams in hospital settings, to the Māori Health Authority working closely with Health NZ to design better commissioning protocols to guide the commissioning of kaupapa Māori services.

A charter for the system

The Review recommends that:

- legislation requires a health and disability system charter be developed setting out shared values and guiding the culture, behaviours and attitudes expected of all parts of the system
- all providers funded with public money should be expected to abide by the charter, and other provisions of the commissioning framework.

Changing the driver of the system

Population health

For the health and disability system to be more effective, population health needs to be a foundational element for the entire system. Population health capacity will need to be increased and better integrated across the system; and the system will need to operate more effectively with other sectors.

The Review recommends that:

- the Ministry of Health assumes a stronger leadership role in population health, ensuring all strategies and national plans are developed from this perspective and that outcome measures and targets for delivering the system are predominantly set around population health outcomes
- Health NZ builds a strong central and regional, population health intelligence capability to support DHBs integrate population health activities throughout their planning and service delivery
- the Māori Health Authority would be the source of Māori population health intelligence for the health and disability system
- all service development and in particular Tier 1 services, should be designed with a population health focus and an emphasis on strengthening prevention and outreach services
- the functions currently performed by the Health Promotion Agency should be transferred to the Ministry, Health NZ and the Māori Health Authority
- core health protection competence and capacity should be strengthened
- the Public Health Advisory Committee should be mandatory and provide independent advice to the Minister and a public voice on important population health issues.

Ensuring the system is focused and engages communities

To improve the equity of health outcomes, the way the system decides what and how services are delivered must be driven by the needs of local communities, and resources must be directed to areas of greatest need.

The Review recommends that:

- the system should be guided by a Long Term Health Outcomes and Services Plan (NZ Health Plan), which is derived from the New Zealand Health Strategy, sets the overall parameters for planning in the system and is the basis for capital, digital and workforce planning
- the Ministry should have overall responsibility for coordination of the development of the NZ Health Plan and lead on system outcome measures. The Māori Health Authority should lead on Māori outcome measures and Health NZ should lead on service planning.

- DHBs should be required to:
  - develop five-year strategic plans which include locality plans, are based on detailed population needs analysis and are consistent with the NZ Health Plan and relevant regional plans
  - ensure that comprehensive community engagement strategies are in place to continually refine the configuration of services within a district, and regularly report to the community on progress towards achieving the agreed outcomes
  - build their capacity and capability to understand Māori perspectives and engage effectively with Māori.

Hauora Māori

Te Tiriti relationship needs to be reflected throughout the health and disability system and improving the equity of health outcomes for Māori requires the system to embed mātauranga Māori. To ensure hauora Māori is prioritised in the system and that Māori are recognised as te Tiriti partners, structural, governance and legislative changes are proposed. Improving equity will also require that resources are directed to where they are needed most and that services are designed to suit the needs of whānau.

The Review recommends that:

- a Māori Health Authority (see above) is established with independence to advise the Minister and monitor system performance with respect to Māori health outcomes
- the provisions that relate to te Tiriti principles and equity in health legislation are updated
- DHB iwi partnership arrangements are strengthened and DHBs are required to specifically address improving equity of Māori health outcomes in their strategic and locality plans. All locality plans should provide for kaupapa Māori services
- population-based funding formulas should include ethnicity and deprivation factors to better reflect unmet needs, and Tier 1 services in particular should be focused on finding and addressing the unmet need in the community.

Creating a new networked approach to primary and community services (Tier 1)

Applying a population health approach to developing the health and disability system and being committed to improving the equity of health outcomes requires a greater focus on improving the accessibility and effectiveness of Tier 1 services.

The Review recommends that:

- the provision of Tier 1 services should be planned on a locality basis, from a population health perspective with a focus on addressing identified need and achieving equitable outcomes
- the population-based funding available for tier 1 services should be better weighted according to need and relevant ethnicity weightings should be included.
- DHB funding for tier 1 services should be ringfenced to ensure it is not diverted to other services
- DHBs should be clearly accountable for ensuring appropriate services are available in all localities and for the achievement of health outcomes

- Tier 1 services should be organised as a connected network of service providers, including public, private, NGO and kaupapa Māori providers with joint accountability for achieving health outcomes
- it should no longer be mandatory for DHBs to contract primary health organisations (PHOs) for primary health care services. Similarly, alliance arrangements required by the PHO Services Agreement and the DHB Operating Policy Framework should no longer be mandatory
- there should be a wider range of services (from maternity, general practice and nursing services, through mental health and behavioural, medicines optimisation, home based support and outreach) managed as part of the locality network and there should be a requirement that patient information can, with their permission, be shared within the network
- priority should be given to incorporating the commissioning of Well Child / Tamariki Ora and maternity services into local networks, along with increasing home care services and expanding outreach.

Tier 2 operates cohesively across DHBs and integrates with Tier 1

Efficient and effective hospital and specialist care needs to be available to all New Zealanders regardless of post code. Given the constraints of resources and expertise inherent in catering to a population of only 5 million people, the system will need to get better at delivering services in ways that best use all the skills of the workforce and new technologies as they become available.

The Review recommends that:

- the NZ Health Plan should provide a system-wide view of Tier 2 services and identify national and highly specialised services and where they should be provided
- most Tier 2 services should continue to be delivered by every DHB, but more complex services should be led by agreed providers, consistent with the NZ Health Plan and should be funded through top slicing rather than via inter-district flows
- regional and district plans should encompass more detailed service planning for short, medium and long-term horizons
- rural services should be specifically planned for, recognising the unique challenges of geography and distance
- hospital and specialist services should operate as a cohesive Tier 2 network and also work in an integrated and collaborative way with Tier 1
- service development should be clinically led and use local and international evidence to more systematically inform investment and disinvestment decisions
- Tier 2 services should be delivered for extended hours to improve efficiency and consumer access, and clinical rosters should more routinely include virtual sessions as well as face-to-face appointments
- transport plans should be in place in each DHB to better support patient and whānau transfers where required. Air ambulance services should be nationally managed and road ambulance services should be managed to national standards
- Health NZ should have a clear mandate to improve coordination of quality initiatives with strong clinical engagement
- Health NZ should be accountable for embedding performance management initiatives throughout the system and addressing unwarranted variation in performance between DHBs.

Improving the wellbeing of disabled people

Managing disability support should use the Enabling Good Lives principles so that an individual's disability does not define their life chances. As the population ages and the prevalence of neurological conditions increases, the proportion of the population living with some form of disability is likely to grow. The system must be more focused on ensuring a non-disabling approach to service delivery.

The Review recommends that:

- Health NZ and DHBs should engage with disabled people and their whānau as part of local and national planning and design processes using a range of inclusive practices
- funding for most disability support services should ultimately be devolved to DHBs. In the meantime, contract management should transfer to Health NZ
- the provision of highly specialised disability services should be identified in the NZ Health Plan and funded through top slicing like other significant tertiary services
- Health NZ should develop a consistent commissioning framework for disability support contracts. The framework should specify core components that need to be nationally consistent, while allowing DHBs the flexibility to contract for services that best meet their population's needs
- the disability support system should move away from relying on diagnosis for initiating eligibility for assistance, towards providing assistance to live well, according to an individual's need
- assessment and reassessment processes should be streamlined so that those who require more service coordination support receive this in a timely manner, the need for regular reassessment is reduced, and people gain more freedom to manage their own support.
- over time, needs assessment and service coordination services should be integrated into Tier 1 service networks.
- Tier 1 networks should be expected to identify people with disability support needs and ensure that services minimise adverse health consequences (eg, increased hospitalisations) associated with disability
- Health NZ should have overall accountability for ensuring that there is nationally consistent information and advice about impairments and disability-related supports and services available and readily accessible through a variety of channels
- Health NZ commissioning rules should encourage providers to use more salaried staff with the aim of building a better trained and more secure disability support services workforce.

Effectively managing system funding and improving operational effectiveness

This report does not propose a specific funding level for the health and disability system. These funding levels will always be a policy decision for the Government to make. But the report does note that, while funding levels in the health and disability system is not the biggest factor that impacts on the equity of health outcomes or the sole cause of DHB deficits, the system is significantly underfunded and changes to both the level and how the system is funded is needed to support improved system performance.

The Review recommends that:

- legislation provides for a guaranteed annual adjustment to the Vote Health non departmental appropriation according to a formula that allows for changes in the size and make-up of the population to reflect changing needs and costs
- the number of separate appropriations be reduced to provide more flexibility and less administrative cost
- all elements of population-based funding formulas should include an ethnicity factor to better reflect unmet need particularly for Tier 1 services
- funding for Tier 1 services is ringfenced so that it is not diverted to other areas
- a dedicated performance support function is established within Health NZ to manage changes in system effectiveness and efficiency
- Health NZ should be made accountable for ensuring the system delivers financial balance
- Health NZ should manage the funding that is injected to 'rebalance' the system, to ensure that poorly performing DHBs are subject to closer supervision of their deficit reduction plans.

Ensuring the enablers are in place

Any health and disability system needs strong infrastructure if it is to adapt to changing circumstances, produce effective health outcomes and ensure that it is financially and clinically sustainable.

Workforce

No health service can be delivered, no person cared for, no health outcome achieved without the input from a large group of workers whether they are kaiāwhina, surgeons, nurses, lab technicians, cleaners, managers or any of the other hundreds of workers employed throughout the health and disability system. The future system will not be successful unless the workforce is planned and managed more effectively than has been the case in the past.

The Review recommends that:

- the Ministry, working with the Māori Health Authority and Health NZ, should lead the development and implementation of a sector-wide workforce strategy designed to deliver on the goals set out in the NZ Health Plan and should ensure that specific workforce strategies for Pacific peoples and disabled people are also developed
- the Māori Health Authority should lead the development and implementation of the Māori workforce strategy
- the Ministry should work with the Tertiary Education Commission (TEC), Health NZ, the new New Zealand Institute of Skills and Technology (NZIST) and other regulatory authorities and training establishments to ensure all relevant training is consistent with achieving the goals of the NZ Health Plan and accompanying strategies
- all parts of the system should cooperate to develop more learn-as-you-earn options and shorter cumulative training courses to encourage non-traditional participation and, particularly, to facilitate more participation from rural trainees

- commissioning and contracting policies should be used to encourage more secure employment and, therefore, more opportunities for career development particularly for the workforces involved in home-based care and other outreach services
- Health NZ should manage strategic employment relations, drawing on better data and aligning with the workforce plan and the NZ Health Plan
- the tripartite accord should be reinvigorated and commit all parties to working constructively to achieve the long-term objectives of the system, fostering more effective dispute resolution and developing a clearer strategy on relative salary scales and employment terms and conditions
- all parts of the system should be encouraged to become disability confident, drawing disabled people into a variety of roles and supporting them to thrive.

Digital and data

Achieving the future of the health and disability system proposed by the Review depends heavily on the effective use of data and digital technologies. Moving from an ecosystem of tens of thousands of systems that do not easily connect, to a system that routinely shares data and more effectively supports all those working in or using the system will require a staged approach.

The Review recommends that:

- the Ministry should continue to be responsible for national data collections and the Health Information Standards Organisation
- Health NZ should focus on aspects of digital that are required to manage and support improved delivery and performance of the system, such as developing and implementing the digital plan and ensuring appropriate interoperability and cybersecurity management
- the Māori Health Authority should take a leadership role on Māori data sovereignty, Māori population health analysis and analytics, and ensure that the digital plan includes priorities that will help address equity issues for Māori
- priority should be given to developing data and interoperability standards that ensure data flows across the system and supports better clinical outcomes, empowered consumers and data-driven decision-making
- consumers should be able to control and access their own health data and information
- given the importance of Tier 1 services for improving equity, priority for digital investment should be given to initiatives that will accelerate interoperability between Tier 1 services. nHIP initiatives are one option for this
- digital systems in both Tier 1 and Tier 2 should support more delivery of virtual care and this should be prioritised to serve rural and other communities with access challenges
- procurement processes for service providers and suppliers of digital systems should be encouraged to adopt agreed digital and data standards. A digital procurement framework that aligns procurement processes with the scale and risk associated with the investment should be adopted and decision-making rights clarified throughout the system.

Facilities and equipment

Safe, fit-for-purpose facilities and equipment are essential for a well-functioning health and disability system. As noted in the report, 'the design and construction of the hospital buildings that the health system is currently undertaking, and planning for the next 10 years, will be the largest and most complicated vertical construction programme that New Zealand has ever undertaken', yet the systems for planning, designing and constructing this programme is piecemeal at best.

There needs to be more transparent planning and better governance.

The Review recommends that:

- Health NZ, through the Health Infrastructure Unit (HIU) should be responsible for developing a long-term investment plan for facilities, major equipment and digital technology derived from the NZ Health Plan
- Health NZ should regularly develop a prioritised nationally significant investment pipeline so that unless a project has been prioritised, a business case is not be developed
- each DHB should have a longer-term rolling capital plan based on a prioritised, robust pipeline that will deliver the medium-term and longer-term service requirements in their area
- the HIU should develop central expertise to provide investment management leadership to support and speed up business case development and standardise the way capital projects are designed and delivered
- the Capital Investment Committee should continue to provide independent advice, both to Health NZ with respect to prioritisation and to Ministers with respect to business case approval
- programme and project governance should be streamlined and standardised to ensure expertise is used strategically and project and programme governance is strengthened
- the National Asset Management Plan should be developed and regularly refreshed so it can form a basis for ongoing capital planning
- there should be further work on refining the capital charge and depreciation funding regime for Health NZ and DHBs to ensure that a significant rebuild or new development in one DHB is properly accounted for in the system, but does not starve the DHB of capital for business-as-usual capital replacement
- more financial and governance expertise on DHB boards, together with system and district accountability, should ensure better long-term asset management decision-making. More explicit asset performance standards and a strong central monitoring function from the HIU will be needed to reinforce this.

Building the future / Te waihanga i te āpōpō

Hauora Māori

Improving equity and wellbeing for Māori requires immediate improvements in the way the system delivers for Māori, a growth in the range and distribution of kaupapa Māori services, enhancements to rangatiratanga and mana motuhake.

All recommendations proposed by the review are designed to improve the effectiveness and the equity of outcomes for Māori, but this chapter has focused on the particular structural and cultural shifts necessary.

The Review proposes the following changes

Te whakauru i te Tiriti o Waitangi ki te pūnaha / Incorporating Treaty of Waitangi into the system

- Te Tiriti o Waitangi sections in health legislation should be updated to ensure they reflect recent interpretations of te Tiriti principles.
- An independent Māori Health Authority should be established, as kaiarataki for hauora Māori, reporting directly to the Minister with the following functions:
  - advising the Minister on all aspects of Māori health policy
  - partnering with all other parts of the system to ensure mātauranga Māori and other Māori health issues are appropriately incorporated into all aspects of the system
  - monitoring and reporting to the Minister on the performance of the health and disability system with respect to Māori health outcomes and equity
  - investing in kaupapa Māori health services and providers
  - developing and leading the implementation of the Māori health workforce strategy
  - developing or supporting innovative Māori-specific population health initiatives.
- Reflecting the Te Tiriti partnership in the system through 50:50 Māori–Crown representation on the Health NZ board and ensuring DHBs and other boards also reflect the te Tiriti partnership.

Te whakararau i te mātauranga Māori ki te pūnaha / Embedding Māori knowledge systems in the system

- The Māori Health Authority should develop and implement policy on mātauranga Māori.
- Mātauranga Māori should be embedded into all health and disability services. Additional investment should be made in kaupapa Māori health services and providers, and DHBs should be required to ensure kaupapa Māori services are provided for in all locality planning.

Te whakawhanake i te ohumahi hauora / Developing the Māori health workforce

- The Māori Health Authority should work with Health NZ to ensure that the whole workforce, organisations and services deliver culturally safe, competent and effective services to Māori.
- Equity clauses in health legislation should be updated.
- The Māori Health Authority should:
  - work with other parts of the system to ensure the programme to combat institutional racism is delivered effectively
  - develop the Māori health workforce by ensuring it has a detailed Māori health workforce plan and invests in its implementation
  - develop Māori health provider development strategies to ensure there is an appropriate Māori workforce and the range of services to meet the health and disability needs of Māori whānau and communities
  - ensure funding provided for increasing innovation of Māori providers, supports the development of more specific population health initiatives for Māori
  - review the terms of reference of the Māori Provider Development Scheme, the National Māori Workforce Development Fund and Te Ao Auahatanga Māori Health Innovation Fund, and update both the scope and the size of these funds.

Governance and Funding

The New Zealand health and disability system can and should be simplified. Changing a system's structure can be very costly and disruptive, divert attention from delivering care and can impede innovation. Therefore, whilst significant change is recommended, wherever possible, the Review's recommendations focus on making the system's current arrangements work better.

The Review proposes the following changes

System-level stewardship and leadership is strengthened

- The Ministry of Health should be the chief steward and chief advisor to the Government on health and disability strategy and policy.
- A Māori Health Authority should be established to lead strategic policy with respect to Māori health, to act as kaiarataki for hauora Māori and to ensure the system is committed to achieving equity of outcomes for Māori.
- A new crown entity, Health NZ, should be established to lead delivery of health and disability services across the country. A Charter for Health NZ would be developed that sets out shared values and aims to guide the health workforce culture and behaviours.
- Health NZ should be governed by a board of eight members and a Chair, with 50:50 Crown-Māori representation, with board membership drawn from DHB board members in each of the regions.
- Leadership should be built at all levels of the system, and deliberate actions taken to shape the system culture and capabilities, and provide leaders with the accountabilities, information and tools to lead.

District health boards are refocused and accountable

- DHBs should be accountable for both improving the health outcomes and equity among their local populations and contributing to the system's effectiveness.
- All DHBs should be required to operate as a cohesive system subject to Health NZ leadership. Health NZ would oversee a reduction in DHBs from 20 to between eight and 12, and DHB regions to no more than three.
- All DHB Board members should be appointed by the Minister of Health against a transparent set of competencies, including financial and governance experience, tikanga Māori and specific health sector knowledge. The composition of Boards should reflect te Tiriti/the Treaty partnership. DHB Board members should have on-going training and professional development in the capabilities they require to govern effectively.
- DHBs would be expected to engage effectively with Māori, and build their services capacity and capability to engage with, and understand the perspectives of Māori.

Consumers, whānau and communities are engaged

- Local communities, iwi partners, consumers and whānau, clinical experts and other stakeholders should have meaningful opportunities to influence planning, and be engaged throughout the life of strategic plans to understand priorities, implications for services and outcomes achieved.

Integrated planning connects the system

- The New Zealand Health Strategy should set the overall parameters for all planning in the health and disability system.
- A New Zealand Health Outcomes and Services Plan (the NZ Health Plan) should be developed to guide the long-term strategic direction for the system, outcomes to be achieved, and how different parts of the system would work together. The Ministry should have overall responsibility for coordination of the Plan, and lead on system outcome measures. The Māori Health Authority should lead on Māori outcome measures. Health NZ should lead on services planning.
- Each DHB would develop a District Strategic Plan based on the population health needs of its district, include locality arrangements for Tier 1 services, and be guided by the direction and outcomes for the NZ Health Plan. DHBs would also collaborate regionally, and develop regional strategic plans that take a collective view of priorities.

Funding arrangements drive an efficient and effective system

- The predictability of funding for baseline services is maintained through legislation establishing minimum annual increases, determined by a formula reflecting increasing population, needs and costs. Vote Health appropriations should be simplified to support a single integrated system through having a single appropriation for Health NZ and DHBs.
- The transparency of financial reporting should be improved by requiring regular reporting on revenue and expenditure by DHB, population groups and services.
- The stability of individual DHB annual revenue should be improved by smoothing population revision impacts and changes to ways IDFs are managed.
- New initiatives funding should routinely be for a specified term.
- A dedicated performance support function should be established within Health NZ to drive changes in system effectiveness and efficiency.
- Investment aimed at rebalancing the system should be managed through Health NZ to ensure DHBs with unsatisfactory performance, have their access to additional funding more closely supervised.
- The population-based funding formula should be improved to better reflect needs. This would require an investment in improved information across all health care settings as an input to an improved formula.
- Funding for Tier 1 services should be ring-fenced so that it cannot be diverted to other areas.

Population Health

Improving population health must become the driver of all planning within the system. A proactive approach to promoting and protecting health is required, with an explicit focus on equity.

Core health protection competence and capacity within the system needs to be strengthened to ensure the system has sufficient resilience to cope with the increasing frequency of incidents that threaten population health.

The Review proposes the following changes

Population health drives the system

- Population health would drive all strategies and outcome measures and targets are predominantly population rather than treatment based.
- The Ministry should have a strengthened leadership role and capacity for population health.
- The Ministry should increase work with other government agencies on policy that impacts the social and commercial determinants of health
- The Māori Health Authority should have population health expertise to focus on improving the health and wellbeing of Māori. It would be the key source of Māori population health intelligence for the system. The Māori Health Authority should be proactive in reporting on Māori health and disability issues and providing advice on Māori population health priorities.
- Health NZ should build a strong population health intelligence function to support population health being embedded into service planning, delivery and performance.
- The functions currently performed by the Health Promotion Agency should be transferred to the Ministry, Health NZ and the Māori Health Authority.
- DHBs should provide greater focus on population health through allocating resources, strategic and locality planning, service delivery and population health management functions.
- The funding for population health would be devolved to DHBs rather than being managed through a central appropriation and separate contracts.

The system is prepared and resilient

- Core health protection competence and capacity will need to be strengthened as will connections between the Ministry and other agencies with responsibilities for public health functions.
- The system's emergency preparedness needs to be better connected, use data and be capable of rapid deployment. The system needs to have sufficient resilience to cope with the increasing frequency of emergencies and outbreaks.

There is an authoritative voice on population health

- The Director of Public Health and medical officers of health should have the authority and independence to advise the Minister and DHB boards directly about urgent or significant population health matters.
- A Public Health Advisory Committee should be mandatory. It should provide independent advice to the Minister and be a public voice on important population health issues.

Tier 1

To make a difference, particularly for individuals and communities who are currently missing out, Tier 1 needs to become more useful to consumers and their whānau, simple to access and easy to navigate. Services need to be commissioned in a way that enables them to be designed for the wellbeing of the people they serve.

The Review proposes the following changes

DHBs have the resources and authority for Tier 1

- DHBs should be fully accountable for planning and organising Tier 1 services on a locality basis for their population.
- Where a rohe is a defined locality, the plan could be the shared responsibility of the DHB and rūnanga.

Tier 1 services are connected as a network and jointly accountable for outcomes

- Tier 1 services receiving public funds should be connected as local networks, managed by the DHB. Services within the network should be jointly accountable to the DHB for health and wellbeing outcomes of the locality's population.
- A mix of service types and business models should be a part of the network, with NGOs and kaupapa Māori services playing a vital role.
- Contracts for Tier 1 services should, over time, have common requirements that facilitate working in a connected way. These include digital connectivity and data provision for measuring performance and outcomes.
- The default timeframe for contracts should be longer-term to provide greater financial certainty and stability for service providers, encourage investment and a sense of shared ownership of the network and the population served.

Tier 1 services reflect local populations and needs

- Each network should be made up of a mix of publicly funded Tier 1 services that address local needs and include guaranteed services with a strong focus on prevention and wellbeing. This should include outreach services, behavioural support, population health services, care coordination, home-based support and medicines optimisation.
- DHBs should be responsible for ensuring the mix of services is accessible to the population. This would include more services being delivered at home, marae, or schools, at times and locations that reflect the community's needs, and with transport options that ensure reasonable access.
- If accessibility and availability of services cannot be achieved by existing providers, DHBs should bring in new providers or provide them directly.

A commitment to culturally safe services, including options for Māori whānau to access kaupapa Māori services

- DHBs should engage with Māori in locality planning to ensure that tangata and whānau needs are considered and prioritised in models of care.
- DHBs should include provision for kaupapa Māori services in locality planning.
- DHBs should ensure mātauranga Māori is embedded in all services with the Māori Health Authority providing support and guidance.

A locality approach drives commissioning of Tier 1 services

- DHBs should have the flexibility to commission Tier 1 service delivery models that reflect their population's aspirations and needs.
- There should be no requirement to contract primary care through the national PHO services agreement. Similarly, Well Child / Tamariki Ora and maternity services should be planned and organised at the DHB level.
- Health NZ should develop detailed commissioning guidance for a range of Tier 1 services, including a range of contracting options for general practice.
- Health NZ should have responsibility to ensure consistency in commissioning and contracting protocols.

Equity and prevention is the priority for future funding

- Tier 1 investment should prioritise prevention and addressing inequities by initially expanding service coverage in areas of highest need.
- The first priority should be preventive services and services that ensure children, Māori and Pacific peoples achieve optimal outcomes. Investing in a wider range of mental health services must also continue to increase
- Priority should also be given to introducing medicines optimisation services (eg, for people living with chronic conditions) and new models of care for frail older people and older people with complex health needs.

Equity and ringfenced funding for Tier 1

- Tier 1 funding should be ringfenced, at least in the medium term, to ensure funding is not diverted to other services.
- Each locality should have an indicative budget based on the age, ethnicity, and socioeconomic deprivation of its population, which is transparent to the public. This would ensure services address local needs.

Disability

Better health, inclusion, and participation of disabled people must be a priority for action across the whole health and disability system. Increasing numbers of people are living with impairments, and more disabilities are being recognised. The system needs to be able to respond to disability becoming more of a norm and must be focused on a nondisabling approach to service design and delivery.

The Review proposes the following changes

Strong focus on improving equity and health outcomes for disabled people

- Health NZ and DHBs should engage with disabled people including tāngata whaikaha and their whānau as part of the planning and design processes, nationally and locally using a range of inclusive practices.
- The disability support system should move away from relying on diagnosis for initiating eligibility for assistance, towards providing assistance to live well, according to an individual's need

Better data collection, analytics and meaningful engagement of disabled people

- Increased capability and use of data analytics to ensure better disability data collection and sharing that would underpin planning and services delivery.

Improved information, advice and early intervention

- Health NZ should have overall accountability for ensuring that nationally consistent information and advice about disabilities, and disability-related supports and services is available and accessible through different channels; this should be linked into the Tier 1 networks.
- Well Child / Tamariki Ora or other health checks could be extended to support early diagnosis and early intervention with improved information sharing and care planning across the health and disability system.

Accessing disability support services is an easy process for disabled people and whānau

- Health NZ should ensure there is a consistent needs assessment framework in place and used across the country.
- Assessment and reassessment processes should be streamlined so that those who require more service coordination support receive this in a timely manner, the need for regular reassessment is reduced, and people gain more freedom to manage their own support.
- Service coordination support should work more closely with other agencies to ensure disabled people receive more joined-up services.
- Over time, needs assessment and service coordination services should be integrated into Tier 1 service networks.

Disability support commissioning and funding transitions to Health NZ and DHBs

- Health NZ should develop a consistent commissioning framework for disability support contracts that aligns with the Tier 1 framework and supports the integration of purchasing of these services. The framework should specify core components that should be nationally consistent, while allowing DHBs the flexibility to contract for services that best meet their population's needs.
- Funding for disability support services should, over time, be devolved to DHBs so that it can be managed with Tier 1 services.
- Health NZ commissioning rules should aim at building a better trained and more secure disability support services workforce.
- Health NZ commissioning rules should specify that the majority of services should be supplied by workforces on a secured salary basis and that salary rates should be consistent.

The system is a leading employer of disabled people

- Health NZ should lead a programme of work to engage and support the system to become a leading employer of disabled people in New Zealand.

Tier 2

While changes to models of care should support more care being delivered in the community, hospitals will always be needed to treat complex conditions and acutely unwell patients. It is expected that for the foreseeable future, growth in demand will continue to outstrip population growth.

Tier 2 must be organised as a cohesive network of providers, with streamlined planning design and funding arrangements.

The Review proposes the following changes

Hospitals and specialist services operate within a national plan, and have clear regional and local plans

- The NZ Health Plan should provide a system-wide view of Tier 2 services and identify national and specialist services, where these would be provided and how equitable access would be ensured for all New Zealanders.
- Regional and district strategic plans would provide more detailed service plans for short- medium- and long-term timeframes.
- Health NZ should fund most secondary Tier 2 services using a population-based funding formula. Where there is agreement that services would be provided nationally funding should be via a top slice negotiated on a three- to five- year basis.
- Where a region agrees that a lead DHB would provide services for other DHBs, this may be funded via a regional top slice.
- The IDF process should be streamlined so that service changes are incorporated more quickly and there is greater transparency of IDF flows.

Hospitals and specialist services operate as a cohesive network

- Hospital and specialist services should be delivered through a network that works closely with Tier 1. Boundaries between DHBs and care settings should become less distinct.
- The majority of Tier 2 services should continue to be delivered in each DHB, but complex services should be led by agreed providers consistent with the national services plan or regional agreements.
- Rural services planning should recognise the unique challenges of geography and distance. Service delivery should be integrated (and may be delivered from the same facility) with Tier 1 services and be routinely supported by using telemedicine and telemetry links with Tier 2 service providers.
- Service development should be clinically led and use local and international evidence to systematically determine investment and disinvestment decisions.

- Enhanced integration and seamless transfers of care should underpin service design. Technology should support enhanced access to specialist advice, and admission and discharge planning should routinely involve a care management focus from both Tier 1 and Tier 2 perspectives.
- Tier 2 services should be delivered for extended hours to improve efficiency and consumer access and clinical rosters should routinely include virtual sessions as well as face-to-face sessions.
- DHBs should have transport plans to better support patient and whānau transfers where required. Air ambulance services should be nationally managed and road ambulance services should be managed to consistent national standards.

Effective performance management systems are focused around high-quality, cost-effective service delivery

- Health NZ should work collaboratively with the sector to address unwarranted variation and drive sustained, better-quality care and better value for money.
- The Health Quality & Safety Commission should continue to monitor and improve the quality and safety of health and disability support services; and help providers across the health and disability system to improve the quality and safety of health and disability support services.
- Health NZ should enforce the open and collaborative sharing of hospital cost and performance data and improve the quality of reporting and analysis.
- DHBs should have robust systems in place to routinely provide data specified in the OPF that can be consolidated into a meaningful national view, and provide additional information when required.

Workforce

The people who make up the health and disability workforce are the backbone of the system. The proposed system-wide changes will also better support the workforce to work to its potential, to release time to care and to work in more team-based and flexible ways.

The Review proposes the following changes

Workforce Plan

- The Ministry should lead the development of a workforce plan with input from unions, employers, Health NZ, the Māori Health Authority, the Health Workforce Advisory Board, TEC, the NZ Institute, regulators, professional associations and other training providers. The Ministry should also work closely with stakeholders to develop specific workforce plans for Pacific peoples, disabled people and rural communities.
- The Māori Health Authority should develop and lead the implementation of the Māori workforce plan and manage the associated funding.
- The Workforce Plan should take a 10- to 15-year view. It should incorporate plans to increase the representativeness of the workforce, increase accountability for being a good employer, gather better workforce data and a present system-wide view of required workforce competencies.

Training

- The Ministry should work with TEC, Health NZ, the NZ Institute and other regulatory authorities and training establishments to ensure training is consistent with achieving the goals of the NZ Health Plan and accompanying strategies.
- Training providers should be encouraged to develop shorter-term training modules and micro-credentials; provide more development opportunities to kaiāwhina; offer more online training courses; deliver more training in rural locations; support more Māori, Pacific and disabled students; and develop more learn-as-you-earn pathways.
- Where there is a guarantee of employment on the completion of training, the workforce plan should stipulate the numbers of available training places.
- The Ministry should work with the Ministry of Education to promote clinical and non-clinical health and disability careers and increase the uptake of science, maths and health-based subjects in secondary schools, with a particular focus on increasing the numbers of Māori, Pacific and disabled students.
- All parts of the health and disability system should be cooperating to develop more learn-as-you-earn options and shorter cumulative training courses to encourage more non-traditional participation, and particularly to facilitate more participation from rural trainees.

Regulation

- The regulatory system should support the NZ Health Plan and associated workforce strategies. It should be encouraged to move towards more interdisciplinary, flexible, consumer-focused and competency-based approach to regulation, over a profession-based focus.
- The effectiveness of voluntary changes by regulatory bodies should be reviewed after five years.

Strategic employment relations

- Health NZ should manage strategic employment relations, drawing on better data and aligning with the workforce plan and the NZ Health Plan.
- The tripartite accord should be reinvigorated and commit all parties to working constructively to achieve the long-term objectives of the system, fostering more effective dispute resolution and developing a clearer strategy on relative salary scales and employment terms and conditions
- The workforce should reflect the community it is serving, and all parts of the system should be accountable for implementing specific Māori, Pacific and disabled workforce strategies.
- Health NZ should prioritise developing better and more consistent workforce intelligence from all parts of the system.
- The system should be encouraged to become disability confident, drawing disabled people into a wider variety of roles and supporting them to thrive.
- Employers should be expected to adopt best-practice staff recruitment, onboarding, development and retention practices, including more flexible learning options and developing staff in leadership roles.
- Commissioning and contracting policies should be used to encourage more secure employment and, therefore, more opportunities for career development, particularly for the workforces involved in home-based care and other outreach services.

Digital and Data

To enable a data-driven, digitally-enabled ecosystem that supports modern models of care, investment is needed. People need better access to, and control over, their own data and stakeholders need safe and secure ways of sharing information. More central leadership in areas such as standards and data governance is critical, as is the building of digital literacy across the system.

The Review proposes the following changes

Connected and shared health systems, data and information

- A national reference architecture should be defined and agreed to support consistency across the system.
- National standardised datasets and interoperability standards should be agreed and implemented so that data flows across the system and supports better clinical outcomes, empowered consumers, and data-driven decision-making.
- The Ministry should be responsible for determining data policy, strategy and setting standards; Health NZ should be responsible for implementation and ongoing stewardship.
- Health NZ should invest in data collection, research and analytics capabilities to understand need, prioritise resources, and measure benefits using clear data ethics frameworks.
- Researchers, decision-makers and innovators should have secure access to public datasets provided by Health NZ to inform the development of new products, services, care models and treatments.
- The Ministry, Māori Health Authority and Health NZ should ensure high levels of trust in privacy and security of data are maintained.
- Consumers should be able to control access to their own health data and information. Changes to the Health Information Privacy Code (HIPC) should be considered to facilitate this.
- A pragmatic approach to use existing databases such as the National Health Index (NHI) and Health Practitioners Index (HPI) should be adopted and enhanced to drive interoperability. A change to the HIPC should be considered to narrow the meaning of the word ‘assign’ to enable health care organisations to use the NHI more.

Tier 1 services connected as a network

- Consumer data should be shared across Tier 1 within provider networks if approved by consumers.
- Providers within networks should have collaboration tools to enable delivery of consumer-centred shared care.
- A Tier 1 standardised reporting dataset should be developed over a two- to three-year period.
- Consumers should have the tools to manage their own health and navigate the system.
- Virtual (telehealth) services should be established to provide consumers with greater access to services.
- Services should be built that enable seamless interaction between Tiers 1 and 2 and supports long-lining of specialist Tier 2 services into Tier 1 networks.

A commitment to ensuring equitable access to services

- The Māori Health Authority should partner with the Ministry, Health NZ and DHBs to ensure that Māori interests are represented and that Māori-specific issues are addressed in the design of digital standards, services and data strategies. These approaches would also extend to Māori population health analysis and capabilities.
- Digital standards and service models should be designed to meet the access and equity needs of other groups, including older people, people with chronic or complex conditions, Pacific peoples and others with specific cultural needs, and disabled people.
- Services should be designed to reduce inequities using methods and data that is representative and unbiased.

Strong leadership and system-wide digital literacy, capability and maturity

- Decision-making capability of executive-level leaders should be strengthened by building improved data and digital literacy and capability, and encouraging enhanced partnerships with clinicians, consumers and digital leaders.
- The workforce should have the capability, tools and resources needed to effectively transition to and deliver modern models of care.
- Consumers should have trusted, flexible access to a range of services via accessible, inclusive digital channels.
- A long-term plan should include modern ways of working with data and digital technologies as core to enabling a sustainable, adaptable, future-proof health and disability system.
- The Ministry and Health NZ should set governing principles and responsibilities regarding expected behaviours for those developing, deploying and using data-driven technologies.

Clearer decision-making and procurement and investment processes

- Core national digital infrastructure criteria should be more consistent and should be centrally sponsored.
- Procurement and contracting models should support agility and speed to value by differentiating between types of products and services, and applying only as much process as is needed for the level of risk involved.

Facilities and Equipment

The state of current assets and the lack of integrated forward planning for investments has left the system with a significant challenge. While additional investment is needed, for it to be most effective changes are proposed in how capital planning is linked to outcomes and services planning, how investments are prioritised and how projects are managed.

The Review proposes the following changes

Capital planning

- Health NZ, through the Health Infrastructure Unit (HIU) should be responsible for developing a long-term investment plan for facilities, major equipment and digital technology derived from the NZ Health Plan.
- Health NZ should develop a prioritised nationally significant investment pipeline so that unless a project has been prioritised, a business case is not developed.
- Each DHB should have a longer-term rolling capital plan based on a prioritised, robust pipeline that would deliver the medium-term and longer-term service requirements in their area.

Investment management

- The HIU should develop central expertise to provide investment management leadership to support and speed up business case development and standardise the way capital projects are designed and delivered.
- The Capital Investment Committee should continue to provide independent advice, both to Health NZ with respect to prioritisation and to Ministers with respect to business case approval.
- Programme and project governance should be streamlined and standardised to ensure expertise is used strategically and project and programme governance is strengthened.

Asset management

- The National Asset Management Plan should be developed and regularly refreshed so it can form a basis for ongoing capital planning.
- There should be further work on refining the capital charge and depreciation funding regime for Health NZ and DHBs to ensure that a significant rebuild or new development in one DHB is properly accounted for in the system, but does not starve the DHB of capital for business-as-usual capital replacement.
- More financial and governance expertise on DHB boards, together with system and district accountability, should ensure better long-term asset management decision-making. More explicit asset performance standards and a strong central monitoring function from the HIU would reinforce this.