



HEALTH REPORT

Subject: REPORT FOR APRIL TO JUNE (INCLUDING JULY) 2004 ON AUCKLAND DHBS MENTAL HEALTH SERVICES

Date: 1 November 2004 **File Ref:** PP50-05-26-18

Attention: Hon Annette King (Minister of Health)

PURPOSE OF HEALTH REPORT

The purpose of this report is to inform you of the development of mental health services in the Auckland metropolitan region as reported by the Auckland Regional Director of Mental Health Services for the months of April to June (and July where appropriate) 2004.

TIMING IMPLICATIONS

Priority:	Routine	Semi-Urgent	Urgent	24 Hour
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EXECUTIVE SUMMARY

This is the ninth health report produced for you on the development of mental health services in the Auckland region. This report notes the progress of Auckland DHBS mental health services as reported by the Auckland Regional Director (the Regional Director), Mental Health Services for the months of April to June (and July where appropriate). The Regional Director's reports for those months are attached to this report as Appendix 1.

REPORT

BACKGROUND INFORMATION

1. Regional Director on the development of mental health services by Auckland District Health Boards (DHBs) to be sent to you [Health Reports 20034482, 20034686, 20034885, 20035123, 20045319, 20045573, 20045805 and 20046147refers].
2. You requested these reports to keep informed about the urgent response by the Auckland DHBs to implement the recommendations of the 2002 *Review of the Continuum of Care of Mental Health Services Funded by the District Health Boards in the Auckland Region* by the Mental Health Commission.
3. The Regional Director prepared his report based on information supplied by the Northern Region DHBs (Auckland, Counties Manukau and Waitemata and Northland DHB).
4. The Ministry, due to work pressures that have occurred, is providing an omnibus health report to accompany the Auckland Regional Director's reports for the months of April to July 2004. The Ministry has not yet received reports covering the months of August and September.
5. The remainder of this report provides:
 - comment by the Ministry on the information received in the Regional Director's report for the months of April/July 2004
 - comment from the Director of Mental Health, Dr David Chaplow
 - information received from other sources such as the NGO sector through *Platform*, a NGO representative group.

COMMENT

Local Service Expansion

6. The Regional Director's report provides information on where services developments have occurred at the local level¹ and notes that during April/July, services developments included:
 - an increase of packages of care across the region with progress in capacity being made in each of the three metropolitan DHBs (Auckland, Counties Manukau and Waitemata) to now having nearly 80 packages functioning across the region.
 - evaluation of the packages of care has occurred at local DHB level, which has established a base-line to inform future service planning and provided learning, which can be translated into the purchasing of more new services.
7. The Regional Director has included a new table in the monthly report, as from the April/May report, that shows the range of new services funded in 2003/04

¹ Page number in brackets indicates page of Regional Director's report.

in the Northern Region. This table provides monthly progress on work underway to the point where new services are established. By following progress of each item listed in the table, it is possible to identify what new services have been established and the current progress towards establishment for services to be funded. Inclusion of this table provides more comprehensive information than in previous reports identifying how the Blueprint funding for 2003/04 has been used.

8. For the months of April/May, community support worker and advocacy/peer support services were established. For the months of May/June, child and youth packages of care, community living services (mainstream, Maori and Pacific) were established and pilot packages of care for people with dual disability were established. For the months of June/July the information supplied indicates the finalisation of an increase in packages of care in the DHBs as well as indicating that the overall delivery of new services for 2003/04 has been achieved except clinical rehabilitation for Pacific people (ADHB) and general hospital liaison (NDHB).
9. Service developments in train include:
 - social, recreational and prevocational services sector development
 - development of a transcultural model of service delivery
 - development of seamless integrated care to people with high support needs by working with stakeholders to agree standards, training, operational procedures and evaluating impacts for consumers
 - the discussions between the Regional Director, the Ministry of Social Development and Housing New Zealand on the issues of affordable housing in the region. Agreement has been reached to host a Housing forum with the aim to stimulate the sector to develop a range of housing options for consumers.

Quality

10. Work being undertaken to improve the quality of services includes:
 - region-wide training being given to NGOs to support them through the certification process
 - recovery training being developed and trialled with a view to provide this training across teams in the region
 - a range of ways to get teams systems and interfaces to improve
 - new approaches to integrate primary and secondary services.

Regional Strategic Plan

11. Future planning for the direction of the region has been advanced during the months covered in the attached reports by the drafting and initial consultation on the Regional Strategic Plan. This Plan has been developed by the Network North Coalition and will set the direction for the region for the next five years. By achieving agreement on strategic direction, the annual development of new and improved services will be within a defined framework, which should assist the appropriate determination and establishment of services within any funding period.

Access rates

12. Access rates are reported on quarterly. Prior to the June/July report, the DHBs experienced data collection and transfer issues and did not consistently provide access rates. For the information due quarterly in June/July, all the DHBs have provided access rates data (page 2).
13. The data provided shows where access has increased and identifies three areas where there was a decrease in access rates. The Regional Director's report states the DHBs are now working to improve on the targets, with particular focus on the areas of concern where there has been a decrease in rates
14. The Ministry notes that the previous data collection issues related to reporting on access rates now appear to be resolved so we can anticipate regular accurate quarterly reporting from now on.
15. The Ministry will request at quarterly reporting periods, that DHBs identify approaches they have taken to improve access where a decrease in access rates has occurred.

Finances – funder arm

16. The June year-end funder arm position for the region showed a \$4 million surplus with the majority of this relating to ADHB. The final funder arm reports of CMDHB and WDHB came in with no material variances to budget. The regional surplus is not large as a proportion of revenue but is still significant in relation to overall mental health funding increases for 2003/04.
17. At the time of this report, ADHB is yet to agree a 2004/05 District Annual Plan. In ADHBs current forecasts for 2004/05 and out years it has not budgeted for the reapplication of the prior year's mental health surplus. Auckland is likely to need to increase its deficit by up to \$6 million in out years to maintain the mental health Ringfence. However, some change in the amount to be carried forward may occur because the DHB has allocated more funding than Ringfence minimums to mental health. The Ministry intends meeting with key stakeholders to ensure reasons for the surplus are clarified and that progress is made to ensure future funding is spent in a timely manner.
18. Overall, the quality of the financial reporting received in the monthly reports in relation to actual financial results has been good. Despite this, the Ministry intends meeting with key stakeholders to review future forecasting and commentary information sought so that it is focused on providing more financial

detail in relation to budgeted and actual net results with explanation of variances and therefore a better reflection of progress during the year. This should also minimise forecasts incorrectly identifying year end surpluses.

Provider arm – finances

19. ADHB reported a surplus in the provider arm which was not fully clawed back into the funder arm. ADHB states that this was significantly contributed to by late startup of 2003/04 Blueprint services as well as deficit management issues, particularly in the inpatient unit, in relation to the provider arm. For CMDHB, there is a deficit due to a clawback to the funder arm that had been discussed with the Ministry at the time of reviewing their 2004/05 DAP. CMDHB provided explanation verified in the price/volume schedule data, which indicates the funds were reapplied to where most appropriate use could be made of the funding. For WDHB, an underspend is indicated due to lower efficiencies in actual overhead costs for the year.

Provider arm – service delivery

20. Provider volume utilisation is reported quarterly and therefore is only provided in the attached June/July monthly report.

21. In line with other quantitative information provided in the June/July report, ADHB showed an underdelivery of services for this quarter. The Ministry plans to work closely with ADHB on the underspend and would expect that the lack of delivery of services shown in this quarter will be a driver for where funds are spent in future.

22. CMDHB show an under delivery, particularly in the areas of child and youth services. These have been previously discussed with the Ministry as part of the review of their 2004/05 DAP. The Ministry has agreed to monitor improvements in this area of work, and it will be receiving quarterly progress reports from CMDHB along with the Regional Director's reports on progress to provide agreed levels of services.

23. WDHB show that the majority of new Blueprint services within the Provider Arm have been provided.

Service issues and risks

24. As agreed under the revised reporting template, major service issues and risks are outlined in the Regional Director's report. For each of the reports provided, no risks are identified other than those previously noted (capacity pressure that occurs periodically across the region, which will continue until the region is closer to full Blueprint funding levels when a larger range of services will be available).

Other information available to the Ministry

Comment from the Director of Mental Health

25. The Director of Mental Health, Dr David Chaplow, had a quarterly visit to the Auckland region in June 2004. He has regular meetings with the Clinical Directors and Managers of the three Auckland DHBs as well as meeting with the Auckland Regional Director and members of his team during his visits to the region. Dr Chaplow is being kept aware of the developments of services in the region and where there continues to be challenges for the DHBs in service provision. Although Dr Chaplow still perceives a tension in the region between prioritising for local and regional planning, he believes the region is focused on their common directions for service development. He reports satisfaction that the distribution of Blueprint funding for 2005/06 will be made on a regional basis.

Comment from Platform

26. Due to the pressure of other work commitments *Platform* has been unable to supply comment for this health report.

Minister's meeting with the Chairs of Auckland DHBs

27. You were due to meet with the Chairs of the Auckland metropolitan DHBs in October as per the regularly agreed meeting to review progress on the development of mental health services in the region. The Ministry recommend that this meeting not be arranged until it can provide you with full details of the finances and service delivery particularly at ADHB so you can be in a fully informed position to discuss any issues with the Chairs.

Ministry and NDSA meeting

28. The Ministry intends to meet with the Auckland Regional Director to review the format of the monthly report (refer paragraph 18) to bring it more in line with other monitoring information that the Ministry will be receiving from other DHBs in relation to utilisation of underspend, and generally to sharpen the focus of the monthly report's presentation.

29. As required, this health report and the attached Auckland reports will be published on the Ministry website after you have signed the health report.

IMPLICATIONS FOR REDUCING INEQUALITIES

30. There are no direct implications for reducing inequalities resulting from this report. Reporting on access rates by DHBs will assist with the monitoring of inequalities.

Contact for telephone discussion (if required)

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		Direct Line	After Hours	
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