

**Pacific Provider
Development Fund
Purchasing Strategy
2008/09**

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Introduction

This Pacific Provider Development Fund (PPDF) purchasing strategy is an interim purchasing strategy to provide a bridge from the expired PPDF purchasing strategy for 2005/06 to 2007/08 to a new purchasing strategy for 2009/10 and out years.

At a meeting for PPDF-funded District Health Boards (DHBs) in April 2008, the DHBs agreed to the Ministry of Health's proposal to base the 2008/09 interim strategy on the 2005/06 to 2007/08 strategy – essentially, a 'roll-over' of the expired purchasing strategy for 2008/09.

The interim purchasing strategy guides funding and purchasing decisions for the Ministry of Health and DHBs from 1 July 2008 to 30 June 2009. The strategy defines the term 'Pacific provider', provides high-level guidance on the PPDF's goals, principles, vision and objectives, and explores administrative roles and funding categories.

Strategic context

The New Zealand Health Strategy and the New Zealand Disability Strategy set out the Government's goals and objectives for the health sector ((Minister of Health 2000; Minister for Disability Issues 2001). Prominent among these goals and objectives is reducing inequalities in health and independence outcomes between ethnic groups. Ensuring accessible and appropriate services for Pacific peoples is one of three priority objectives of the New Zealand Health Strategy.

Pacific provider development and workforce development is priority 4 of the Pacific Health and Disability Action Plan (Minister of Health 2002).

Rationale

Pacific peoples have significantly poorer health compared with non-Pacific New Zealanders, and Pacific peoples' poor access to health services is known to contribute to this unequal situation. The PPDF seeks to improve this inequality by increasing the accessibility and effectiveness of health services for Pacific peoples.

The PPDF seeks to improve Pacific peoples' access to quality health services that are responsive to their health needs by assisting the development of Pacific health providers and the Pacific health workforce.

These two approaches are designed to increase the range and quality of services available to Pacific peoples through Pacific providers. These services are intended to augment the mainstream services that have proven less effective in responding to the health needs of Pacific peoples than to the needs of other New Zealanders.

An effective strategy for improving the provision of services to underserved groups is to make available health care providers from the same ethnic group or who can speak the same language as the population facing barriers to health services. Barwick (2000), for example, refers to evidence from Australian, American and New Zealand studies that indicate that ethnic-specific providers tend to be more effective than are mainstream providers for minority groups and having workers in the services who are of the same ethnicity as consumers contributes to better outcomes for minority groups. Similarly, a lack of ethnic diversity in the mainstream workforce is likely to lead to procedures and systems that are poorly suited to the needs of minority patients. For minority patients, racial concordance between the patient and health worker is associated with greater patient satisfaction, higher self-rated quality of care and better health outcomes (Betancourt et al 2003).

Developing the Pacific provider sector and increasing the number of Pacific peoples working as health practitioners and health professionals will benefit both mainstream and targeted providers. It will ensure that Pacific providers are well placed to utilise their better understanding of the needs of Pacific communities and to provide a comfortable environment that is consistent with the cultural values of Pacific health consumers. An increase in the number of Pacific health practitioners and health professionals will also foster better communication between Pacific health consumers and health professionals and health practitioners. This in turn should contribute to improved health outcomes for Pacific peoples.

Background

The Ministry of Health has administered the PPDF since the 1998/99 financial year. The Ministry provided one-off funding of \$1 million (GST exclusive) in the first year of the PPDF to enhance Pacific health providers' governance and business skills. This was to ensure Pacific health providers could participate fully in the development of the health and disability sector. An additional \$1.5 million (GST exclusive) was allocated in 2000/01. Five million dollars (GST exclusive) has been allocated to the PPDF each financial year since 2001/02, and from 2008/09, this will increase to \$7.4 million (GST exclusive) each year.

The first purchasing strategy for implementing the PPDF was developed for 2001/02. It was also used to guide PPDF purchasing decisions in 2002/03 and 2003/04. This initial strategy funded:

- DHB initiatives
- NGO provider initiatives
- the Pacific Training Scholarships Scheme (including the leadership programme)
- Pacific research initiatives.

The Ministry of Health outlined to the Cabinet Social Equity Committee in August 2001 that the focus of the PPDF was on developing primary care providers as a strategy for improving Pacific peoples' health. This recognised both that Pacific morbidity and mortality are amenable to health care intervention and effective health promotion, prevention and primary care, and that Pacific peoples face barriers to accessing primary care services.

From 2001/02 to 2003/04, funding was allocated to the seven DHBs with the largest Pacific populations, using a 'per head of Pacific population' funding formula (together with adjustments for DHBs with smaller populations). The seven DHBs were Counties Manukau, Auckland, Waitemata, Capital & Coast, Hutt Valley, Canterbury and Waikato.

In 2004/05, an interim purchasing strategy for the PPDF was developed to provide a bridge from the expired 2001/02 strategy to the 2005/06 to 2007/08 strategy. Both the interim 2001/02 and 2005/06 to 2007/08 strategies contained the following key components.

Five million dollars (GST exclusive) was divided between the two overarching funding categories of:

- local Pacific health provider development projects (funded through DHBs) (\$3.5 million)
- national Pacific provider development initiatives and projects (funded through the Ministry of Health) (\$1.5 million).

In 2004/05, the PPDF also funded a further six DHBs that had the next largest Pacific populations (Hawke's Bay, MidCentral, Otago, Bay of Plenty, Lakes and Northland).

In November 2004, the Ministry of Health published the *Pacific Health and Disability Workforce Development Plan*. Many of the initiatives in the 2005/06 to 2007/08 purchasing strategy contributed to, and were contained as action points in, this development plan.

In 2006/07, the PPDF funded a further six DHBs with small Pacific populations (Nelson Marlborough, Southland, Taranaki, Whanganui, Tairāwhiti and Wairarapa).

Overview of the Pacific Provider Development Fund

Pacific Provider Development Framework

This interim purchasing strategy is informed by the goals and principles of the Pacific Provider Development Framework, which Cabinet agreed in October 2001. Agencies were directed to use the framework to distribute Pacific provider development funding. The Ministry of Pacific Island Affairs monitors agencies' use of the framework.

The overall aim of the Pacific Provider Development Framework is to substantially increase the number of appropriately structured Pacific providers with skilled, qualified and experienced staff across the state sector. It also focuses on improving the overall quality of services delivered to Pacific communities.

The Pacific Provider Development Framework requires State sector agencies to take a co-ordinated response regionally and nationally to Pacific providers, including co-ordinating funding regimes, accountability procedures, evaluation and monitoring methodologies, and contract requirements. This means DHBs must collaborate with other funding agencies, such as the Department of Child, Youth and Family Services, when they are contracting with Pacific providers for local development projects. It also means the Ministry of Health has to collaborate with other agencies on national projects.

Government goals for Pacific provider development

Two Government goals from the Pacific Provider Development Framework are to:

- establish a comprehensive and holistic service infrastructure for Pacific peoples
- identify and address the major barriers for Pacific peoples in participating in providers and achieving their full potential.

Government principles for Pacific provider development

Relevant Government principles from the Pacific Provider Development Framework are:

- the recognition of Pacific values and principles
- the recognition of diversity
- partnership relationships
- the sustainability of Pacific providers
- governance and ownership of 'by Pacific for Pacific' services.

In addition to the Government's principles, the Ministry of Health expects initiatives under the PPDF to adhere to two further principles.

- Funding is focused on health provider and workforce development and is accessed by Pacific health providers.
- Initiatives are inclusive of all DHB-funded Pacific health providers.

Vision for Pacific provider development

The PPDF is a grant fund that has a future focus. It seeks to increase the capacity and capability of Pacific health providers to ensure they:

- are robust organisations with demonstrably sound governance and management infrastructures
- have an appropriately qualified and competent workforce of tertiary qualified staff
- are self-sufficient and sustainable
- provide high-quality community-focused services.

While Pacific health providers should have the capability, capacity and workforce to successfully implement the Government, Ministry of Health and DHB strategies for improving Pacific health and disability support outcomes, this is not intended to limit the development of Pacific health providers.

Objectives

The PPDF aims to:

- develop a competent and qualified Pacific health workforce that will meet Pacific peoples' needs (in line with the Pacific Health and Disability Workforce Development Plan)
- support Pacific health providers to provide high-quality community-focused health services effectively
- support the development and/or application of Pacific models of care
- support Pacific health providers with their specific development requirements (including ensuring health providers are robust with sustainable governance and management infrastructures)
- support Pacific health providers' co-ordination with each other and their integration with the health and disability support sector
- foster innovation by developing new initiatives in line with regional and local needs and the aspirations of Pacific health providers.

Definition of 'Pacific provider'

Cabinet agreed that a 'Pacific provider' is a provider that is owned and governed by Pacific peoples and is providing services primarily, but not necessarily exclusively, for Pacific peoples.

A Pacific service that is located in a mainstream organisation and operates within the governance of the mainstream organisation does not meet the definition of a 'Pacific provider', so is ineligible for PPDF funding. It is expected that mainstream agencies will continue to fund these services from within their own budgets.

Eligibility requirements

In addition to Cabinet requirements, the Ministry of Health expects Pacific health providers, in order to be eligible for PPDF funding:

- are responsive and demonstrate accountability to Pacific peoples
- have a principal purpose or function of providing services that aim to produce better health outcomes for Pacific peoples
- do not receive provider development funding from other Ministry of Health sources (see Appendix 1)
- have predominantly Pacific staff providing services.

Administrative roles

The PPDF is administered by the Ministry of Health and DHBs. Local projects funded by the PPDF are administered by DHBs for their districts, and national initiatives are administered through the Ministry.

DHBs have district and local roles. They determine the best mix of services for their Pacific populations and the workforce and provider development requirements to support effective services. Local projects include provider development activities undertaken by Pacific health providers that are serving local Pacific populations.

The Ministry of Health has a national role, so is responsible for administering activities that are most efficiently and effectively undertaken at a national rather than local level, where national consistency is needed across the country, and where those initiatives focus or impact on Pacific health provider development across the health and disability sector. National initiatives include national workforce capability and capacity activities and research projects. The Ministry also administers a contestable fund for 'small' DHBs (that is, DHBs that are not one of the seven DHBs with the highest Pacific populations).

Funding categories

The two overarching funding categories in the PPDF reflect the different roles of the Ministry of Health and DHBs. The categories are:

- local Pacific health provider development projects, which are funded through DHBs (\$4.05 million (GST exclusive))
- national Pacific health provider development initiatives and projects, which are funded through the Ministry of Health (\$3.35 million (GST exclusive)).

These categories are divided into subcategories, which are outlined below.

Local Pacific Provider Development Projects

Health providers do not qualify for PPDF funding automatically. To receive funding, providers must demonstrate the need for development support in any of the four subcategories of:

- workforce development
- best practice and quality improvement
- provider assistance
- new innovative development initiatives and projects.

Health providers may seek funding from a mixture of the following four subcategories.

Workforce development

A key objective of the PPDF is to develop a competent and qualified Pacific health workforce that will meet the needs of Pacific peoples. Funding is available for providers' Pacific staff to undertake relevant training.¹ The Ministry of Health considers achieving a tertiary-qualified workforce is a high priority. Further guidance on Pacific workforce development is in the Pacific Health and Disability Workforce Development Plan (Ministry of Health 2004).

Workforce development projects include:

- backfilling provider staff positions – for Pacific staff members undertaking health or disability sector training (through a scholarship or personal funding)
- strategic projects – analysing needs and developing strategies to support ongoing workforce development
- governance and management training
- senior management training and development – mentoring programmes
- clinical training that is not funded elsewhere – health training for clinical staff (for example, nurses, doctors, community health workers, health promotion workers and allied professionals)
- training for administration staff or general training to meet quality, safety or legal requirements – first aid training for all staff, training related to developing and documenting systems and processes and to procedures for external accreditation and certification.

¹ Note this category applies to staff members who, in the view of the provider, are both capable and committed to the long-term improvement of Pacific health outcomes. It is likely, but not a requirement, that these staff will be of Pacific ethnicity.

Best practice and quality improvement

Pacific health providers provide a wide range of health services. These services should be of a high quality and effective in improving outcomes for Pacific peoples. Initiatives in this category will assist Pacific health providers to improve the quality of their services and develop or apply Pacific models of care.

Providers may use PPDF funding to employ staff to undertake best practice or quality improvement activities and projects, but not for service delivery.

Best practice and quality improvement projects include:

- evaluations or assessments of service effectiveness and service quality (in order to improve services)
- projects to increase the efficiency and/or quality of services
- new Pacific service models – exploring alternative Pacific methods or models of service delivery
- networks and linkages projects – supporting linkages with allied health providers, including entering into memoranda of understanding with other providers
- access promotion projects – supporting service access, including communications planning, and service promotion resources and activities (although funding is not available to meet the cost of ongoing overheads)
- surveys and research – surveys of clients and research into current service levels.

Provider assistance

Provider assistance initiatives generally focus on one-off support to assist health providers with developing, implementing or monitoring their organisation's activities (for example, developing information and management systems).

The PPDF cannot be used for providers' ongoing projects. The ongoing maintenance of capital purchases is an operational cost, so may not be funded under this category. Funded services should be costed in such a way as to include an infrastructure support and development component.

If providers receive funding for a project in this subcategory they are not eligible to receive further funding for a similar project in the future (for example, repeat restructuring is not funded).

Provider assistance projects include:

- structure and legal projects – restructuring or assessing legal or constitutional issues for health providers (including changing legal entity status and amending constitutions)
- strategic planning projects – developing strategic and business plans for the provider
- policies and procedures projects – reviewing and amending or developing policies and procedures

- capital information technology projects – reviewing and purchasing information technology solutions (software and hardware) to enhance the efficiency and capability of providers to deliver services for Pacific populations (for example, electronic decision support systems) and including specialist training for staff to enhance their ability to use the systems to efficiently and effectively deliver services
- capital non-information technology projects – capital purchases with agreed depreciation policies and procedures and consistent with a strategic or business plan that is agreed with the DHB (for example, refurbishments and fit-outs to meet the needs of new or expanding services, including occupational safety and health requirements and accident compensation accreditation , but not the purchase of buildings or land).

New innovative development initiatives and projects

To ensure flexibility and recognise that different districts have different provider configurations, populations and needs (and that providers have their own goals and objectives) a ‘new initiatives’ subcategory has been included.

This category includes innovative ideas that are not covered in the other three subcategories. Initiatives under this category must not be undertaken at the expense of existing Pacific health providers and support for them under the other three categories.

Initiatives in this category include:

- pilots of new services or service delivery mechanisms (including staff employment for these), provided:
 - such pilots are for a limited time and subject to a formal external evaluation (not longer than two years inclusive of the evaluation)
 - a sustainable funding path is sought via the DHB if the pilot is successful
- assistance for Pacific non-health providers to support the development of Pacific networks across sectors to address the determinants of health
- developing and seeding new Pacific health providers for a period not exceeding two years, provided:
 - there is a demonstrated need for a new Pacific provider
 - the DHB confirms it will provide service funding after the set-up phase
- Pacific community development activities that support the improvement of Pacific health outcomes or address the wider determinants of health.

District Health Board co-ordinated projects

DHBs may wish to coordinate some projects on behalf of several health providers (for example, mentoring, information technology development, and quality or service standards projects). Such projects must be in line with the subcategories outlined above, and all associated PPDF funding must directly benefit health providers.

DHBs should collaborate where appropriate and encourage collaboration between health providers. Providers may need intensive support to work together.

Projects not to be funded

Pacific health providers must not use the PPDF for funding:

- the ongoing cost of delivering services (with the exception of backfilling, pilots for new services, and seeding new Pacific health providers, subject to the limitations outlined above)
- the purchase of buildings or land
- ongoing fixed costs and overheads
- projects that are more appropriately funded from an alternative fund (for example, the establishment of a Primary Health Organisation (PHO) must be funded from PHO establishment funding), although the PPDF may be used to supplement such funds where the primary source is proven to be unavailable or insufficient to meet the needs or budget identified in the provider's business plan
- staff education and training that is not directly related to the delivery or management of health services.

DHBs must not use the PPDF to fund DHB activity, for example:

- administration costs associated with the PPDF
- DHB staff or contractors
- DHB overheads
- indirect DHB costs for associated projects undertaken or led by DHB staff members or contractors
- the work of the DHB (for example, developing DHB strategies, including consultation on such strategies, policy responses, and funding planning)
- activities that should be coordinated nationally (for example, scholarships).

Funding approach

PPDF funding is calculated using a raw population approach on a 'per head of Pacific population' basis. This recognises that districts with larger Pacific populations are more likely to have more health providers and/or a greater need for new health providers who could benefit from further development than are districts with smaller Pacific populations. Pacific-focused services are more likely to be viable in areas where the Pacific population is highly concentrated (see, for example, Mental Health Commission (2001)).

This interim purchasing strategy allocates funding to the 19 DHBs with the highest Pacific populations.²

² The Ministry of Health is developing a model of Pacific provider development (see Appendix 2). In time, this model may allow the development of further funding approaches for local Pacific providers.

The 2008/09 Pacific population figures the Ministry of Health uses to calculate PPDF allocations were projected by Statistics New Zealand as at 30 June 2007. The Ministry uses these projections to determine the 2008/09 funding package for DHBs. The 2008/09 Pacific population projections will be fixed for the duration of this purchasing strategy.

In 2008/09, the 19 funded DHBs will include about 99.8 percent of the Pacific population (see Table 1).

The funding amount has been set at \$15 per head of Pacific population.

Table 1: Pacific population projections for 2008/09

District Health Board	Pacific population projected for 2008/09*	Pacific Provider Development Fund funding (GST exclusive) (\$)	Percentage of total New Zealand Pacific population (n = 270,680) (%)
Counties Manukau	102,230	1,533,450	37.8
Auckland	52,635	789,525	19.5
Waitemata	36,990	554,850	13.7
Capital & Coast	21,970	329,550	8.1
Hutt Valley	11,180	167,700	4.1
Canterbury	10,550	158,250	3.9
Waikato	8,530	127,950	3.1
Hawke's Bay	4,860	72,900	1.8
MidCentral	3,880	58,200	1.4
Otago	3,025	45,375	1.1
Bay of Plenty	2,710	40,650	1.0
Lakes	2,500	37,500	0.9
Northland	2,330	34,950	0.9
Nelson Marlborough	1,545	23,175	0.6
Southland	1,375	20,625	0.5
Taranaki	1,028	15,420	0.4
Whanganui	1,023	15,345	0.4
Tairāwhiti	950	14,250	0.3
Wairarapa	708	10,620	0.3
Subtotal	270,019	4,050,285	99.8
South Canterbury	423	–	0.1
West Coast	238	–	0.1
Total	270,680	4,050,285	100.0

Note:

* Statistics New Zealand projection as at 30 June 2007.

National Pacific Provider Development Initiatives and Projects

National Pacific provider development initiatives and projects include activities that are most efficiently and effectively undertaken at a national level and cannot be cost-effectively co-ordinated locally. The Ministry of Health administers national activities.

National initiatives and projects will contribute to the competence and capability of Pacific health providers but will also produce tools that can be used by mainstream services to improve the focus, competence and/or quality of their services and staff for Pacific peoples.

The national Pacific provider and workforce development initiatives and projects include:

- the development of Pacific youth health services in Auckland and Wellington (\$400,000 GST exclusive)
- a contestable fund for DHBs with small Pacific populations (\$500,000 GST exclusive)
- support for Pacific health professional organisations (\$500,000 GST exclusive)
- non-regulated workforce qualification development (\$600,000 GST exclusive)
- support for emerging Pacific researchers (\$800,000 GST exclusive)
- information and publications; Pacific health leadership development; Pacific Health Workforce Awards; Pacific health research (\$549,715 GST exclusive)

Contestable fund for 'small' District Health Boards

The combined Pacific populations of the seven DHBs with the largest Pacific populations make up 90 percent of the total Pacific population in New Zealand. The remaining DHBs (the 'small' DHBs) have such relatively small Pacific populations that the PPDF funding those DHBs receive is inadequate to provide meaningful support for local Pacific provider development projects or to support the existence of stand-alone Pacific health providers.

To provide a mechanism for small DHBs to access adequate PPDF funding, an annual contestable fund of \$500,000 (GST exclusive) is available in addition to the population-based funding allocation. The Small DHB Contestable Fund supports worthwhile Pacific health development initiatives in DHBs with small Pacific communities.

Initiatives may include assessments of service development needs and gaps; provider and workforce development; capability and capacity assessment; and assessment of planning, service establishment and infrastructure development needs.

Small DHBs may apply directly to the Sector Capability and Innovation Directorate of the Ministry of Health on behalf of their Pacific communities for this funding. The Ministry will develop separate criteria for the Small DHB Contestable Fund, assess all applications and make funding decisions based on those criteria.

Pacific youth health service development

During 2008/09 two regional Pacific youth health services will be scoped for development as pilot services in Auckland and Wellington.

National learning

Information and publications

The Ministry of Health will continue to disseminate a range of information in 2008/09 to advance Pacific health knowledge and learning.

Workforce capacity and capability

Pacific health leadership development

Pacific health leadership development is a key component of Pacific workforce and provider development. In 2004/05, a Pacific leadership development strategy was developed. It aims to complement existing health sector and wider public sector leadership programmes and will include a Pacific values programme. The Pacific values programme will include cultural awareness of the diversity and complexity of Pacific communities and leadership within these communities.

From 2005/06 to 2007/08 funding allocated to this category was used to deliver the programme to Pacific leaders and potential leaders across the health and disability sector. Recruitment into the programme has been through a transparent process with new cohorts being recruited every two years. The Pacific Health Leadership Development Programme will be evaluated and reviewed in 2008/09.

Pacific Health Workforce Awards

The Ministry of Health contracts a provider to administer the Pacific Health Workforce Awards. The awards are managed nationally to ensure all applicants who meet the criteria have access to an award regardless of which DHB district they are living in.

The awards provide scholarships to support the development of a tertiary-qualified Pacific health workforce. The scholarships are to support:

- the workforce training needs of Pacific health providers
- Pacific students to train in health sciences or health management.

The awards have been updated and new criteria have been developed. In 2008/09, the awards will prioritise staff from Pacific health providers and the new emerging Pacific workforce that is beginning, or continuing, health-related training and education.

Crown employees (including DHB employees) are not eligible for these awards.

Support for Pacific health professional organisations

The Ministry of Health will continue to support the development of Pacific health professional organisations and the projects undertaken by these organisations to improve Pacific workforce capacity and capability and support the goals and objectives of the Pacific Health and Disability Workforce Development Plan.

In 2008/09, funding will be allocated through a contestable process that will call for proposals from interested organisations. Projects may not include establishing new training programmes or delivering training programmes.

Eligible organisations will have:

- been established for, and are governed by, Pacific health professionals
- demonstrated their ability to undertake the project in a culturally appropriate manner.

Eligible projects must have demonstrated support from Pacific health providers or health professionals and fit within the goals and objectives of the PPDF.

Non-regulated workforce development

The Ministry of Health will support the training and development needs of Pacific non-regulated health workers such as community health workers, health promoters, care workers and youth workers by collaborating with tertiary education providers. This support includes assisting Pacific Island-trained nurses in New Zealand to gain registration to practise in New Zealand.

Research

A research subcategory is needed to ensure the development of new understandings around Pacific provider and workforce development and to test the effectiveness of initiatives.

Pacific health research

The Ministry of Health has formed a collaborative relationship with the Health Research Council and has developed a joint research programme on Pacific provider and workforce development. Research projects will be undertaken in each financial year. Projects will be managed by a joint steering group.

A range of Pacific health provider and workforce development research projects will be undertaken to meet the goals and objectives of PPDF.

Development of emerging health researchers

The Ministry of Health is to establish an award scheme for emerging Pacific health researchers to:

- encourage young Pacific researchers into Pacific health research
- establish career pathways for Pacific health researchers
- develop Pacific researchers with specialist expertise in priority areas for Pacific health
- increase quality research, evaluation and information that is relevant to Pacific health and other PPDF initiatives.

Funding approach

Where possible, the Ministry of Health will allocate funding using competitive bid processes in accordance with the Ministry's Buying Goods or Services Policy.

Contracting Mechanism

The Ministry of Health will fund PPDF activities using stand-alone contracts with DHBs, and other organisations.³ The contracts will ensure:

- an appropriate focus on PPDF objectives
- direct accountability and reporting on PPDF funding
- the continuation of a funder-to-funder relationship between the Ministry and DHBs
- regular PPDF reporting to the Ministry
- appropriate action is taken in the event of non-performance.

The contract will include:

- a standard service specification that reflects this purchasing strategy
- standard reporting requirements that will support the Ministry's reporting and accountability requirements, and the ongoing funding and stewardship of the PPDF.

It is intended that under this strategy, DHBs will be contracted for only 2008/09 and will receive their allocated PPDF amounts at the start of the 2008/09 financial year. Payment is conditional on DHBs meeting all their previous reporting and contract requirements.

Timeframe

It is expected that funding will be released to DHBs on 1 July 2008 and disbursed by DHBs within the 2008/09 financial year. Achieving this timeframe requires planning, contracting and invoicing to be carried out before 1 July 2008.

Unspent funding

The Ministry of Health has the authority to reallocate unspent funding from any category into other PPDF categories or other projects that fit within the requirements of this purchasing strategy.

³ PPDF activities are not the subject of omnibus contracts such as DHBs' Crown Funding Agreements.

Appendix 1: Other Ministry of Health Provider Development Funding Streams

Mental health

The Ministry of Health funds Le Va to lead Pacific mental health and addiction workforce development. This includes administering the Pacific Mental Health Workforce Awards, which assist Pacific students studying mental health or addictions. This does not exclude Pacific mental health providers from Pacific Provider Development Fund (PPDF) eligibility.

Pacific mental health providers may apply for funding from the PPDF. They are subject to the same eligibility criteria and same funding categories as are other Pacific health providers seeking PPDF support. However, the rule against 'double-dipping' applies. For example, where a Pacific provider staff member receives a Pacific Mental Health Workforce Award (or any other Ministry funding from Le Va) to fund studies, the PPDF must not be used to fund the same studies for the same staff member.

Disability services

The Disability Services Directorate of the Ministry of Health does not have Pacific provider development funding available for Pacific disability support service providers.

Pacific disability support service providers may apply for funding from the PPDF. They are subject to the same eligibility criteria and same funding categories as are other Pacific health providers seeking PPDF support.

Public health

Some Pacific public health providers may receive funding for workforce development as part of their service contracts with the Ministry of Health. The PPDF must not be used to fund the same workforce development.

Pacific public health providers may apply for funding from the PPDF. They are subject to the same eligibility criteria and same funding categories as are other Pacific health providers seeking PPDF support.

Appendix 2: Pacific Provider Development Model

In 2004 the Ministry of Health reviewed the Pacific Provider Development Fund (PPDF). This review suggested that Pacific providers' development needs were changing. There had been a shift from predominantly infrastructure development towards service development, improving service quality and facilitating best practice Pacific health services. This shift in focus reflects the changed needs of providers as they achieve goals along a development pathway. Workforce development will continue to be a key feature of providers' development plans.

In recent years, most funding has been allocated to provider assistance initiatives (between 2001/02 and 2003/04 nearly 60 percent of PPDF funding was allocated to such initiatives). Over time, it is expected that the proportion of funding going to provider assistance initiatives will decline. However, there is no timetable for this, and there is no ideal number of Pacific providers.

The short time over which the Pacific provider sector has developed ensures that the need to expand and develop the capacity of the Pacific provider sector will continue in the foreseeable future. Imposing a particular timetable or target figure would be arbitrary and contrary to the gradual, evolutionary nature by which the sector is developing. Imposing such limits would also introduce a short-term focus that is incongruent with the need for a long-term view to overcome the systemic barriers to Pacific peoples access of health services. Such barriers have historically limited mainstream services' ability to respond to the health needs of Pacific peoples and need to be overcome if mainstream and Pacific providers are to respond effectively to the needs of Pacific peoples.

Provider development grants to Pacific providers are to enable them to build their capacity so they can sustain their operations and deliver services with a distinctive Pacific focus, in a way that mainstream providers are not asked to do.

The Pacific provider sector requires ongoing support to develop its capacity and capability so that it can provide for the high levels of unmet health needs among Pacific peoples. The relative youth of most Pacific providers and the small scale and nascent state of their supporting infrastructure also mean that Pacific providers need continuing support to reach a level of development that is comparable to longer-established providers. This is compounded by most Pacific providers operating in areas of high deprivation.

In 2004/05 a process and outcomes evaluation of the PPDF was commissioned (CBG Research Ltd 2007). The evaluation assessed the extent to which the PPDF had achieved its objective of supporting the development of efficient and effective Pacific health providers.

The purpose of the evaluation was to:

- improve the understanding of PPDF investment decisions
- guide future investment decisions
- assess or measure the PPDF's contribution to the development of the Pacific health provider sector
- determine how Pacific health provider development had improved the accessibility and effectiveness of health services for Pacific peoples
- identify other factors that might affect the development and effectiveness of the Pacific health provider sector.

The PPDF evaluation had two main components.

- A provider development model to provide guidance on Pacific health provider life cycles, the development activities appropriate for Pacific organisations at different stages of maturation, and the assistance they need from the PPDF. This included the gathering of baseline data on Pacific providers of health and disability support services to complement and update existing profiles held by the Ministry of Health.
- An evaluation of the effectiveness of the PPDF in terms of its immediate objective to support and facilitate provider development, and with respect to longer-term outcomes such as supporting improvements in health service delivery and workforce development. This aspect of the evaluation looked at Pacific health provider development projects, DHB initiatives and Ministry of Health-led national initiatives. The evaluation considered the extent to which the principles and goals of the Pacific Provider Development Framework had been implemented.

It is expected that future purchasing decisions will take the provider development model into account.

The evaluation's recommendations will inform the development of the funding strategy for 2009/10 and out years.

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