

# Statement of Intent 2009–2012

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MANATŪ HAUORA

# Foreword: Minister of Health

This is the Ministry of Health's Statement of Intent for 2009–2012. It sets out how the Ministry will focus on making the improvements to the public health system the Government requires and describes a more focused role for the Ministry that better positions it to deliver value for money.

As I have travelled around the country I have talked with many health professionals, and their dedication and commitment make me very optimistic about the future of New Zealand's health system. Our health workforce is world class, but it is clear to me that many of those who participate in it are concerned about the current state of our health system.

Like health professionals, the public – and therefore patients – see a system where increasing amounts of money have been invested, taking up an ever larger proportion of the national income, without commensurate growth or improvement in services. People have become frustrated by unnecessary bureaucracy, long waits for patient assessment and specialised treatment, and an evident deterioration in some services.

The Government is determined to turn this situation around. New Zealanders want access to 'Better, sooner, more convenient' health services, and they want accountability for results. The Government has listened to what New Zealanders have said and we will be implementing a number of initiatives that will, among other things, increase the influence of professional front-line staff working in the sector, reduce waiting times for elective services, reduce waiting times in emergency departments, and devolve more services to primary and community settings.

To measure the impact of these changes, we have introduced six Health Targets that have a particular focus on better access to hospital services, prevention of ill health and improving the health of our children.

The changes this Government intends to make will improve the system for patients and health professionals alike. The changes will also contribute to making the health system adaptable and resilient enough to deal with the challenges we know lie ahead. This is essential if our system is to flourish and thrive in the decades to come.

The Government's overarching goal is to enable New Zealanders to live longer, healthier and more independent lives. This Statement of Intent describes how the Ministry of Health will contribute to achieving it.



Hon Tony Ryall  
Minister of Health

# Ministerial Statement of Responsibility

I am satisfied that the information on future operating intentions provided by my department in this Statement of Intent and the Information Supporting the Estimates is in accordance with sections 38, 40 and 41 of the Public Finance Act 1989 and is consistent with the policies and performance expectations of the Government.



Hon Tony Ryall  
Responsible Minister for the Ministry of Health  
28 May 2009

# Introduction from the Director-General of Health

Modern health and disability systems are large and complex, and touch the lives of all members of the population to some degree at some time in their lives. To make such a large system work effectively while retaining the essential focus on care, we rely entirely on the people who work in the system. That is why I would like to open this Statement of Intent by recognising the passion and hard work of all those who work in the health and disability sector, whether they are in hospitals and community-based services, in non-government organisations, or in the Ministry. This Statement of Intent outlines how the Ministry will work with all in the sector to improve health services and health outcomes for New Zealanders.

A key challenge facing the sector – particularly in the light of the economic downturn – is the need to improve performance. The Government is committed to making a step change in the development of our health and disability system and the services it provides. We need to deliver ‘better, sooner, more convenient’ services that provide greater value for money within the funding available. This Statement of Intent describes how the Ministry will contribute to achieving these objectives.

The document needs to be read with two things in mind. First, the Government’s new agenda represents a change in focus for the Ministry and the whole health and disability sector. Second, the Government wants the Ministry to be more focused in its work. In line with this, this Statement of Intent places particular emphasis on the aspects of our work most closely related to implementing the Government’s new agenda. More information about our continuing responsibilities and wider work programme is provided in the Information Supporting the Estimates.



Stephen McKernan  
Director-General of Health

# Chief Executive Statement of Responsibility

In signing this statement, I acknowledge that I am responsible for the information contained in the Statement of Intent for the Ministry of Health. This information has been prepared in accordance with the Public Finance Act 1989. It is also consistent with the proposed appropriations set out in the Appropriations (2009/10 Estimates) Bill, as presented to the House of Representatives in accordance with section 13 of the Public Finance Act 1989, and with existing appropriations and financial authorities.



Stephen McKernan  
Director-General of Health



Richard Morris  
Chief Financial Officer

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# Nature and Scope of Functions

The Ministry of Health is the primary agent of the Minister in the health and disability system and has overall responsibility for the management and development of that system. We act as the Minister's principal advisor on health policy and as a funder and regulator of health services, and we provide leadership across the system to improve performance.

We are also the Minister's agent in managing the formal relationship with the 21 District Health Boards (DHBs). The DHBs are responsible for meeting the health needs of the people in their districts. They plan, fund and provide health services within their areas, including public hospitals and the majority of public health services.

Around 80 percent of the \$12 billion of Crown funds that are administered by the Ministry is allocated to DHBs. The other 20 percent of total Vote Health funds those national services purchased by the Ministry. These include disability support services, public health services, specific screening services, mental health services, electives, Well Child and primary maternity services, Māori health services, and postgraduate clinical education and training.

Less than 2 percent of the Vote Health funding is spent on the Ministry to deliver its functions in support of the sector and government.

Our core functions are to:

- advise the Minister on strategy, policy and system performance, including advice on improving health outcomes, reducing disparities, ensuring fairness and increasing participation; nationwide planning; co-ordination and collaboration across the sector; and the implementation of the four key strategies currently in place (Health, Disability, Māori Health and Primary Health Care)
- act on behalf of the Minister to monitor and improve the performance of health sector Crown entities and DHBs, which are responsible for the health of their local communities
- fund and purchase health support services on behalf of the Crown, including the maintenance of service agreements, particularly for public health, disability support services and other services funded by the Ministry
- administer legislation and regulations on behalf of the Crown, and meet legislative requirements
- administer payments for health benefits and service agreements on behalf of DHBs and the Ministry funding agreements, including approximately 90 million transactions each year to pharmacists, general practitioners, midwives and other health providers
- collect and analyse health information for DHBs and to inform the Ministry's national oversight, which includes the management of national surveys, and information registries that receive around 20 million data entries per year
- service Ministers' offices and ministerial advisory committees.

The Ministry also has health professional and advisory roles to provide clinical and technical advice to the Minister and within the Ministry. Some of these functions also have clinical decision-making and/or statutory responsibilities (such as the Director of Public Health).

While all of these roles are important to the operation of New Zealand's health system, this Statement of Intent emphasises those that contribute most to achieving the Government's priorities. More details on the ongoing roles and wider work of the Ministry can be found in the Information Supporting the Estimates of Appropriations.

# Strategic Direction: Better, Sooner, More Convenient Services

New Zealand's health and disability system needs to provide high-quality and responsive services fairly to all our citizens. It also needs to strive to continually provide better value for money in the services it provides. This Statement of Intent highlights the strategic areas the Ministry will focus on to achieve these aims, and to deliver on the policy priorities of the Government to provide 'better, sooner, more convenient' services.

The New Zealand health and disability sector covers a huge range of areas, from preventive care provided in community settings, to highly complex tertiary care provided in teaching hospitals. The focus of our strategic direction is on improving performance where some significant challenges need to be addressed. For example, conditions such as heart disease, cancer, diabetes and tobacco-related disorders are avoidable yet still account for 80 percent of early deaths. Chronic conditions continue to have a disproportionate effect on people on low incomes, and on Māori and Pacific peoples. Māori and Pacific life expectancy still remains lower than that of the wider population.

The performance of some parts of the system is also of concern. Health spending in New Zealand has increased much faster than Gross Domestic Product in recent years, but service improvements have been uneven. The Government has made it clear that the level of performance improvement has not been commensurate with increases in funding, particularly in areas such as elective services, emergency department responsiveness, waiting times and the workforce.

In addition to addressing these issues, we need to find ways to manage the pressures that cause the health system to fail to meet reasonable demands – and cause recurring crises. The key challenges are as follows.

- Population ageing will substantially increase the demands on the health system, and at the same time there will be a decline in the proportion of the population who are of working age. Other things being equal, this means that the increasing health costs will have to be borne by relatively fewer working-age taxpayers.
- The health workforce is ageing too. Our health workforce is highly skilled, highly professional and dedicated, but like other nations we suffer from the international shortage in health professionals. Staff shortages are affecting the safety and viability of some specialist services in some regions, and they contributed to some significant service failures over 2007/08. These workforce pressures are likely to intensify unless we get better at training, recruiting and retaining the health workforce we need.
- New Zealanders will also expect the health and disability system to deliver an increasing range of services and treatments, tailored to be more patient-centred. In the near future a range of high-profile but expensive new medical technologies will also pose a particular challenge.

These challenges require a co-ordinated response throughout the health sector. However, with responsibility split among the 21 DHBs, effective co-ordination of service planning and delivery has proved difficult to achieve. This is reflected in the present fragmented service provision, differences in access between services and across regions, and considerable variation in performance against national indicators and targets.

All of these issues result from a combination of long-term trends and factors that have arisen more recently. New challenges will inevitably emerge in the future. The Government's agenda for delivering 'better, sooner, more convenient' services aims to meet these challenges. Over the next three years the Government intends to make the health and disability system more adaptable, innovative and forward-looking. It will be working to improve services today while building the resilience to meet tomorrow's challenges. This will include:

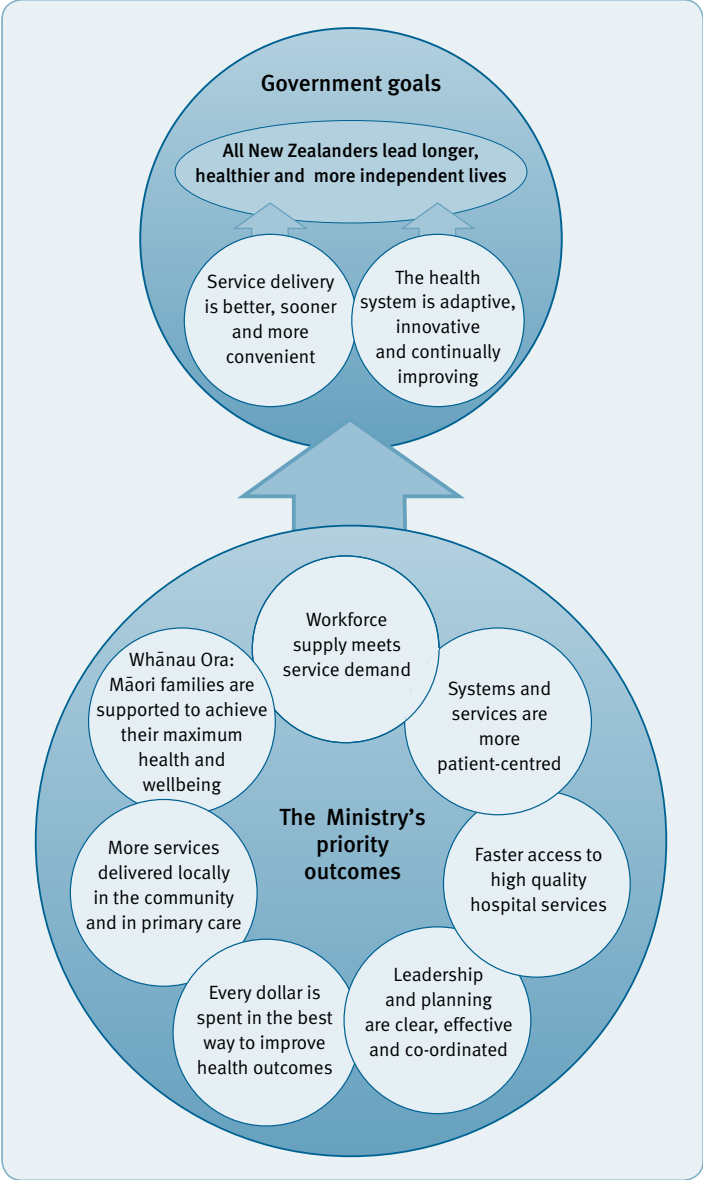
- designing services that are more attuned to the needs of patients, individuals, families and communities
- whānau ora: facilitating positive and adaptive relationships within whānau and recognising the interconnectedness of health, education, housing, justice, welfare, employment and lifestyle as elements of whānau wellbeing
- addressing public concern and frustration about waiting times and the inconvenience of many services
- reducing the costs of bureaucracy by ensuring better co-ordination and less duplication among DHBs, with more shared services and less duplication of planning, funding and monitoring functions
- engaging health professionals more in the planning and running of local, regional and national health services
- improving productivity and value for money
- strengthening the health workforce through improved recruitment and retention practices, as well as targeted training
- making smarter use of the private sector to provide services to support Government objectives.

The Ministry has a pivotal role in leading the sector's response to this agenda. This is reflected in our outcome framework (Figure 1, see over page), which shows how the Ministry's seven new priority outcomes relate to the Government's wider goals and its support arrangements with other political parties.

These seven outcomes are inter-related and mutually supporting, and they describe conditions to be achieved in and across the sector over the next three years. Success will therefore depend on the Ministry getting the policy and regulatory settings right, and on us working effectively with other sector agencies to ensure we are all doing the right things in the right ways.

The next section, describing our operating intentions, explains the outcomes in more detail.

Figure 1: The Ministry’s medium-term outcome framework



# Operating Intentions

## The Health Targets

The Minister of Health has identified six target areas to focus progress on the Government's goal of achieving 'better, sooner, more convenient' services. These targets are also indicators of overall system performance.

The streamlined goals reflect the Government's desire to simplify the current complex and multi-tiered monitoring and reporting system. The first three focus attention on the urgent issue of excessive patient waiting times in public hospitals. The last three focus on early intervention to prevent ill health, investing in the health of our children, and effective prevention through primary health care services. The Government plans further simplification and focusing of monitoring and reporting this year.

The targets and their respective indicators are shown in Table 1.

**Table 1: Government Health Targets**

Target	Measure
<b>Shorter stays in emergency departments</b>	95% of patients will be admitted, discharged, or transferred from an emergency department within 6 hours.
<b>Improved access to elective surgery</b>	The volume of elective surgery will be increased by an average 4000 discharges per year (compared with the previous average increase of 1400 per year).
<b>Shorter waits for cancer treatment</b>	Everyone needing radiation treatment will have this within 6 weeks by the end of July 2010 and within 4 weeks by December 2010.
<b>Increased immunisation</b>	85% of two-year-olds will be fully immunised by July 2010; 90% by July 2011; and 95% by July 2012.
<b>Better help for smokers to quit</b>	80% of hospitalised smokers will be provided with advice and help to quit by July 2010; 90% by July 2011; and 95% by July 2012. Similar target for primary health care will be introduced from July 2010 or earlier, through the PHO Performance Programme.
<b>Better diabetes and cardiovascular services</b>	A. Increased percent of the eligible adult population will have had their cardiovascular disease risk assessed in the last 5 years. B. Increased percent of people with diabetes will attend free annual checks. C. Increased percent of people with diabetes will have satisfactory or better diabetes management.

# 1. Workforce supply meets service demand

## Why is this outcome a priority?

New Zealand faces critical workforce shortages across many health sector groups, including general practitioners, many hospital specialists, midwives, intensive care unit and aged care nurses and dental therapists. These shortages will get worse unless we improve our ability to attract, train and retain enough staff in all service areas across all parts of New Zealand.

## What are we seeking to achieve?

We want to ensure that all services across New Zealand have the right mix of staff to deliver high-quality services to all who need them. This will involve:

- retaining more of New Zealand's valued and skilled health professionals by ensuring they are fully engaged and satisfied in their jobs, and their expertise is being used in the best way to treat patients
- boosting the workforce in areas and specialties that are hard to staff, focusing particularly on rural and provincial areas and on the workforce needed to support and deliver elective services
- work with DHBs and providers to ensure that actions are taken to meet the future workforce needs of the aged care sector
- moving New Zealand towards self sufficiency in health workforce training
- understanding likely future gaps in workforce and skills across critical services, and identifying the actions needed to fill these gaps.

## What will we do to achieve this?

New Zealand will never be able to compete internationally for health professionals on the basis of salaries alone. Financial incentives are important, but we also need to improve the engagement and job satisfaction of our health professionals. The Government is implementing a suite of policy changes to achieve this and will provide leadership across the sector to ensure a co-ordinated approach to workforce development.

To contribute to this the Ministry will:

- work with DHBs to enhance clinical leadership, build a new partnership with health professionals, and promote and provide stronger and more engaged work environments
- develop and promote clinical networks to improve links between doctors, nurses and other health practitioners, and to improve patient services and performance
- increase the number of health professionals that deliver and support elective services
- implement a voluntary bonding scheme to encourage graduate doctors, nurses and midwives to work in hard-to-staff communities or specialties for three to five years
- increase training places for medical students and general practitioners (GPs)
- develop options for increasing the number of accredited rural training practices and the number of students undertaking training placements in rural areas
- develop better projections for nursing education and staffing requirements
- improve planning and intelligence gathering to inform workforce purchasing, including through the Clinical Training Agency

- develop proposals for the disbursement of the \$1 million rural immersion funding to ensure it is used to best effect
- submit a proposal for the disbursement of the rural immersion funding to the Minister by 30 August 2009
- develop workforce planning that recognises that health professionals work in an interconnected way to deliver services, rather than continuing to conduct separate planning exercises for individual professions
- work with DHBs on the establishment of a one-stop shop to manage international recruitment into the health system
- promote enrolled nursing as a valuable part of the workforce
- work with DHBs to identify system-wide, regional and local options for reducing DHB reliance on outsourced personnel
- work with DHBs, training institutions, service providers and national Māori and Pacific organisations to improve the recruitment, training and ongoing professional development of Māori and Pacific health workers.

## How will we demonstrate success?

The Ministry will report to the Minister on:

- future workforce planning which recognises the interconnected way in which health professionals work to deliver services, and which includes the role of the Clinical Training Agency
- the number of doctors, nurses and midwives taking up the voluntary bonding scheme in 2009 (we are targeting a total of 350)
- the number of funded medical student places (targeting an increase of 60 places in 2010, taking the total from 365 to 425)
- the 50 percent increase in the number of funded GP registrar training places (targeting an increase of 50 GP registrars by 2010, taking the total number of GP training places from 104 to 154 per year)
- increases in the number of trainee places in rural areas
- progress in building staffing capacity for the new elective surgery super centres.

Across the sector, the Ministry will monitor and report on:

- DHB surveys of engagement and job satisfaction among health professionals
- the turnover rates and times taken to fill staff vacancies in DHBs
- the effectiveness of clinical networks established by DHBs
- the establishment of the international recruitment one-stop shop
- engagement with DHBs and the Nursing Council of New Zealand on enrolled nursing initiatives
- the locum project developed by the DHBs to achieve immediate and short-term reductions in the level of outsourced personnel
- the implementation of Māori and Pacific workforce development initiatives, and the impact these and other activities are having on the capacity and capability of Māori and Pacific health and disability workers.

## 2. Systems and services are more patient-centred

### Why is this outcome a priority?

People want health and disability services to focus on their needs and expectations and those of their families. They want seamless care between primary care, hospitals, specialist clinicians or other health professionals, and the allied services that can help in recuperation and recovery. However, while health professionals may want to offer ‘patient-centred care’, the systems and processes with which they have to work can make that difficult. This can lead to frustration and dissatisfaction among both those needing the services and the health professionals. It can also undermine trust in the system and trust in those who work in the system.

### What are we seeking to achieve?

We want faster implementation of patient-centred care for everyone, and we want the health needs of all individuals and communities to be met reliably. As part of this, we want to maximise the health and wellbeing of Māori and their whānau. Services need to focus on what works, recognising that this may vary for different communities and populations.

### What will we do to achieve this?

Work to achieve this outcome will include collaboration with DHBs and other public agencies to:

- develop and implement models of care (including structured care programmes) that provide continuity for patients across services and specialties, as well as throughout the course of illnesses
- initiate and co-ordinate a national collaborative approach to improving the patient journey, based on the Optimising the Patient Journey project and other approaches that have been demonstrated to be effective (nationally and internationally)
- improve the time health professionals spend with patients
- continue to promote the tailoring of services to meet the health needs of all New Zealanders, including Māori, Pacific peoples and Asian populations (recognising that what works for different populations does vary)
- reduce bureaucracy and red tape that can delay approval and access to new medicines and technologies, and to equipment that can support independent living
- ensure faster progress in developing and adopting better and more connected health IT systems that can support government priorities
- provide ready public access to information that will help people make decisions about maintaining their own health and support them to manage their care
- ensure a voice for people living with disabilities
- expand the availability of individualised funding arrangements for people with disabilities to enable them to manage the resources they have been allocated for their support, and investigate options for establishing local area co-ordination key workers (or similar processes) to help people with disabilities access services that meet their needs

- encouraging service providers to monitor the health status and patterns of service use by group (eg, ethnicity, health need) and respond accordingly
- support those District Health Boards responsible for the establishment, and further development, of regional eating disorder services.

## How will we demonstrate success?

In terms of the Ministry's own activities, we will:

- require DHBs and providers to survey people participating in structured care programmes to ensure these programmes are patient-centred and meeting their needs
- promote approaches that have proved effective (nationally and internationally) in improving quality of care by lifting the amount of time health professionals are able to spend with patients
- continue to identify and monitor trends in the health of Māori, Pacific peoples and other groups at risk of particularly poor health outcomes
- measure whether all population groups (including Māori and their whānau) have equal access to relevant, high-quality health services
- ensure health information is communicated in a way that is appropriate, accessible and effective for all groups
- develop standards and national IT infrastructure to enable better continuity of patient care, particularly between primary and secondary services, including community laboratories and pharmacies
- encourage companies to use the streamlined approval process for medicines approved by trusted overseas regulators; and monitor and publish time to approval for medicines
- report to the Minister on options for measuring progress in achieving Whānau Ora
- monitor the increase in the number of people with disabilities who are able to access individualised funding
- report to the Ministerial Committee on Disability Issues on options for establishing local area co-ordination key workers (or similar processes).

Across the sector, the Ministry will monitor and report on:

- the implementation of IT systems that assist information sharing, underpinned by agreed national standards for health information sharing
- the collection and analysis of data (including ethnicity data) to enable better delivery of services
- the adoption, implementation and success of the Optimising the Patient Journey programme and other approaches that have proved effective (nationally and internationally) in improving quality and service
- the establishment of eating disorder services, including provision of beds, day programmes, expansion of clinical coverage, and increased staffing numbers (including the appointment of a range of clinical specialists and an Eating Disorder Specialist team).

### 3. More services delivered locally in the community and in primary care

#### Why is this outcome a priority?

For most people, their GP is their first point of contact with health services, and GP clinics therefore become the main conduit to other types of health care. Primary care can deliver services faster and closer to home. It is also one of the most effective ways to prevent disease through early detection and screening, as well as through encouraging people to take responsibility for their own health. It is also vital for the effective co-ordination of care across the continuum of health services and for managing care for people with complex health needs.

A range of health professionals including midwives, and community nurses (public health, Well child and school-based nurses) currently work in the community and primary care services, often with the neediest families. These services confer positive benefits to all women, children and families receiving them, and have a preventive, early intervention perspective, which links families to other services and community agencies.

Studies show that countries with strong primary care systems have lower rates of death from heart disease, cancer and stroke, and that they achieve better health outcomes for lower cost than those that focus on specialist or tertiary care. More can be done in New Zealand to increase the comprehensiveness and integration of primary health care services.

By 2031, 21 percent of our population is expected to be over 65. The ageing of the population will not only require strong primary care systems, but strong support services delivered in the community, including residential care.

#### What are we seeking to achieve?

The Government wants to build on the existing strengths of New Zealand's primary care and community based services by:

- encouraging co-located, multidisciplinary family health teams
- providing more of the minor surgery, diagnostic and outpatient services closer to home in primary care settings
- delivering primary care in a closer relationship with social care
- developing a more comprehensive programme for chronic conditions
- supporting the further development of effective Māori health providers
- encouraging greater integration between the existing primary and community based health services, and better maternal and child health services
- boosting respite care for older people
- preparing for the future by supporting a review of aged residential care services.

## What will we do to achieve this?

The Minister has signalled that changes in primary care provision will be a particular priority from 2010/11, and that he expects preparatory work to begin this year. The Ministry's work in this area is focused on this important preparatory work in laying the foundations for better, sooner and more convenient primary health care in out years. The Government is providing \$13 million a year to kick-start the devolution of secondary services to primary care, and we will be assessing the resource implications and comparative costs of moving to new service configurations.

In collaboration with DHBs and primary health organisations (PHOs), the Ministry will support DHBs and PHOs to identify secondary services that can be moved to primary care to provide more timely and convenient care, and will develop policy that encourages new integrated service delivery models.

This will include the creation of integrated family health centres, which could include a wider range of services such as pharmacy, allied health, community and social support services. These centres would provide a basis for the more effective use of multidisciplinary teams to co-ordinate and provide continuity of care.

We will work with DHBs and PHOs to strengthen and promote models of service delivery that contribute to whānau ora by improving health outcomes for individuals and their families/whānau. We will also work with DHBs and PHOs to encourage and support Pacific models of service delivery.

We will also seek to ensure that primary care provides faster access to tests and treatment. We will encourage GPs with special skills to provide a wider range of minor surgery in their clinics, and we will improve their ability to refer patients directly for specialist diagnostic testing. We will also promote more specialist assessments and post-operative care in primary care.

Our work will include developing options for increasing the flexibility of primary health care and other funding streams to ensure that PHOs and GPs are able to deliver patient-centred, clinically driven, integrated care at the local level.

The Government has identified child and maternal health as important areas for investment in the first term of office. The Minister expects the Ministry of Health and the Maternity Strategic Advisory group to finalise the Maternity Action Plan and implement key actions over the next two years.

We will continue to support the important prevention activities that are delivered directly to individuals and their family/whānau in primary care (eg, smoking cessation) in order to reduce demand on treatment services

We will also ensure that as the model of primary care evolves, funding for effective Māori and Pacific health providers will enable them to benefit from the changes.

In addition to its focus on primary care, the Government recognises the importance of increasing capacity and quality in aged care services. It has committed \$5 million a year to boosting respite care beds to support the wellbeing of caregivers and allowing older people to remain longer in their homes, and \$18 million a year to support the provision of quality nursing in residential care. Over the next 12 months the Ministry will also be improving the efficiency and effectiveness of statutory and DHB monitoring of aged residential care services.

It is also important to Government to improve the quality and provision of primary mental health care services. To help achieve this, the Ministry will identify primary mental health care services that have demonstrated clinical leadership and successful outcomes for clients, and will encourage other providers to adopt similar best practice models of service delivery in mental health.

## How will we demonstrate success?

The Ministry will report to the Minister on:

- improved patient-centred care within primary settings
- the implementation of new approaches to primary care provision as described above, including integrated family health centres (note that the emphasis in the current year will be on laying the foundations for change, with implementation itself largely starting in 2010 – or sooner if possible)
- the progress DHBs are making in shifting services from secondary to primary care
- next steps development of PHOs, to improve value for money and strengthen clinical leadership
- options for changing wider funding streams, within the funding currently available, to encourage PHOs, general practice and other community-based primary care (including Māori health) providers to provide a wider range of care, including better support for chronic care patients
- progress in relation to the Health Targets relating to immunisation rates, smoking cessation, and services focused on diabetes and cardiovascular disease
- the improved performance of PHOs nationally against the amended PHO Performance Programme
- options for speeding up GP access to necessary diagnostic tests, and to first specialist assessments for their patients
- options to increase the number of child health visits in the early years and improve integration of primary and community based health services (also relates to Outcome 5)
- the introduction of new monitoring processes and spot audits, and the findings of the review of aged residential care
- examples of best practice in primary mental health care service delivery, and actions taken to promulgate these models across the sector.

Across the sector, we will monitor and report on DHB and PHO engagement with, and implementation of, the above changes.

## 4. Faster access to high-quality hospital services

### Why is this outcome a priority?

Patients have to wait too long for too many hospital services. The Government is concerned that patients wait too long for hospital diagnostic tests, for cancer treatment, and for elective surgery. Even in emergency departments, injured and unwell patients can face long waits because wards are unable to accept them. This situation needs to change.

### What are we seeking to achieve?

The Government expects the following results from DHBs:

- increased elective volumes year on year – improved volumes of first specialist assessments and elective surgery
- shorter emergency department waiting times – better performance in terms of reducing triage times and length of stay
- shorter cancer treatment waiting times – shorter intervals between diagnosis and treatment, particularly radiation treatment.

### What will we do to achieve this?

The Minister has signalled that improved hospital performance is one of his key priorities for the current financial year. To ensure the sector is delivering on this expectation, the Ministry will work with DHBs to:

- enhance clinical leadership in improving patient services
- provide tangible advice on improving productivity
- actively support the adoption of new and innovative processes to improve timeliness and the quality of diagnosis and care
- agree on specific DHB plans for increasing elective surgery throughput and improving patient flow, and monitor performance against those plans
- oversee the development of the 20 new dedicated elective surgery theatres the Government has announced, and the workforce required to support them (for more details on the latter, see the discussion on our workforce outcome on pages 6 and 7)
- develop strategic partnerships with private sector providers in order to make more effective use of resources and capacity that span both public and private spheres (eg, facilities, equipment and workforce).

## How will we demonstrate success?

The Ministry will:

- provide the sector with tangible advice based on New Zealand and international experience to improve performance
- report to the Minister on actual and comparative DHB performance in relation to the Health Targets relating to:
  - shorter stays in emergency departments
  - improved access to surgery
  - shorter waits for cancer treatment
- establish a private sector liaison desk to improve collaboration between the public and private sectors.

In terms of the wider sector, the Ministry will monitor and report on:

- implementation of health sector plans to enable DHBs to achieve the three Health Targets referred to above
- the way in which DHBs have fully involved health professionals in decisions to improve service planning and delivery
- the impact that smarter use of private sector resources and capacity is having on key performance factors such as patient waiting times for elective and cancer treatment
- progress on developing the 20 new elective theatres, together with proposals for ensuring there are sufficient staff to run them
- the adoption, implementation and success of quality improvement initiatives and programmes.

## 5. Every dollar is spent in the best way to improve health outcomes

### Why is this outcome a priority?

Getting the best health value for every dollar spent is more important than ever, given the current financial situation. Despite the doubling of health spending over the past nine years, there has not been a corresponding increase in services in many parts of the health system.

### What are we seeking to achieve?

We want to see health resources used to maximum patient benefit, with resources moved from the back office to improve front-line patient services. We want poor-quality spending redirected to those front-line services that are under particular pressure.

### What will we do to achieve this?

The Ministry's work on this outcome falls into three categories of activity.

#### 1. Direct actions to move resources to higher-value activities. These include:

- prioritising Ministry of Health spending to activities that provide value for money and reflect Government priorities
- actively supporting DHBs and PHOs to enhance clinical leadership, streamline bureaucracy, and shift resources to front-line services
- providing direct support for DHBs in improving hospital productivity by:
  - supporting reduced duplication in planning, funding and monitoring
  - creating more shared services, both regionally and nationally, where that enhances quality and efficiency
  - in the light of the above actions, developing better measures of productivity
- promoting evidence-based and cost-effective service models that emphasise early intervention, including prevention and self-management, and which:
  - enable people to take responsibility for managing their own health, make healthy lifestyle choices, and progress Whānau Ora
  - improve early intervention in childhood to reduce the likelihood of minor child health problems becoming major adult health problems
- ensuring public safety and protecting New Zealanders
- continuing to support the Releasing Time to Care programme, which gives DHB frontline staff the opportunity to design safer and more reliable care processes, target specific risk areas, reduce lengths of stay and free up time for delivery of quality care
- introducing smarter ways of collaborating with the private sector to achieve the Health Targets (as discussed under outcome 4).

## 2. Simplification of monitoring and reporting. This includes:

- reviewing the performance management and accountability arrangements to reduce bureaucracy and improve effectiveness
- continuing our work with DHBs to:
  - streamline their performance reporting to reduce transaction costs
  - ensure the data collected focuses on the issues that really matter.

## 3. Strengthening DHB governance. This includes:

- improving the training and support of DHB board members
- supporting DHBs to improve their financial management and balance their budgets, over time.

## How will we demonstrate success?

The Ministry will:

- agree with the Minister an output plan for 2009/10 that reflects and enacts the Government's priorities for the health sector
- reduce departmental expenditure associated with the Ministry's current roles and functions
- identify how we can continue to reduce the costs our activities impose on others in the health system
- respond to the work of the Ministerial Review Group by reporting to the Minister on opportunities to reprioritise non-departmental expenditure to better support health outcomes
- monitor and report on progress made to strengthen DHBs' governance and improve their financial management.

We will also report to the Minister on:

- progress on the Health Targets relating to prevention (ie. Immunisation rates, smoking cessation, and services focused on diabetes and cardiovascular disease) – as discussed under outcome 1
- options to increase the number of child health visits in the early years and improve integration of primary and community based health services (relates to outcome 3)

In terms of the wider sector, the Ministry will provide leadership to encourage:

- improvements in the efficiency of DHB services; for example, through:
  - shifts in the allocation of DHB expenditure from administration to front-line delivery
  - improvements in the use of resources for necessary support functions (eg, the creation of shared services between DHBs)
  - improvements in DHB productivity
- smarter use of private sector resource and capacity to improve value for money
- increases in measurable support from DHBs and PHOs for appropriate (ie, evidence-based) self-care and early intervention
- improvement in the prevention and management of chronic conditions (such as cardiovascular and respiratory conditions) and reduction in the prevalence of modifiable risk factors, particularly smoking, obesity and high cholesterol
- the adoption, implementation and success of the Releasing Time to Care programme and other initiatives that have proved successful (nationally and internationally) at improving quality and performance.

## 6. Whānau Ora: Māori families are supported to achieve their maximum health and wellbeing

### Why is this outcome a priority?

Whānau Ora involves facilitating positive and adaptive relationships within whānau and recognising the interconnectedness of health, education, housing, justice, welfare, employment and lifestyle as elements of whānau wellbeing.

We know that the health system has not worked as well for Māori whānau as it could. We can see this in terms of disparities in high level indicators like life expectancy, and we can see it across a range of condition specific statistics (like cancer outcomes, tobacco use rates and communicable disease figures). Māori and their whānau – like all New Zealanders – should expect that: reliable health services are appropriate and there when they need them, their opinions will be valued, they will have a say in the shape and direction of health services and the strengths of family/whānau are recognised and supported by the health sector.

Because the causes of disparity for Māori are complex, so too are the required responses from the health sector. One of the required responses will be cultural competence in the health sector. This means that the health and disability system needs to support whānau to access and use health care services to better realise their desired health outcomes. These outcomes will also, in part, be more likely through responsive and meaningful relationships between health professionals and whānau.

### What are we seeking to achieve?

Releasing Māori potential to help improve health outcomes is the goal of Whānau Ora. The outcomes sought for whānau are that whānau members:

- experience physical, spiritual, mental and emotional health and have control over their own destinies
- live longer, and enjoy a better quality of life
- participate in te ao Māori and wider New Zealand society.<sup>1</sup>

The Treaty of Waitangi principles of Partnership, Participation and Protection will continue to underpin each of these outcomes.

### What will we do to achieve this?

Achieving real gains for Māori whānau and improved outcomes requires action by the entire health system. All of the priorities set out in this document therefore need to be implemented in a way that considers the impact on Māori, their whānau and their health needs.

In addition, there needs to be activity in four areas:

- whānau, hapū, iwi and community development
- Māori participation (eg, supporting effective Māori health providers and a highly skilled Māori health workforce)
- effective service delivery
- working across a range of sectors (such as social development, education and housing).

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1. He Korowai Oranga (Māori Health Strategy), 2002

All of these activities rely heavily on monitoring, research and evaluation, which in turn rely on the collection of high quality ethnicity data.

Māori health providers work with Māori whānau to ensure the best possible whānau outcomes across health and other social sectors. Further development of effective Māori providers is a priority for the Ministry so that these providers will continue to be a distinctive feature of the New Zealand health system. The Ministry will also identify and promote successful integrated service delivery models that are showing real improvements for Māori and their whānau.

A well trained health workforce that can relate to Māori and the context in which they live their lives is essential for all parts of the health sector and especially Māori providers. The Ministry will take steps to ensure Māori have access to the right kind of training so they can participate in the health workforce.

The Ministry will monitor health and disability service delivery to make sure it is working for Māori and that health potential is maximised. It will focus on reducing the incidence and impact of cancer for Māori – through early detection and screening, quality and integrated primary health care services and effective tobacco interventions. Ensuring high quality interventions for diabetes and cardiovascular conditions will also form part of the Ministry's work in coming years.

## How will we demonstrate success?

The Ministry will focus on outcomes, not activities, including:

- working towards and promoting strengthened whānau capabilities
- providing advice and contributing towards the development of integrated service delivery models for Whānau Ora
- undertaking research into successful models of Māori providers that are offering integrated health and social services to their clients
- reporting on the operation of the Māori Provider Development Scheme for 2009/10 and publishing purchasing intentions for the 2010/11 financial year
- supporting a range of initiatives to grow the Māori nursing, midwifery, public health and medical workforces, including working with the University of Auckland and Otago University to increase the number of students studying in health related fields
- implementing the Suspected Cancer in Primary Care Guidelines for investigation, referral and reducing health disparities with the sector to improve access to health services for people with early stage cancer
- working through the National Screening Unit, to reduce the number of Māori women developing and/or dying from breast or cervical cancers
- reviewing smoking cessation services to ensure they are effective in supporting improved health outcomes for Māori
- working towards ensuring diabetes and cardiovascular targets are achieved equally for all population groups, but in particular for Māori and Pacific peoples
- continuing its work to improve the quality of ethnicity data
- developing and implementing a work programme to look at the improvement of health literacy for Māori whānau
- supporting Māori leadership in health.

## 7. Leadership and planning are clear, effective and co-ordinated

### Why is this outcome a priority?

The Ministry of Health has a key responsibility for the development of the New Zealand health and disability system. In this role it both assists DHBs and sector groups to improve performance, quality and outcomes, and also monitors them in these areas. The Ministry also acts as the main conduit through which government decisions affecting the sector are implemented.

To a large degree this role underpins all of the other areas highlighted within the operating intentions. In order to make the changes highlighted in this document, the Ministry must work effectively with other agencies across the sector. The Ministry is well placed to facilitate and co-ordinate activity, and to share information that leads to system change and improved performance. Collaboration, facilitation and co-ordination are therefore fundamental elements of our role.

### What are we seeking to achieve?

To address the challenges facing the sector, the Minister is providing clear leadership on direction and priorities. The Ministry wants to reinforce this by improving the effectiveness of the planning and decision-making processes that translate priorities into action.

Service and infrastructure planning can be inconsistent, relatively short term, and focused on parts of the system with little reference to the whole. There is a lack of clarity about where the responsibility lies for a number of key service planning decisions, and there is too little participation by clinical leaders in the planning process. The Ministry will be addressing these issues, and will be ensuring that planning is better co-ordinated and integrated across the different levels of the health system – district, regional and national.

We want to ensure that DHBs forge a new partnership with health professionals and harness clinicians' expertise to improve service quality, planning and co-ordination. We also want to encourage DHBs to plan services more collaboratively with private providers – including hospitals, GP clinics, Māori and Pacific health providers, and other NGOs.

### What will we do to achieve this?

The Ministry will:

- communicate clearly to others in the health system (and beyond it) the Government's priorities, their implications, and how the sector can work together to address them
- listen to, and work more effectively with, clinicians and other health professionals
- assist and co-ordinate the efforts of clinicians, DHB managers and boards, along with others across the sector, as they plan and deliver service developments and improvements
- ensure that clinicians are more involved in planning and operational decisions, not only in DHBs but throughout the wider health sector

- finalise options for a policy framework to guide comprehensive long-term service planning at the regional and national levels, aligned with the Government's policies on clinical leadership
- ensure full and responsive monitoring of DHB and Crown entity performance.

## How will we demonstrate success?

The Ministry will report to the Minister on progress to:

- provide guidance and direction (as required) to DHBs and other sector agencies on the implementation of government policies
- work more collaboratively and effectively with clinicians and others across the health system
- develop clinical networks
- improve the Ministry's liaison with the private sector
- complete a service planning policy together with guidelines, tools and methods for funders and planners
- review and improve the Monitoring and Intervention Framework

Across the sector, the Ministry will monitor and report on:

- the incorporation of the Government's priorities in DHB planning documentation (such as district annual plans and statements of intent)
- the degree to which service planning processes are more integrated and co-ordinated across the levels of the system – district, regional and national
- the participation by health professionals in planning, managing and evaluating the effectiveness of services in their area
- the degree and nature of joint work being carried out between DHBs and private sector providers.

# Internal Priorities: Managing in a Changeable Operating Environment

## The operating environment

There are a number of pressures apparent today for the New Zealand health care system, and these are predicted to intensify in the future. They include:

- population growth and ageing, increasing ethnic diversity, and population redistribution across districts
- growth in the incidence and impact of long-term conditions, contributing to rising demand, increasing costs and workforce pressures
- the persistence of health inequalities
- the risk of worsening workforce shortages
- variation in performance and access across DHBs, with inconsistent service and infrastructure planning and lack of a long-term system-wide view
- opportunities and challenges arising from accelerating development of health technologies
- funding constraints, exacerbated by the current economic downturn.

The need to enhance the capacity in the Ministry and the sector to respond to these pressures was identified in the Ministry review carried out in 2006–07. As a result, the Long Term System Framework programme was established, an initial environment scan of the next 20 years undertaken (2008), and ongoing horizon scanning strengthened. Together with our ongoing policy and technical research, these programmes position the Ministry well to identify, assess and monitor the risks in its operating environment and identify what needs to be done to manage them effectively.

## Ministry of Health

The key objectives of risk management at the Ministry are to ensure:

- an environment in which all employees will assume responsibility for managing risk
- risk management practices are embedded in decision-making processes
- risks are identified, assessed, documented, monitored and managed in the Ministry using a consistent approach
- risks are prioritised and resources for management allocated appropriately.

The Ministry's Risk Management Programme is based on the Australia – New Zealand Risk Management Standards (AS/NZS 4360 (2004)). Each of the Ministry's directorates has a nominated risk administrator, who facilitates the co-ordination and administration of risk reporting within the directorate on behalf of the relevant Deputy Director-General. Deputy Directors-General are responsible for ensuring this information about their directorate's risks is up to date within the Ministry's Risk Management Register, and for signing off and then providing the Director-General, via the Risk and Assurance Group, with their monthly risk report/register. Directorates' risks are incorporated into their monthly report to the Executive Leadership Team, with any key risks highlighted.

The Ministry is a large organisation with a diverse range of responsibilities and objectives, and therefore faces a range of day-to-day and strategic risks. The aim of the risk management system is to ensure that all risks are identified and managed appropriately so that business objectives and potential opportunities are realised. Mitigation strategies are varied, depending on each individual risk, and can include both existing practices (controls) and future actions (treatments).

The Ministry has an Audit Finance and Risk Committee to advise the Director-General and the Executive Leadership Team on the quality of financial and performance reporting, risk management and audit functions, as well as the establishment and enforcement of financial policies and business practices and the Ministry's compliance with significant legal and regulatory requirements.

The Ministry's Risk and Assurance Team provides senior management with independent assurance and information on the governance and stewardship of the Ministry. The dispersed nature of the assurance activity throughout the Ministry has been identified as a risk. The strategy to manage this risk is to develop an assurance map reporting cycle to provide information and oversight of assurance across the Ministry and how assurance activity is aligned to risk.

The Ministry is confident that operational risks are effectively managed and that the policies, practices, procedures and controls in place are sufficient to reduce operational risks to acceptable levels.

## District Health Boards

The Ministry is responsible for funding and monitoring DHBs, which includes ensuring the DHB sector is meeting accountability expectations for financial and non-financial performance. The non-financial monitoring is focused on the implementation of the Health Strategies, which reinforce key Ministerial priorities.

The principal mechanism used to assess and respond to the changing performance of DHBs is the Monitoring and Intervention Framework (MIF). The MIF is a risk-based approach and allows for those DHBs that are performing satisfactorily to be relatively free from intervention. MIF levels are reviewed on a monthly basis, and changes are made where appropriate. Performance issues are addressed by increasingly intensive levels of Ministry monitoring and, where necessary, Ministerial governance intervention. The MIF is designed to ensure that monitoring is undertaken in a consistent and transparent manner. The MIF process is closely coupled with a well-developed relationship management approach with agreed escalation paths.

Strategic advice on trends in performance against target indicators, identifying opportunities for improvement and service reviews, are also provided to the DHB sector. Risk mitigation strategies have been developed and applied in collaboration with DHBs. These strategies include the exchange of regular operational advice, as well as the monitoring of trends and performance improvement via key indicators and agreed service expectations.

The Ministry is confident its monitoring of DHBs' financial and non-financial performance is effective.

## Emergency preparedness

The Ministry has key statutory and non-statutory emergency preparedness obligations, which require the Ministry to:

- be capable of continuing to the fullest extent possible in an emergency
- have the capability and capacity to respond in an emergency as required
- provide leadership and co-ordination for the health sector in planning and preparing for, and responding to, a health emergency
- lead the all-of-government response to a national health emergency, such as a pandemic.

The emergency preparedness work programme is strongly focused on increasing the capability and capacity of the health sector to deal with health emergencies. The Ministry maintains strong links with a number of other government agencies in delivering its emergency management responsibilities.

The Ministry is confident it can meet its statutory and non-statutory emergency preparedness obligations.

# Organisational Health and Capability

Since July 2007 the Ministry has been implementing a number of organisational changes designed to improve our capability to deliver on our priorities and provide better services to the Minister of Health. We have now completed phase one of this initiative – with the umbrella title of Building a Healthy Future – which involves improving our structure and alignment. The Ministry will now focus on the following key elements to enable a high-performing culture. This will ensure the Ministry will have the right tools and skills to work in a collaborative and responsive way to produce high-quality work.

## Building capability

The Ministry will develop an enhanced capability to assess value for money in health expenditure and to report on what needs to be done to ensure a financially and clinically sustainable health sector in the medium and longer term.

## Building culture

The Ministry will develop a high-performing culture by implementing:

- strong communication channels highlighting the Ministry's purpose and success
- coaching programmes to enable managers to develop tailored personal development plans (PDPs) with staff that are fit for purpose
- a talent management and succession planning framework.

*Note:* Key policy initiatives such as the Equity and Diversity policy and Health and Safety policy will support, and be fundamental to, the development of a high-performing culture within the Ministry.

## Building leadership

Strong leadership is an important part of driving culture (and strategy). To this end the Ministry will:

- align the Ministry's existing leadership competencies to the Lominger framework
- design, develop and deliver leadership programmes for all tiers of the Ministry, from executive to line management.

## Building engagement

Engaged employees are more likely to be aligned to the direction of the organisation and to be high performing. To enhance this the Ministry will implement the following initiatives:

- run the Gallup employee engagement survey in 2009 and undertake action planning at all levels of the Ministry
- develop and launch an Employee Value Proposition programme
- deliver a programme that communicates success and focus, and develops culture.

## Technology and infrastructure

Technology and infrastructure support, maintain and improve the Ministry's capability to build and deliver on its work programme.

The Ministry places considerable importance on developing and continually improving its capabilities. The Ministry will continue to focus on strengthening the following processes:

- assessing and prioritising ICT investments
- project governance and management
- solutions design and delivery
- technology and infrastructure support
- service delivery (eg, for processing agreements, claims and payments)
- ICT planning and risk management.

The Ministry's people and processes are supported by appropriate technology and office infrastructure, including fully supported and professionally managed computer systems and telecommunications facilities. Ensuring the provision of a quality information infrastructure, the availability of systems and the development of new business applications enhances the Ministry's capability to serve the public of New Zealand, deliver new initiatives and provide high-quality information for planning, decision-making and service delivery.

## Conclusion

We are confident that the Ministry's organisational health is satisfactory and that the Ministry has the capability and capacity to deliver on the intentions set out in this Statement of Intent. Moreover, the initiatives set out in this section are sufficient to ensure the Ministry will continue to improve its organisational health and further strengthen its capacity to deliver on all the roles it is currently asked to perform.

## Departmental Capital Intentions

The Ministry has an annual capital planning process that prioritises expenditure and agrees allocations for capital expenditure. Significant approved items are also required to submit business cases, and to follow the Ministry's Performance Management regime for the life of the project. IT projects over \$7 million are carried out according to the government protocols on approvals and engagement with other agencies.

**Table 2: Fixed asset purchases**

Fixed assets	2008/09 Supps \$000	2008/09 Estimated actuals \$000	2009/10 Budget \$000	2010/11 Budget \$000	2011/12 Budget \$000	2012/13 Budget \$000
Non-residential buildings	50	50	900	50	50	50
Plant and equipment	325	325	410	415	415	415
Computer hardware	8,000	8,000	8,450	10,000	10,000	10,000
Vehicles and vessels	230	230	250	250	250	250
Furniture and fittings	1,100	1,100	400	500	500	500
<b>Total fixed assets</b>	<b>9,705</b>	<b>9,705</b>	<b>10,410</b>	<b>11,215</b>	<b>11,215</b>	<b>11,215</b>
Intangibles	25,750	25,750	25,000	20,100	20,000	20,000
<b>Total fixed asset purchases</b>	<b>35,455</b>	<b>35,455</b>	<b>35,410</b>	<b>31,315</b>	<b>31,215</b>	<b>31,215</b>

The Ministry upgrades and replaces information systems and their supporting hardware to ensure compliance requirements are met, systems are operating efficiently, and fully depreciated assets are replaced. These asset replacements and upgrades are necessary to provide the tools necessary for the Ministry to carry out its functions to support the health sector.

The Ministry intends to spend \$85.1 million over the four years to 2012/13 on intangible assets comprising computer software, systems and databases that support DHBs and the wider health sector. This investment is required to update and modernise a number of core health data and management systems, some of which are over 10 years old.

## Additional Information

The Minister of Finance has not specified any additional reporting requirements.

## Additional Statutory Reporting Requirement

The New Zealand Public Health and Disability Act 2000 requires the Ministry to report annually on the implementation of (i) the New Zealand Health Strategy and (ii) the Quality Improvement Strategy. In addition, the Health Act 1956 requires the Director-General of Health to report annually on the state of public health. At present, all of these requirements are met by the annual publication of the Health and Independence Report.

