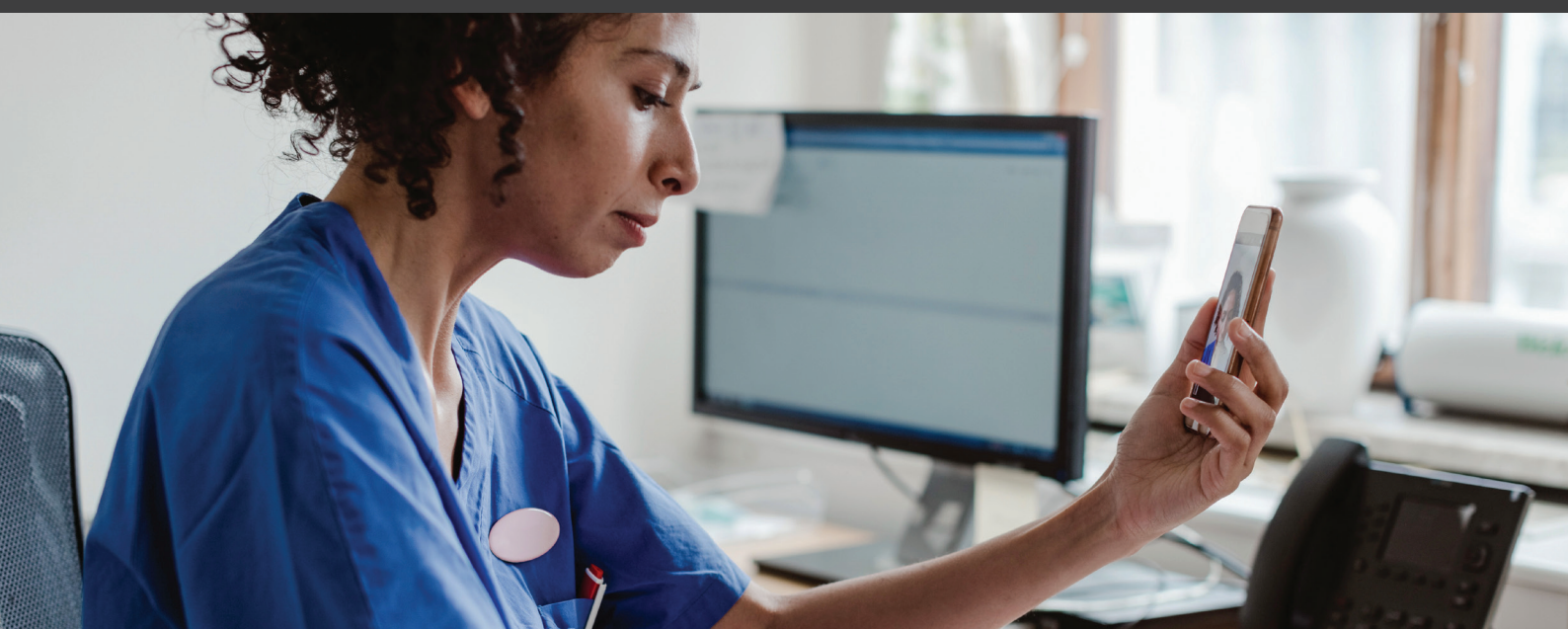


New Zealand Health and Disability System Review

Hauora Manaaki ki Aotearoa Whānui



The much-anticipated recommendations of the New Zealand Health & Disability System Review look set to transform the shape and focus of the New Zealand health sector and how Kiwis access hauora services. While a reduction in the number of district health boards was widely anticipated, the report sets out a sweeping and comprehensive programme of change that goes well beyond structures.



What you need to know

The Review recommends a suite of changes aimed at bringing about a strong, more sustainable, resilient health and disability system that delivers equitable outcomes. We have identified the key changes from this substantial report. These include:

Create clear leadership for the system

The Review recommends establishing new institutional leadership across the system, with functions split between three organisations:

Ministry of Health to focus on policy, strategy and stewardship, with strengthened leadership for public health.

A new independent Māori Health Authority established as the principal advisor to the Minister of Health on Māori Health. Its functions would include Māori health policy and strategy, and monitoring performance of the system in achieving equity and health outcomes for Māori.

A new Crown Entity, Health NZ, to drive the operations of the system and service delivery.

Commitment to Hauora Māori

In addition to establishment of the Māori Health Authority, the Review recommends:

- Te Tiriti partnership is reflected in the governance of Health NZ with Board membership comprised of 50:50 Crown-Māori representation.
- Legislation be updated with te Tiriti principles.
- Greater investment in kaupapa Māori services.
- Actions to address institutional racism, cultural safety, and workforce diversity.

Stronger focus on operations, planning and performance

New Crown Entity, Health NZ, would be charged with:

- Operational policy and service delivery, including new commissioning frameworks for services.
- Balancing financial performance of the system.
- Developing and overseeing a new planning framework for the system, including a 20-year NZ Health Plan to provide long-term direction and specific plans for workforce, data and digital, and asset management.
- A new strategic employment relationship function.
- Streamlining planning and prioritisation of the pipeline of health infrastructure projects and investment.
- Driving continuous improvement, reducing variation in performance, and facilitating and encouraging regional collaboration across DHBs.

DHB refresh

The Review recommends a suite of changes to modernise, and strengthen accountability and performance of DHBs, including:

- Reducing the number of Boards from 20 to between 8-12 within five years.
- Replacing the current Board elections with an appointment process.
- Greater accountability for Tier 1 services, including commissioning powers for services currently contracted at a national level such as Well Child, maternity and general practice services, transitioning away from national contracts and the PHO Services Agreement.
- Enabling financial sustainability by legislating funding arrangements (guaranteed yearly increases based on demographics, cost of services and changes to wages).

Create a new model of community and primary health care (Tier 1) services, based on needs of local populations

- Planning and delivery of primary and community services would be led by DHBs and organised by locality – geographically defined areas of up to 100,000 people.
- The requirement or expectation for general practice to be contracted via PHOs would be removed.
- DHBs would be required to guarantee availability of a defined group of services in each locality, and have the flexibility to commission services not routinely publicly funded, such as physiotherapy or adult dental services.
- Services would be required to be connected as a network, with shared accountability to DHB.
- A locality plan would guide locations, hours and access to services.
- Disability commissioning would ultimately be devolved to DHBs, and service design to be informed by the Enabling Good Lives principles.
- Funding for Tier 1 services to be ring-fenced, and a new funding formula developed to adjust for communities with higher health needs.

A strategic approach to health workforce planning and employment relations

- Use of commissioning and contracting policies to encourage more secure employment, particularly for home-based care and outreach service workforces.
- Streamline education requirements to be aligned to international standards and simplify the regulatory environment.
- Improve equity by encouraging the development of Māori and Pacific workforce, and improving cultural competency of the wider workforce, including leadership.
- Engage and work with the tertiary education ecosystem to support the development of the future workforce pipeline, including considerations of better support for on-the-job training.

What's not changing

Notable areas where the Review does not recommend changes are:

- The capitation based funding approach for general practice.
- Co-payments on either GP visits or medicines.
- Disability support services within the health system framework.
- The overall composition of the health and disability provider ecosystem – NGOs and private business will continue to have a clear role in the future system.

Next steps

Cabinet has agreed a small group of Ministers should drive reforms, led by the Prime Minister, with the Minister of Finance, Minister of Health and Associate Minister of Health (Māori Health). A committee will be formed to oversee detailed policy and design work, and an implementation team to carry out the work. It will be led by the Department of Prime Minister and Cabinet. Further decisions on recommendations will come in the next few weeks, months and 'into the next term of government'.

Rebuild New Zealand: Health

COVID-19 put a spotlight on, and increased, the impact of many issues that the health and disability sector were already grappling with. These included financial sustainability, the need for modern models of care, and equity of access and outcomes. PwC's recently-released [Rebuild New Zealand](#) report called for a reimagining of healthcare for all New Zealanders by learning from COVID-19, highlighting the potential need to consolidate our district health boards and seeking to secure efficient health infrastructure, which we believe is an important enabler for a more equitable and robust system of care.

The Review recommendations go a long way to addressing these issues and, in the coming weeks, we will be releasing our insights into how health and other sectors can look to rebuild better and stronger in the post COVID-19 world.

For further information

If you would like to discuss how the proposed changes could affect your organisation, or you would like assistance in preparing for the future health and disability system, please get in touch.

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