

Our health and disability system

**Building a stronger health and
disability system that delivers for all
New Zealanders**

April 2021

Our health system is supported by a dedicated workforce – but has become overly complex and fragmented, and could provide more equitable and better care.

In 2018, the Government commissioned the Health and Disability System Review to identify how we could reform our health system to deliver on that promise. This paper summarises the Government's initial response to that Review, and explains how we plan to strengthen our health system to ensure every New Zealander can access the right care at the right time.

Why reform our health system?

The case for reform of the New Zealand health system is clear. While the public health and disability system performs well overall by some measures, it has significant and persistent issues in delivering equity and consistency for all.

An ageing population, advances in care and a growing burden from chronic disease mean that demand for health services will only grow over decades to come. There are indications that our health system is struggling to keep up with current demand, and that our workforce needs greater support to keep New Zealanders well for longer. These reforms aim to tackle these challenges, and better equip our health system to thrive into the future.

What will reform look like?

Our aim is to strengthen our health system into a **single nationwide health service** which provides consistent, high-quality health services for everyone, particularly groups who have been traditionally underserved.

In our future health system, instead of a 'postcode lottery' which determines the care people can access, we will have a better balance of national consistency for hospital and specialist services and local tailoring of primary and community care. This will improve care quality and equity, while ensuring the services you receive close to home reflect the needs of your community.

To make this future possible, we need structures which ensure government is both closer to communities, and more nationally connected. To achieve that, we will:

- **refocus the role of the Ministry of Health** as the chief steward of the health system and the lead advisor to Government on matters relating to health
- **create a new organisation, Health NZ**, to take responsibility for day-to-day running of our health system – into which **all District Health Boards will be consolidated**
- **create a new Māori Health Authority** to ensure our health system delivers improved outcomes for Māori, and to directly commission tailored health services for Māori
- **establish a new Public Health Agency** within the Ministry of Health and a strengthened, **national public health service within Health NZ**, to make sure we are always ready to respond to threats to public health, like pandemics.

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Vision for our future

Our public health system is one of New Zealand's greatest assets, driving health, wellbeing and economic growth. We have a significant opportunity to make sure it performs at its best, and does better by New Zealanders who have been underserved in the past.

Our vision is to build a system which achieves pae ora | healthy futures for all New Zealanders.

A health system which achieves pae ora must focus on delivering:

- **Equity**, tackling the gap in access and outcomes between New Zealanders, particularly for Māori, Pacific peoples, disabled people, and vulnerable groups.
- **Partnership** with Māori in how healthcare is designed and delivered, and empowering everyone to help design systems which work for them.
- **Sustainability**, preventing and reducing health need instead of just addressing illness, and promoting efficient, high quality care.
- **Person and whānau-centred care** which empowers everyone to manage their own health and wellbeing, giving people, their carers and whānau meaningful control.
- **Excellence**, ensuring consistent, high-quality care everywhere, supported by clinical leadership, innovation and new technologies to continuously improve services.

In practice, this looks like a system where:

- our health system reinforces Te Tiriti o Waitangi principles and obligations, with rangatiratanga shaping care design for Māori, so Māori models of care flourish
- everyone can access a wider range of support to stay well in the community, with more services designed around people's needs and which better support self-care
- emergency and specialist care is accessible and consistently outstanding, with a national network ensuring excellent care doesn't depend on where you live
- digital services are far more accessible, with care close to home far more common
- health and care workers are valued, supported and well-trained, supported by shared values, better long-term planning, and collaboration between health organisations.

This future is within reach – but requires major changes in how our health system operates.

The approach to reform

The people working in our hospitals, general practices, pharmacies, outpatient units, Māori and Pacific providers, care homes and offices are exceptionally hard working and dedicated – but aren't well enough supported by the settings and infrastructure of our health system. There are many examples of innovation and great practice, but often these are not recognised or struggle to spread across the system.

For that reason, the Government is starting reform with the organisations which support delivery of our health system – including the Ministry of Health and District Health Boards.

If our goal is to improve the quality, consistency and equity of care our system delivers, we have to start with strengthening the functions, structures and organisations which make care possible.

Our health system has become too complex and difficult to manage. It is far too complicated for a small nation with limits on people, funding and resources. As a result, it makes it harder than it needs to be to deliver the best care for all.

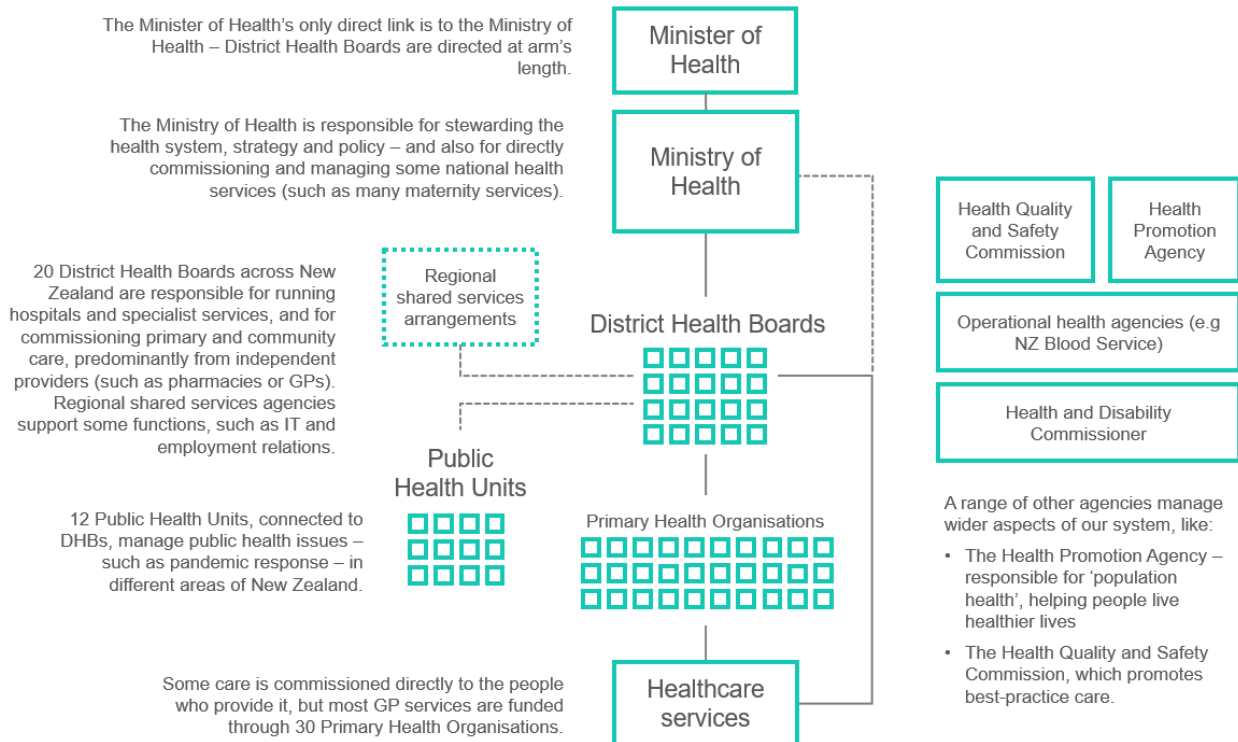
Over time, we want to better support care providers to take advantage of our strengthened health system to improve the quality and consistency of care, and better involve people as partners in their own care. This means things like working together to make care seamless and more convenient to access; redesigning services to better meet the needs of our diverse communities; and giving our health professionals the support they need to work at the top of their scopes of practice.

It also means making sure the 'enablers' which surround the health system – like having enough new health and hauora professionals, digital infrastructure, quality data and fit-for-purpose facilities and equipment – are fit for the health system of the future.

These changes will all come in time, and we will continue talking with both communities and health professionals about them over the coming months. But before that change in care can be effective, we need the infrastructure of our health system to better support our front lines.

Structural change

Our health system is relatively complex; it involves many organisations, each with their own roles and relationships. But at the highest level, our health system broadly works like this:

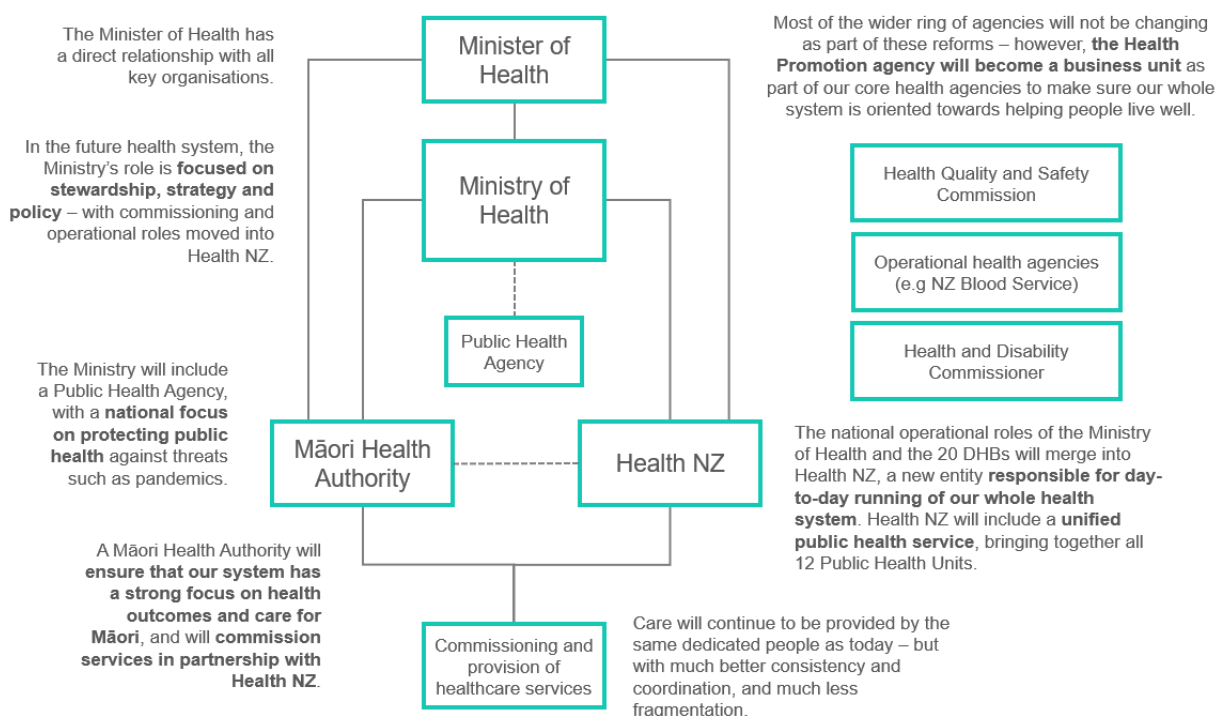


This system is characterised by:

- inequitable outcomes for Māori, Pacific communities, disabled people and others
- limited national planning, so that decisions which could be made once for the whole population are repeated multiple times
- insufficient focus on and investment in primary and community care which helps keep people well and out of hospital
- a 'postcode lottery' which means the care you receive depends on where you live, and which DHB and Primary Health Organisation covers you.

The new structures and organisations being created by these reforms are intended to remedy these problems – and create a consistent, equitable system to provide care to everyone.

Instead of that complex system, the health system of the future will look more like:



This system will be simpler and more coordinated, allowing for better and more consistent care. It will tackle the challenges of our current system through several key changes:

- Creating a new organisation, Health NZ, to manage our health system day-to-day. Instead of 20 DHBs, around 30 PHOs and a complex web of contracts, a single Health NZ will be able to ensure simplicity, consistency and quality of care.
- Health NZ will plan and commission health services for the whole population. It will set up four regional divisions and a range of district offices (Population Health and Wellbeing Networks in DHB localities) so decisions are made close to the ground.
- A new Māori Health Authority will have dual responsibilities: it will support the Ministry in shaping system policy and strategy to ensure performance for Māori, and will work in partnership with Health NZ to commission care across New Zealand, ensuring that the needs and expectations of Māori communities are also centred in design and delivery.
- The Ministry of Health will be able to refocus on stewarding the health system and providing advice to Ministers on health strategy and policy – meaning it will be better able to maintain visibility of the health system and New Zealanders’ holistic wellbeing.
- The Ministry will host a new Public Health Agency to provide national leadership on public health policy, strategy and intelligence; while Public Health Units will be brought together into a national public health service within Health NZ. This will ensure our Public Health Units are well equipped to respond as one to threats like COVID-19.
- To ensure a focus on keeping people well for longer is embedded in the heart of our health system, the Health Promotion Agency will be merged into Health NZ.

Hauora Māori

Over past decades, our health system has failed to perform for Māori. Māori suffer from more avoidable deaths than most New Zealanders, have lower life expectancy, and do not always receive the same quality care. These inequities cannot continue. To ensure they do not persist, and in recognition of the government's obligations to Māori under Te Tiriti o Waitangi, our health system needs to support hauora Māori in a very different way.

These reforms aim to strengthen rangatiratanga Māori over hauora Māori, empower Māori to shape care provision, and give real effect to Te Tiriti o Waitangi.

Initiatives such as Māori-led adult influenza vaccination campaigns in 2020 have shown the massive impact Māori leadership can have on achieving equity. These reforms will build on, and learn from, these successes.

To champion the voice of Māori in the health system, the future health system will have:

- a **Māori Health Authority with significant authority** to work alongside the Ministry of Health on strategy and policy, and to partner with Health NZ to craft care which better meets the needs of both Māori and other New Zealanders – as well as directly funding and commissioning more kaupapa Māori and te ao Māori-grounded services
- **strengthened iwi-Māori Partnership Boards** to act as an influencing and decision-making voice for iwi and Māori in each locality, so that Te Tiriti partnership operates at every level of our health system
- much stronger expectations on all health agencies and care providers to deliver better care for Māori and other vulnerable groups who have not historically received equitable care or outcomes.

This means that our future health system will have more deliberate investment in equity of access and outcomes for Māori, increased accountability, and a much greater role for iwi and Māori in shaping service design and provision for Māori communities.

In addition, targeted support for Māori care providers will allow us to grow the range of kaupapa Māori and Māori-centred services offered in our health system – which will improve reach into Māori communities, the diversity of service options available, and will improve health outcomes for Māori and non-Māori alike. It will also offer new arrangements to make sure that all networks of service providers are catering to the diversity of our communities, not only those who traditionally find it easy to access healthcare.

Primary and community care

Most New Zealanders interact mainly with the health system through primary and community care. That includes your local general practice, community pharmacies, Māori and Pacific community providers, aged care services, pharmacists, midwives, community mental health services, physiotherapists, dentists and others who help treat you and keep you well at home or in the community.

Lessening the burden on our health system requires that we keep people well for longer, with care provided close to home.

At the moment, it is too easy for funding and focus to be drawn away from community-based care towards hospitals and specialist services – even though we know that quality, accessible primary care is vital to keep people well for longer, and avoid more serious illness.

In the future health system, your area will have one or more **locality networks** of healthcare providers in the community. This will still include people like your local GP, maternity carers, district nurses and optometrists; but the care they provide will be more seamless and accessible. That might look like:

- tightening the connections between care providers, so that records and care pathways follow patients between all those contributing to their care
- better, greater use of digital technology to enable care closer to home, and more self-management of healthcare
- better tailoring of local services to meet community needs, like ensuring kaupapa Māori services are more available, or that funding makes whānau GP consultations or affordable after-hours appointments sustainable for providers.

These services will be shaped by both Health NZ and the Māori Health Authority, to make sure they are fit for purpose for the diversity of New Zealanders in our communities.

There will also be structural changes to primary and community-based care – mainly that GP services will no longer need to be funded through a Primary Health Organisation. This opens new, flexible options for how communities want to coordinate and manage care for their needs.

Hospital and specialist care

Hospital and specialist services tend to be accessed in specialist medical facilities – such as a hospital or outpatient clinic – and deal with more serious, complex or rare medical conditions. They include most of what doesn't fall into primary and community-based care, including hospitals and all the services attached to them, and outpatient specialist services.

Quality hospital and specialist care, when it counts, makes a tremendous difference to New Zealanders' health – but requires greater coordination and consistency than what we have now.

We know that hospital and specialist services in many parts of New Zealand are under significant pressure. A major cause of this pressure is that our hospital and specialist care is not managed as a coherent network – instead, services are managed in relative isolation from one another. This makes it harder than it should be to:

- ensure consistency of care across New Zealand, so the care you receive doesn't depend on where you live
- offer care where it is accessible and practical
- manage costs over time, which tends to reduce how much we have available to fund care in the community.

In the future health system, this will be improved by planning our hospital and specialist services nationally and managing them through wider **regional networks**. Instead of decisions about care being made in isolation from other surrounding regions, hospital and specialist services should be funded where they will make the biggest difference to New Zealanders' care. This will look like:

- more consistency in care across New Zealand – meaning that rural and small urban communities will have better access to care which is needed regularly close to home (such as well-equipped emergency departments and acute maternity care), and greater certainty where more specialist or complex care is needed
- reduced administration and complexity caused by the fragmentation of services across the country, reducing staff workload and making patients' experiences more seamless
- less competition between districts for staff and resources, so funding and staffing follows need.

Public health

Public health is where many of our opportunities to prevent illness begin, with activities like:

- population health – targeting the things which tend to make us sick (like smoking)
- disease prevention, such as through vaccinations
- responding to epidemics and pandemics.

COVID-19 has proven that we can lead the world in tackling public health threats – but only when we break down barriers and work together as a national team.

The past twelve months have shown that our public health system is proactive, innovative and closely connected to our communities. Initiatives led in partnership with Māori and diverse communities have kept us safer than almost any other country in the world.

But our experiences with COVID-19 have also highlighted weaknesses – particularly that our 12 dispersed Public Health Units need better national coordination and leadership when responding to nationwide threats to ensure best practice and improvements can scale.

Our future health system will have a stronger focus on public health, with particular focus on addressing the range of factors which contribute to health and wellbeing, from housing to employment to social care. Two major changes will reshape how we ensure public health:

- The Ministry of Health will host a new **Public Health Agency** which will be responsible for public health policy, strategy and intelligence. It will help us better understand and respond to threats to public health, and put scientific expertise at the heart of policymaking.
- Health NZ will include a **national public health service**, bringing together our Public Health Units under a national banner. This means we'll be better able to coordinate public health services, responding to threats like COVID-19, measles outbreaks, and smoking.

As part of this shift, it is also important that population health – which includes how factors like personal habits, housing and social care influence our health and wellbeing – is at the heart of our core health agencies. To ensure that occurs, the Health Promotion Agency will move into Health NZ to ensure we retain capability and expertise in population health. This capability will be available to both Health NZ and the Māori Health Authority, to ensure all New Zealanders are supported to stay healthy and live well.

The change programme

These announcements represent only the start of strengthening our health system. Changes to the structures of that system won't have an immediate impact on how, where and when you receive care; or where and how you work, if you're a member of the health workforce.

In the medium term, the ways that we support our frontline health professionals to provide care will need to improve so we can offer New Zealanders better care, and a more sustainable, empowering environment for our health workforce. In the future health system, you will still have a GP and a local hospital; but the care you receive will better reflect what you need, the values and expectations of your community, and what's convenient and practical for both you and healthcare professionals.

There are three major parts of the change programme to come:

- further policy work and reform
- detailed, collaborative design
- implementation and change.

These initial reforms are the start of an enduring, long-term project to improve care quality, consistency and equity – and to ensure our workforce feel valued and supported.

There will still be policy change and announcements to come in areas such as funding, workforce and digital health. These changes will take us further down the line towards meaningful change to care.

At the same time, health agencies will be working with you – whether you work in the health system or are a member of the wider community – on the details of how our future health system will work. There will be opportunities across all of the areas discussed above to influence how our future system can deliver better, more consistent and more equitable care.

Finally, there are major changes which need to start happening now, including establishing the new Health NZ and Māori Health Authority, and supporting DHBs and the Ministry of Health to get ready to transition responsibilities and employees into Health NZ.

Our commitment to you is that we will stay in touch, communicating openly, as we move towards a strengthened health system. If you have any questions, you can reach out to the Transition Unit managing the reforms:

Website: www.dpmc.govt.nz/our-business-units/transition-unit

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