INTERIM REPORT
PŪRONGO MŌ TĒNEI WĀ

HEALTH AND DISABILITY SYSTEM REVIEW

EXECUTIVE OVERVIEW

New Zealand
HEALTH AND DISABILITY System Review
HAUORA MANAAKI ki Aotearoa Whānui

Tīhei Mauri Ora

Ko te wehi ki a Ihowa, nāna nei ngā mea katoa.

Kei ngā maunga whakahī, ngā tai mihi tāngata, ngā awa e rere nei, ngā mana whenua, toitū ki a koutou.

He tātai whetu ki te rangi, mau tonu, he tātai tangata ki te whenua ngaro noa. Kei ngā mate o te wā whakangaro atu ra koutou.

Me aro ki te hā o te tangata – kei ngā mataora, tēnā koutou katoa. He mihinui tēnei kia koutou ngā kai pānui tēnei ripoata hauora hauā arotake wā poto.

Ko te whakaaro I te mutunga ka whai matauranga koutou ki hea Pūrongo mō Tēnei Wā – Hauora Manaaki ki Aotearoa Whānui.

Noho ora mai,
HEATHER SIMPSON

Message from the Chair / He mihi nā te Heamana

HEATHER SIMPSON | CHAIR

The attached report is both too short and too long.

It is too short because the health and disability system we have been tasked with reviewing is a huge network of interrelated organisations each of which is committed to providing quality care or services to their customers. Almost 8.5% of the entire New Zealand workforce is employed in some form in the health sector. This is a group of professional and committed individuals who often go above and beyond what is expected of them to assist those in need and to make the system as effective as it can be.

To do full justice to the range of issues facing this system and provide real insight into where the system could improve in the future could easily fill many volumes.

But it is also too long because we recognise that it is the complexity of the system, and the difficulty this causes for people to navigate it, that is often at the heart of individuals' and organisations' dissatisfaction with the way the system performs. For this reason, it would have been nice to produce a simple, easily readable, short analysis of the challenges and future directions that would have allowed everyone to understand and comment on the issues and potential solutions.

The reality, however, is that, despite the commitment and good intentions of most of those working in it, the current system is not performing equally with respect to all New Zealanders.

Significantly, te Tiriti o Waitangi / the Treaty of Waitangi guaranteed Māori their full rights and benefits as citizens, yet more than 80 years after the establishment of our public health system, the health and wellbeing outcomes for Māori are still significantly poorer than for non-Māori New Zealanders.

When we project forward and consider the demographic, technological, societal, cultural, and environmental changes that are rapidly overtaking us, it is clear there are challenges ahead. Continuing with the current model of care, based largely on a Western medical model, employing more and more medically qualified staff focused on treating illness, rather than promoting wellness, will not only be ineffective in achieving the equitable outcomes we desire, it will not be sustainable. The numbers of staff required will not be available and the cost would be prohibitive.

This interim report aims to achieve three things. It reflects back the issues people and organisations have told us are hampering the achievement of better outcomes, checks whether the available evidence supports what we have heard, and signals our initial thoughts on where we believe the biggest gains can be made to improve the performance of the system.

The distressing part of listening to and reading the wide variety of submissions we received was the degree of concurrence in the views of what people want the system to achieve and how they want it to behave. This would seem to be a good thing, but the reality is that these views have been being expressed, and supposedly agreed with, for decades. Yet the system changes have been only marginal at best.

We have seen many great examples of professionals working together to achieve real progress in some areas. We have seen rural communities demonstrating a degree of flexibility and cohesiveness that could be a model for the rest of the system. We have observed examples of where the adoption of new technologies or processes has fundamentally changed the outlook for patients in particular areas. And we have seen examples of governance arrangements between iwi, Māori and DHBs which are supported by all parties.

But we have also seen many examples where the system continues with practices that the evidence no longer supports. We see communities and whānau facing a system that looms as a confusing monolith, telling people what is good for them, rather than a system that works with them to improve their overall wellbeing in ways designed for them not for the system. And we have seen rural communities forced to make do with a level of service accessibility that is simply unacceptable.

The challenge is not to reinvent the wheel. Many strategies are already in place, and this interim report is a reality check on where the system is at.

The work of the Panel in the next phase will focus on the specific changes we believe will have maximum effect on moving the system on the path to equity, responsiveness, and sustainability.

There are no recommendations in this interim report. That needs to wait for further analysis and much more discussion, but it is clear to us from this phase of our work that if the system is to be more equitable and more sustainable, significant change needs to happen.

- The system needs to work:

  – in a much more cohesive, collective, and collaborative style within a set of agreed values and principles that apply throughout the publicly funded system
  – in partnerships both within the system and, more importantly, with those who choose or need to use it.
- The system needs stronger leadership at all levels and clearer, enforceable mandates and accountabilities.
- Māori need to be able to apply their Tiriti / Treaty rights and to have authority within the system to design and provide services that best suit their needs and allow them to embrace mātauranga Māori and fully express their cultural identity, and the system needs to support this.
- The long talked about move to give more emphasis to preventive care and the promotion of wellness needs to become a reality. This requires the growth of more multidisciplinary services and a reduced dependence on models that drive throughput ahead of service.
- Health services need to be planned more strategically, with more meaningful engagement with communities and better connections to other agencies with responsibilities impacting on key socioeconomic and cultural determinants of health.
- Workforce strategies need to be strengthened to ensure the future workforce better reflects the community it serves and has the skills necessary to operate effectively under different models of care.
- Data needs to be much more at the centre of decision making in the system, and this requires us to be much more determined about the type, standard, and relevance of the data that is collected.
- The urgency for making improvements to outcomes for Māori, Pacific peoples, and low-income and rural households means priority needs to be given to getting more appropriate services to these communities, rather than simply making system-wide changes in the hope that the benefits trickle down.
- The prospect of ever-increasing numbers of people with disabilities compels us to recognise that living with disability should no longer be treated as the exception. People living with disabilities have the right to expect equitable outcomes from the system, and we must ensure services strive to achieve that.

This report notes many other changes that the Panel considers need to happen.

Phase Two of the review will focus on building the details of changes to achieve the above. This will be done in conjunction with the sector and will include further consultation on specific proposals.

Executive summary / He whakarāpopoto

The Health and Disability System Review is charged with taking a system-wide approach to what needs to change to ensure the health and disability system of the future achieves better and more equitable health and wellbeing outcomes.

The canvas is huge. The health and disability sector employs more people than any other sector in the country and it impacts on the lives of every New Zealander.

The interim report does not provide specific change recommendations. It indicates the direction of change the Panel believes is necessary in key areas and points to questions which still need to be answered to arrive at final recommendations due in March 2020. This report reflects the messages received from meetings, submissions, analysis of the current state of the New Zealand system, and what is known about local and global trends that will impact on the system in the future.

Overall New Zealand has a good health system. Outcomes and spending are in line with other OECD countries, and the system has a dedicated staff who work hard to provide the best care for patients. There are many good examples of innovation in service delivery and initiatives achieving sustainable improvements in patient outcomes.

But it is clear that there is room to do better. The system is already facing many challenges and demand pressures are increasing. On the other hand new technology and new ways of working offer many opportunities. For the system to produce better and more equitable results in the future, significant changes will need to occur.

Panel members visited DHBs, met with key stakeholder organisations, held workshops and wānanga around the country, and conducted an online submission process open to all.

Key themes clearly emerged:

▶ The current system is overly complicated and very fragmented from a consumer's perspective, which leads to a lack of confidence or trust in the system
▶ Leadership is lacking at all levels and this partly results from a lack of clear decision making frameworks with confused accountabilities and little effective enforcement
▶ There is reasonable consensus around strategies in many parts of the system but little evidence of consistent implementation
▶ Concern about the inequity of outcomes is widespread
▶ Māori, as Tiriti/Treaty partners, have not been well served by the system and in the future mātauranga Māori and rights under te Tiriti o Waitangi/the Treaty of Waitangi, must be fully implemented

- There is recognition that the health and disability system alone cannot eliminate all differences in health and wellbeing outcomes, because most of the differences arise from social determinants
- Consumers want the system to work better for them. They need the system to respond to what consumers value and need, rather than being designed primarily around provider interests
- Disabled people want more control over their own lives, and more flexibility and inclusion from the system
- The way people work in the system is not leading to the most productive results. Healthcare organisations do not cooperate well, many professionals resist collaborating across disciplines, there is a lack of flexibility in employment arrangements, and a general resistance to change at many levels
- While consumers report facing barriers to access within the system, it is clear these do not simply relate to monetary costs. Time, transport, or lack of culturally appropriate services are often as, if not more, significant barriers
- Rural communities face particular challenges and need solutions designed specifically for them.

Directions for change

Combining the information from submitters with analysis of the current state of the system, and consideration of previous reviews, shows there are a number of areas where change could lead to more consistent and equitable results.

The interim report, in each of its sections, indicates the direction of change the Panel believes needs to be taken to formulate recommendations for the final report. Some of the common threads running through Panel thinking include:

Leadership focus and culture change

The system needs to work in a collaborative, collective, and cooperative way. Culture and attitudinal changes are needed. These changes need to be led from the centre and applied consistently throughout the system with a common set of values and principles guiding the behaviours of all parts of the system.

Mandates need to be clarified, accountabilities clearly defined, and enforced.

Placing consumers, whānau and communities at the heart of the system

The system will need to be driven more by what consumers value and need most, with more choice about how needs are met.

The system will need to be much more focused on preventing ill health and promoting wellbeing. A more deliberate population health approach will be needed at all levels if future demand is to be managed, equitable health outcomes achieved, and the system is to be financially sustainable.

Within Tier 1 (the broad spectrum of self-care, home and community services), more emphasis on community health hubs, offering a broader range of services in localities that suit consumers, will be essential, and funding systems will need to reflect more emphasis on prevention and wellbeing, and less on throughput.

Developing an effective Tiriti/Treaty based partnership within health that delivers a health and disability system that works for Māori

Te Tiriti o Waitangi / the Treaty of Waitangi must be fully incorporated to provide a framework for meaningful and substantive relationships between iwi, Māori and the Crown. This will provide a positive flow on effect linked to leadership, governance and decision making, and assist in strengthening Māori provider, workforce and service development.

Integration, planning and longer term thinking

At the governance level there needs to be more deliberate and longer term, national, regional and local level planning which engages communities effectively in planning and decision making.

At the operational level the system needs less duplication and more collaboration and integration, with hospital and specialist services operating as a comprehensive network.

Workforce strategies need to effectively address projected shortages, so the workforce of the future better reflects the community it is serving, is trained appropriately and is able to achieve better work/life balance.

Data systems which are of better quality and more integrated both within and between Tier 1 and Tier 2 (hospital, specialist and diagnostic services), are a prerequisite for implementing models of care which effectively use technology and best practice to provide better care and access for customers.

Major facilities and equipment in the system need to be managed within a national asset management plan, with transparent decision making, within a longer term capital funding path which encourages system-wide over local prioritisation.

Moving towards final recommendations

Clearly this summary cannot do justice to the breadth of input and analysis incorporated into the body of the report. It does however point to the direction of the work the review will be focusing on during the next phase of its deliberations.

The interim report details a number of questions which need answers before recommendations for action can be finalised. The process now will be to engage again to develop that detail.

The challenge and opportunity now is to build on the foundations of the existing system and leverage the commitment of those involved, and the service and innovations delivered, to create a more responsive, equitable and adaptable health and disability system.

Directions for change

Hauora Māori

Māori as Tiriti / Treaty partners have not been well served by the health and disability system. Despite many good examples of kaupapa Māori services proving their effectiveness, the system overall has not delivered Māori health and wellbeing outcomes that are fair.

While issues relating to Māori health are addressed throughout the report, key issues include:

RECOGNISING THE TIRITI / TREATY RELATIONSHIP

The Panel believes a health system tailored to meet the needs of all New Zealanders must:

▶ *Fully incorporate te Tiriti o Waitangi / the Treaty of Waitangi to provide a framework for meaningful and substantive relationships between iwi, Māori and the Crown and recognise the importance of considering the heterogeneous realities of Māori and kaupapa Māori aspirations*
▶ *better meet its obligations regarding the health of Māori communities and embed rangatiratanga (authority, ownership, leadership) and mana motuhake (self-determination, autonomy)*

EMBRACING MĀTAURANGA MĀORI

The Panel recognises that the New Zealand health and disability system has evolved with a strong western medical tradition. The inequities which have arisen for Māori from this system cannot be fully addressed without ensuring that going forward the system also embraces the Māori world view of health

The Panel recognises that progress has been made in incorporating mātauranga Māori into many of our practices but there will need to be an ongoing and deliberate policy to ensure that practice continues to grow and that kaupapa Māori services are more readily available.

Governance and funding

The function of the health and disability system is to improve the health and wellbeing of the population it is set up to serve. Too often in the past, the way the system has been designed or managed appears to have been driven by the interests of the system rather than the interests of those most in need of help. Inequitable outcomes have been the result.

The Panel is strongly of the view that priority for change must be given to areas that will most benefit those who are currently least advantaged.

A MORE COHESIVE SYSTEM WITH CONSISTENT AND EFFECTIVE LEADERSHIP

▶ *The Panel believes that while the shape of the particular structures within the health system are important, they are not the key reason for the lack of effective performance.*

▶ *If New Zealand is to develop a system that operates effectively with equitable outcomes throughout, it must first operate as a cohesive, integrated system that works in a collaborative, collective, and cooperative way. Behavioural and attitudinal changes are needed. These changes need to be led from the centre and applied consistently throughout the system.*

▶ *To this end, the Panel believes a clearly defined set of values and principles that appropriately reflects the diversity of cultures and Māori as tangata whenua should guide the behaviours and operation of the entire system.*

A CLEARER DECISION-MAKING FRAMEWORK

▶ *The Panel believes a clearer decision-making framework is needed across the system that allows decisions to be made in a timely manner, made at the appropriate level, and enforced effectively.*

▶ *Decisions should support the best use of available resources across the whole system, rather than being driven by the interests of a region, discipline, or organisation. Governors should be responsible (and held accountable) for both local and system-wide impacts.*

COLLABORATIVE LONG-TERM PLANNING

▶ *The Panel strongly believes that the lack of mandatory longer-term integrated planning throughout the system makes it impossible for communities or government to have confidence in the effective performance of the system. Planning needs to be strategic and undertaken within a system-wide framework.*

▶ *Effective strategic planning will require more systematic community and stakeholder engagement, both within the health and disability sector and intersectorally. Such engagement will be necessary in both the development and implementation of plans. Iwi and Māori must be fully involved.*

Population health

For the system to be more effective in the future, population health needs to be recognised as a foundational element for the entire system. This requires that capacity is both increased and better integrated across the system, and that the system operates more effectively with other sectors.

POPULATION HEALTH IS FUNDAMENTAL TO THE SYSTEM

▶ *The Panel believes that the focus of the system needs to be much more on the population, not just the individual who presents for treatment.*

▶ *Communities need to be more actively engaged in needs analysis and system planning. Greater emphasis on intersectoral work is also necessary to properly address the wider determinants of health.*

▶ *A continued focus on the basics, such as clean water, immunisations, and the provision of robust emergency preparedness capacity able to react immediately at the local level, will become more, not less, important as issues such as climate change and antimicrobial resistance, have an increasing impact.*

▶ *The Panel is well aware of ongoing debates about the desirability or otherwise of recreating a standalone Public Health Agency and consideration of which functions are best undertaken nationally, regionally, and locally. Further analysis and input from stakeholders is needed before we reach a view on this.*

Tier 1

Strengthening the role that Tier 1 services play in the system is critical. This view has been espoused for over 20 years, but progress has been limited. Equity is a priority and New Zealand needs to be more ambitious with Tier 1 services, as there is good evidence that enhanced Tier 1 service delivery can improve equity and support health and wellbeing for Māori and others for whom the current system is not working.

The system is very fragmented with 1000s of provider organisations operating under different pricing and access arrangements. In many instances, service delivery arrangements have not considered the burden of chronic disease, comorbidities and mental health issues that now exist in communities. Nor have these arrangements kept pace with how New Zealanders expect to be able to access services or the health information for themselves.

SYSTEM DESIGNED FOR THE CONSUMER AND THEIR WHĀNAU NOT THE PROVIDER

▸ *The measures of value and cost the system uses needs to reflect much more what consumers and whānau value, not simply what the system deems important.*

▸ *Services should be established where they best suit the community (now and into the future), rather than allowing the location of services to be determined by the preference of providers alone. More services also need to be available for longer hours.*

▸ *The system needs to be better integrated so patients can move more readily through it.*

PROMOTING WELLNESS

▸ *Refocusing the system on promoting wellness rather than principally treating sickness also requires changes in attitudes and for health promotion and behavioural health services to be a much more integral part of the system. A bigger role for Population Health services will be essential in this.*

MULTIDISCIPLINARY COLLABORATIVE TEAMWORK THE NORM

▸ *A more determined effort is needed to embed more collaborative approaches to service provision, particularly if we are to address the equity issues experienced by Māori, Pacific peoples, disabled people, people living in rural communities, and other vulnerable populations. The sector needs to be less dominated by standalone service providers and be more driven by community-focused, integrated service provision hubs. A culture of collaboration between providers should be encouraged.*

▸ *The approach of general practices and community pharmacies being largely funded on the basis of throughput is unlikely to be appropriate in areas where the emphasis needs to be on encouraging behavioural change and early intervention.*

▸ *Different approaches need to reflect not only different business models but also different cultural perspectives.*

ENABLING MĀORI TO PROVIDE BETTER SERVICES FOR MĀORI

▶ *Māori must have the right to access and develop services that appropriately recognise whānau rangatiratanga and are culturally appropriate. This will require both more Māori providers and more Māori involvement in the governance, planning and development of the system.*

LEARNING FROM RURAL COMMUNITIES

▶ *For Tier 1 services to be effective, they need to be designed to support the community they are serving. The Panel observed positive examples of rural communities using technology and more flexible working arrangements to provide more comprehensive service coverage. We believe many lessons can be learnt from these examples and applied to make urban services more effective and efficient.*

CLARITY OF MANDATE AND ACCOUNTABILITY

▶ *The system gives both DHBs and PHOs responsibilities for promoting health and wellbeing for their populations. This sometimes leads to a constructive working relationship between the two and sometimes leads to neither accepting real accountability. Achieving more integration and more effectiveness will require either fewer layers of accountability or that the system is clearer about where accountability for producing results lies.*

CHANGING FUNDING MECHANISMS

▶ *Dependence on funding mechanisms that incentivise throughput needs to be reduced, and the first priority for change needs to be improving services to the populations for whom the current system is not working well.*

▶ *Similarly, the lack of any systematic process for determining which services qualify for public funding and which do not needs to be revisited.*

▶ *The current mix of funding regimes, which leads to a plethora of different charging regimes for consumers, needs to be rationalised so the imposition of charges in some parts of the system does not distort the ongoing development of more holistic services.*

BETTER DATA MANAGEMENT

▶ *All data generated across Tier 1 services should be covered by system stewardship agreements. These agreements would facilitate shared decision making and more coordinated service delivery and give consumers greater confidence that all providers can access their relevant information.*

Disability

Better health, inclusion, and participation of people with disabilities must be a priority for action across the whole health and disability system. Increasing numbers of people are living with disability, and more disabilities are being recognised. The system needs to gear its ability to respond to disability becoming more of a norm.

LIVING WELL AND PREVENTION

▶ *A focus on living well and preventing the exacerbation of disability should be a priority. This will require more integration both within the system and across other parts of government. Promoting living well for everyone, with and without disability, and preventing different abilities and health conditions from becoming disabling, need to be the focus.*

MORE VISIBILITY

▶ *All people with disabilities have health conditions and/or health care requirements at some time. The Panel believes disability needs to be much more visible at a system level, so the health outcomes of disabled people are properly focused on.*

▶ *Better data collection and information use, greater inclusion and participation of disabled people through all levels and parts of the system, and better service and workforce development are fundamental.*

SYSTEM LEADING BY EXAMPLE

▶ *The Panel's view is that, as the largest employer in many regions, the system should lead in employing people with disabilities. Boosting employment of disabled people overall may be the single biggest contributor to improving wellbeing of disabled people. Bringing their skills to the workforce in health will also make the sector more responsive, adaptive, inclusive, and reflective of the community.*

WHĀNAU AND CARER SUPPORT

▶ *Disabled people are members of families, whānau, and communities. Addressing whānau and carer needs should be an integral part of all aspects of disability service assessment and provision.*

MORE JOINED-UP INFORMATION, ADVICE, AND SERVICES

▶ *The Panel believes that delivering a transformed disability support service using Enabling Good Lives principles may improve the future for many disabled people, but this will require focused leadership and change.*

▶ *There will continue to be a large number of people with disabilities for whom other parts of the health or wider government system are the main point of contact. Interface issues across the system and historical boundaries that no longer seem relevant need to be addressed and greater flexibility introduced.*

Tier 2

The need for high-performing Tier 2 services will continue to grow for the foreseeable future, as the burden of chronic disease grows and the number of people living longer with multiple comorbidities increases. This will include the need for both hospital-based services and specialist services delivered in outpatient, community, and virtual care settings.

BETTER PLANNING

▶ *The Panel is strongly of the view that a nationwide long-term health service plan needs to be developed and refreshed regularly. This plan would address which services should be provided nationally, regionally and locally.*

▶ *Further analysis is needed to determine the level of specificity this plan should include, but it needs to be able to inform and guide investment and disinvestment decisions across workforce, digital technologies, facilities, and other infrastructure.*

QUALITY IMPROVEMENT

▶ *The Panel believes that continuous quality improvement needs to become a much more prominent driver of service design and delivery. Achieving this will require more transparency and sharing of information about variation in performance, quality, and outcomes with providers and consumers. Clinical leadership, in both design and implementation, will be essential, as will be the need to respect and incorporate cultural values and consumer input.*

▶ *The system will need to become more transparent and evidence-based, leveraging international thinking where appropriate, to improve decision making regarding what and where new investment and disinvestment should occur.*

A NETWORKED SYSTEM

▶ *It will be essential, in the future, that all hospitals and specialist services operate as a cohesive network on behalf of the patient and the system, with clearly differentiated responsibilities as appropriate.*

▶ *For the system to become more responsive to consumer expectations, hospitals and specialist services will increasingly need to function on a 24/7 or extended hours basis for a wider range of services.*

▶ *Rural Tier 2 service delivery models will need to be supported by enhanced remote access to specialist services, enabling a wider variety of planned services to be accessed locally. The system also needs to be designed to reduce the need for patients to travel to outpatient clinic appointments and to better support generalist-led models of care for rural communities.*

Workforce

Workforce pressures are significant and need to be urgently addressed by ensuring both better planning for future supply and more flexibility in training to prepare for different roles. Workforce practices will need to provide better work / life balance in the future.

CHANGING SKILL MIX

▶ *The types of work and the balance of demand for different skills is changing rapidly, yet our training methodology is very rigid. The Panel believes the sector needs to be both more open minded about how services might be provided and more flexible about the range of qualifications needed to perform various tasks.*

▶ *We need to improve communication between tertiary education providers, professional bodies, the Ministry and DHBs in order to undertake more effective workforce planning and supply management. This will need to be centrally driven.*

▶ *Growing the workforce is not just a tertiary education issue. We should be actively influencing secondary school students to attract them into the health workforce and support them to be successful. Taking a strategic approach to growing our kaiāwhina workforce over the next 5 years will be a key to achieving a step change in the ways in which we are able to deliver services.*

▶ *Our digital and data capability needs to be invested in significantly, both in terms of building the skills of our current workforce and also creating new roles to support changed ways of working.*

BEING A GOOD EMPLOYER

▶ *The system could have a significant impact on the health and wellbeing of our entire population both by being a good employer and by ensuring the system workforce properly reflects the population it is serving.*

▶ *Leveraging the system's ability to create employment opportunities for those who have traditionally found it hard to find employment (particularly those with mental health conditions and disabled people), and growing the Māori and Pacific workforce is a must.*

CHANGING CULTURE

▶ *Changing demographics along with increasing comorbidities, and technologies, will continue to increase the demand for all parts of the system to act in more multidisciplinary, collaborative ways. The need to be able to provide services where they are most needed by consumers and in ways which are most accessible, will also require flexibility on the part of the workforce. Ensuring such behaviours are the norm rather than the exception will be essential.*

▶ *There are currently many different employers within the system and employees working for multiple organisations. While the Panel believes that the system should continue to consist of a variety of different business models it will be important that there are explicit measures in place to ensure conflicts of interest are properly managed.*

▶ *The presence of multiple employers, managing multiple employment contracts, with significantly different conditions can create constraints to optimising the effectiveness of the workforce and the efficiency of training, from a whole of system perspective. These impacts will need to be managed more effectively.*

▶ *Existing workforce strategies promote a strategic relationship between our key unions and the employers but there is little evidence of this being an effective partnership. Building a more collaborative workforce will require unions and employers to buy into different ways of working.*

Digital and data

Advances in digital technologies have huge potential to enable an information-rich, data-driven, people-powered approach to health care and to support the health sector in achieving better outcomes. New technologies such as genomics, artificial intelligence, and digital medicine are already transforming healthcare services, and other digital technologies, such as mobile, social media, cloud services, and analytics are changing the way healthcare services are delivered and consumed.

Good data needs to be one of the foundations of the health and wellbeing system. It enables consumers and providers to access and share information, plan, and make decisions about appropriate care. It can also help consumers to take control of their own health and wellbeing. For organisations and government, good data supports better decision making and planning, drives research and innovation, and enables monitoring and measurement of outcomes.

ROBUST AND ACCESSIBLE DATA

▶ *The system is becoming increasingly dependent on data and digital solutions. The Panel believes that the system needs to be better informed at every level by robust and timely data that is readily accessible to all who work in the system and all who use the system. Better data and more use of digital solutions is not only a necessity but it also provides an opportunity to free up clinician time to focus on more caring and to support those people who wish to use technology to help take greater control of managing their own health and wellbeing.*

STRONG LEADERSHIP TO DRIVE DATA STANDARDS AND OTHER MANDATES

▶ *The Panel believes that implementation of data standards, data stewardship, identity management, and interoperability must be accelerated. This will require strong national leadership, but will be essential for improving effectiveness and supporting collaborative and team-based working.*

DIGITAL LITERACY AND NEW WAYS OF WORKING

▶ *The Panel supports digital development at every level of the system. Training in new skills and ways of working will need to be embedded in an overall workforce strategy and development plan. New roles, such as for data analysts, will be required, and the system will need to make these roles attractive, as demand will be significant across the economy.*

Facilities and equipment

A significant volume of health capital investment will be required over the next 10 years to address issues associated with assets that have not been adequately maintained and/or are not fit for purpose. Investment will also be required to support new models of care and to accommodate demographic pressures including a reorientation toward Tier 1.

The Panel heard considerable frustration with current processes, including concerns about convoluted decision-making processes, the impact of the capital charge regime, and a lack of capacity and capability in the sector to manage and deliver major health capital investment projects.

MANAGING TO A SYSTEM PLAN

▶ *The Panel is of the view that future major capital investments decisions should demonstrate consistency with the long-term health service plan and follow a consistent decision-making process for facilities, major equipment, and digital technology.*

▶ *Capital planning should not be based on a one-year budget bid process. A longer-term rolling plan should be developed that is based on a prioritised, robust pipeline that will deliver the medium-term and longer-term service requirements.*

▶ *Links between system planning and local and district planning should be strengthened, and health infrastructure planning should be considered more routinely alongside local government, education, and transport planning.*

ASSET MANAGEMENT

▶ *The Panel believes that asset management planning processes must be strengthened to ensure that sufficient investment is made to maintain current infrastructure and replace major equipment, while also future proofing for new models of care and capacity growth.*

DELIVERY OF MAJOR CAPITAL PROJECTS

▶ *The Panel is of the view that processes for developing and approving business cases need to be streamlined so decisions are made in a way that minimises the time and expense incurred in progressing proposals that are unlikely to be accepted.*

▶ *The current distributed model for the design and delivery of capital projects is ad hoc, is expensive, and may not be sufficient or appropriate to meet the scale of investment required.*

▶ *Other jurisdictions have centralised these functions, and work is under way in New Zealand to explore such an option. The Panel believes there are potential gains to be made in this area and supports more work being done.*

Next steps

This Interim Report does not provide final recommendations of the actions needed to improve the performance of the system or the equity of outcomes from the system.

The purpose of the Interim Report is twofold. To reflect back to the community and the sector what the Panel read, heard, and observed about the main issues affecting sector performance and the things that are working well that we can learn from. Second to indicate the directions of change the Panel believes are necessary.

This report should contain few surprises. We observed a high degree of consensus on the issues preventing the system being as effective as it could be.

There is much less consensus on the best way forward.

The reality is that the world is rapidly changing. Changing demographics alone will increase demands on the system making it unsustainable unless it operates very differently in the future.

Consumer expectations are changing. New technologies, climate change, increasing comorbidities, and growth in antimicrobial resistance etc are happening whether the system changes or not. But their impact on system performance for the least well off will be hugely different, depending on what actions are taken now.

Phase Two of the review will, therefore, focus on developing recommendations for the key changes that can best move the system towards more sustainable and fairer performance. We have indicated throughout this report the direction the Panel believes those changes should take, and these are set out below.

Developing our final recommendations will require us to answer specific questions in each of our focus areas. These questions include, but are in no way limited to, those set out in the next sections.

Settings

The Panel is clear that a more integrated health and disability system is needed that operates within an agreed set of values and principles, with clear decision frameworks, national long-term planning, and explicit accountabilities. The Panel is also clear that the mana of Māori as Tiriti / Treaty partner with the Crown must be reflected in the way the system is governed and in how and what services are provided.

Issues which need further analysis and discussion however include:

- In taking a Tiriti / Treaty based approach in health, what are the implications for the role of Māori and iwi in leadership, governance, and decision making at national or local levels and how should these roles be provided for?

- What is an appropriate set of values and principles to guide the operation of publicly funded health and disability services in New Zealand?

- How does New Zealand build leadership in the system and enforce real accountability for performance at all levels?

- Where should responsibility for developing and implementing the system-wide long-term plan lie?

- What should be the balance between national decision making to guide the entire system and local autonomy to ensure services are designed to meet the needs of all communities?

- How can local communities have a meaningful say in how their services are planned and provided?

- Is continuing with governance by majority-elected boards, the most effective way to improve accountability or foster real community engagement?

- Is the best way to achieve more efficiency and more equitable outcomes within available resources to have fewer DHBs, DHBs with different functions and/or more sharing of resources at regional or national level?

- Should development of the health and disability system into a cohesive, integrated system with greater clarity of mandate, be driven centrally by the Ministry of Health or by a different agency?

- How should funding regimes change to provide more predictability to providers, more accessibility to consumers, and more accountability to government?

- How do we ensure that the mix of public and private business models engaged in the sector operate more effectively together, better manage conflicts of interests, and result in a mix of service provision that improves equity of outcomes?

- What accountability mechanisms should be applied to ensure both improved health outcomes and financial balance are achieved over time?

Services

For many years, various health strategies have promised more emphasis on population health and early intervention to shift the focus from treatment to health and wellbeing. However, despite many good examples of local initiatives changing how services are designed and provided for small groups, there is no evidence of a large scale or sustained movement away from a treatment focus towards a prevention focus. Nor is there evidence of the wellbeing of individuals and communities being recognised as the main factor that should be driving the design of service provision.

The Panel is clear that progress for those individuals and communities who are currently missing out in the system, hinges crucially on two things happening. First, services need to be funded and provided in a way that enables them to be designed around the wellbeing of the individual and their whānau, rather than primarily the interests of providers. Second, services need to be available to all on a fair basis, so that where you live, your degree of disability, or your ethnicity is not a determining factor in the quality of care you receive.

Issues which need further analysis and discussion in these areas include:

▶ If population health is to be more central to all planning and delivery in the system, should this change be driven by the local DHB or at a regional or national level?

▶ How do we ensure that what the consumers value is accorded highest priority?

▶ How do we ensure that Māori communities have access to appropriate kaupapa Māori services?

▶ How do we ensure that mātauranga Māori is properly reflected in service provision?

▶ How should the co-payment regimes and eligibility criteria for access to various Tier 1 services be rationalised?

▶ Given the desire for more reliance on integrated community health hubs, how should these be funded?

▶ Do PHOs in their current configuration add value to the provision of services?

▶ Given the increasing numbers of people living with some disability, how can further fragmentation of the systems designed to provide support be avoided?

▶ How do we increase the visibility of the needs of people with disability to ensure the system properly addresses their health needs as well as needs for disability support?

▶ How can better use be made of technology and local resources to ensure that rural communities have access to a full range of services?

▶ How can continuous improvement be embedded firmly into hospital systems with clinicians actively involved and accountable for building a networked system so the public has confidence that best practice will be applied throughout the country?

▶ Who should be accountable for decision making about new technologies, new services, and the development of guidelines and pathways and for setting thresholds for treatments? How can international work be incorporated and localised?

▶ How does New Zealand ensure its system of hospitals operates effectively as a network that delivers a fair distribution of complex services and better support to the provision of local services in smaller hospital and community settings?

Enablers

The health and disability system workforce is the foundation on which the system is built. But the workforce is under considerable stress because of a shortage of supply and the prospect of ever-increasing demand for health and disability services. While technology offers an opportunity for positive change in the way services are provided, it will never remove the need for good interaction between health workers, consumers and their families and whānau.

For the workforce to be effective in the future, various enablers need to be strengthened. Principal among these is for the system to produce and use much better data. The future of the system, as with all other sectors, is largely digital, but the ability to apply that technology effectively depends on data systems being up to scratch. Our report suggests this is not the case at the moment, so priority needs to be given to improving data collection, analysis, and stewardship and to making technology systems properly interoperable.

The health and disability system is always going to need a significant amount of capital investment to provide the population with access to modern, safe, and appropriate facilities. The recent history of capital and infrastructure management in the system is not impressive, and there is little confidence in the transparency or credibility of the decision-making mechanisms. The Panel is clear a national asset management plan and a long-term investment strategy are needed as part of the long term service plan.

Many issues need further analysis and discussion. These include:

▶ How can the strategic partnership between unions and sector employers be strengthened so the system can operate in ways that best suit the needs of consumers while at the same time protecting the rights and wellbeing of workers?

▶ How can training and regulatory regimes be developed so the workforce can gain and use the skills needed to adapt to the changing demand for services?

▶ How can the workforce of the future become more representative of the communities it is serving?

▶ What needs to change to make multidisciplinary teamwork the norm rather than the exception?

▶ How can data stewardship regimes be put in place to give all communities the confidence that their data will be protected and used appropriately and according to their permissions, while at the same time allowing appropriate sharing of information throughout the system?

▶ How can work done in other jurisdictions in regard to data standards, identity management, interoperability, and the like be best used?

▶ Would a centralised model for infrastructure projects be more effective?

What happens next?

The questions above are illustrative, not exhaustive, and the questions cannot be answered by the Panel alone. The process from here will involve the Panel calling on people in the sector to work with it on various working groups to come up with more detailed options.

Many groups have already submitted quite detailed proposals, particularly relating to possible configuration of Tier 1 services, and the Panel intends to use these as a base to develop further.

As options are developed, further opportunities will be provided for interested parties to comment before the next report is finalised in March 2020.