21 District Health Boards

QUARTERLY UPDATE FOR BOARDS

APRIL 2009
FOR THE QUARTER ENDING 31 MARCH 2009

Overview
Increase Value for Money & Productivity
Primary Health & Service Improvement
Future Workforce
Employment Relations
Health Procurement
Information
Communications

www.dhbnz.org.nz
Collective Activity

District Health Boards (DHBs) work collectively – locally, regionally and nationally. Collaboration to mutual advantage is now a core part of health sector activity.

Successful collective action through District Health Boards New Zealand (DHBNZ) improves performance and efficiency, and creates better outcomes.

The 21 DHBs have agreed collective principles and collective decision making and are fully engaged in collaboratively delivering on the strategic priorities.

District Health Boards New Zealand (DHBNZ)

DHBNZ is the Association of the 21 District Health Boards.

DHBNZ acts in DHBs’ collective interests and supports and helps DHBs deliver on their obligations under the New Zealand Public Health and Disability Act 2000. We support the Chairs’ Board of Governance and Executive Committee, and the Chief Executive Group.

DHBNZ facilitates and organises national collective work programmes as agreed by the 21 DHBs through the Strategic Plan and Annual Plan.

DHBs make their own decisions and are accountable to the Minister. DHBNZ has no ability to direct DHBs.

Quarterly Update for Boards: Publication dates

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Overview

In November 2008 the 21 District Health Boards (DHBs) wrote to the new Minister of Health to outline key issues in health and to express their commitment to active engagement to deliver on the Government’s priorities. In the three months to 31 March 2009, DHBs have built on that first formal engagement by further developing their relationship with the new Minister and his Ministerial Group, and by reviewing their strategic direction, as expressed through their collective workplan, in order to best respond to the Government’s health priorities.

DHB Chairs met with the Minister on 16 March, and have issued an open invitation to the Minister to attend each quarterly Chairs’ meeting. The Chair of the Board of Governance, Peter Glensor, will maintain the relationship with the Minister in between Chairs’ Board of Governance meetings. Lead Chairs will also build relationships in their strategic priority areas. Peter Glensor is the deputy Lead Chair on all priorities to ensure a consistent connection with the Minister across all areas of importance.

DHB Chairs and CEOs also met with members of the Ministerial Group during the quarter and feel confident there has been good engagement which will continue to develop over the coming months.

The Ministerial Group is due to deliver its final report to the Minister of Health by 31 July 2009, and the priority for DHBs in the quarter has been to ensure the Ministerial Group has heard their collective voice and understood the value of the collaborative activity already underway. Six issues were discussed in a meeting of the Chairs Executive and the CEOs Executive with the Ministerial Group in April: budget-holding by PHOs, workforce, productivity in hospitals, regional plans, capital, and devolution of services.

The three months to March have also seen considerable effort directed to a review of DHBs’ collective strategic priorities and a realignment of workplans to reflect the Government’s health priorities. In particular, consideration has been given to goals (5 year), high level strategies (3 year) and deliverables (1 year) to achieve both long-term objectives and shorter term results. Collective activity for the remainder of 2008/09, as delivered via DHBNZ, has been reviewed on a line-by-line basis.

The Chairs’ Board of Governance (21 Chairs) agreed to a set of revised Strategic Priorities at their March meeting, and the CEO Group is now developing these priorities in greater detail for discussion and sign-off. The new collective priorities are driving development of a new Strategic Plan 2009/14 and Annual Plan 2009/10, and future Quarterly Updates for Boards will be framed around these priorities.

This Update for Boards describes progress against the strategic priorities for the period to 31 March 2009, as well as communications activity. DHBs have received value in all priority areas, and current achievements and upcoming activity are outlined.

- **Increase Value for Money and Productivity**: this work has benefitted DHBs by supporting initiatives that deliver value for money, quality, examples of best practice and which encourage benchmarking. In the quarter the focus of this work has been reviewed and sharpened to align with the Government’s expectations of a greater emphasis on achieving productivity gains alongside efforts to promote quality. Productivity has been added as a specific work programme to VfM.
• **Primary Health & Service Improvement** has benefitted DHBs by sharing information and opportunities to improve service delivery across DHBs, PHOs and providers, and by giving PHOs more timely data for influenza and cervical screening indicators. As well, attention is being given to the current activities of PHOs which strengthen opportunities for clinical leadership.

• **Future Workforce** has benefitted DHBs by delivering clear strategic direction for each of the six major workforce areas. Collaborative workforce activity coordinates initiatives to provide for improved supply of key frontline workforces; flexibility including workforce innovation and competence development; recruitment and retention. Workforce activity identifies and provides advice on the sector’s requirements for policy enabling a flexible and responsive workforce. In addition, Workforce has been successfully profiled to the Minister and the Ministerial Group.

• **Employment Relations** has benefitted DHBs by delivering support to partnership agreements focused on service and productivity improvements. Workforce Strategy now drives Employment Relations activity. Work is well underway to refresh the Employment Relations strategy and structure to deliver on the Minister’s expectations as outlined in his letter to DHBs and also described in guidance from the State Services Commission.

• **Health Procurement** has benefitted DHBs by completing the analysis required to progress to developing a strategy to guide future procurement activity, managing delivery of several key projects, and gaining approval for four new collective procurement projects. A methodology called Category Management has been established as the strategic procurement approach for future projects, including the four new projects.

• **Information** has benefited DHBs by providing a collective voice into information strategy and working to align DHB activities where this provides value. In particular, work continued in the quarter to develop a joint DHB/MoH workplan to reflect the intent of the Statement of Commitment already initiated by DHBs.

Boards are invited to provide feedback on the value to their DHBs from DHB collective activity via DHBNZ and particularly on challenges and opportunities that should be addressed in 2009. The next Chairs’ Board of Governance meeting 15 June 2009 provides opportunity for free and frank discussion on priorities.

Please let us know if you would like a visit from the 21 DHBs’ leadership team. We’ve met several Boards already and we are eager to schedule more meetings.

A full report on progress against the 2008/09 Annual Plan for the period to March 2009 will be provided to all CEOs. The report includes project progress against milestones, value generated, and financial results.

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Peter Glensor    Garry Smith    Julian Inch
Chair     Chair    CEO
Chairs’ Board of Governance     CEO Group    DHBNZ
Purpose

Improve productivity in the sector by delivering Value for Money, emphasising quality, supporting and facilitating best practice in health delivery by celebrating learning and good performance, and encouraging benchmarking.

A shift in focus has placed greater emphasis on improving productivity in the sector to reflect the expectations of the Minister and DHB Chairs. Activities under Value for Money and Productivity therefore focus on achieving value for money (efficiency) gains from quality and efficiency initiatives, workforce and employment initiatives, and the many other areas of work being done by DHBs. The goal is to improve performance within a ‘learning sector’ so that performance improvement becomes an integral part of all sector activity.

What’s been done

Provider-arm benchmarking for 2009 continues through the New Zealand Chapter of the Health Roundtable and the Chief Operating Officers’ Group. A second meeting of the NZ Chapter during the quarter discussed the progress of the Stroke Initiative.

The Ministry’s representation on the Value for Money (VfM) Steering Group continued to work well in the quarter, with good sharing of information and alignment of activities. The Steering Group is reconsidering its role in light of the new strategic goals being developed for DHBs collectively, and specifically in relation to Goal 2. The draft Goal 2 objectives, measures and budget have been discussed by the VfM Steering Group, with particular reference to areas identified as ‘DHB business’ and ‘joined up MOH and DHB business’. The plan is still to be finalised for 1 July 2009 start.

What’s happening now

The Government’s strong interest in showing where value for money has been achieved through DHB actions means the VfM programme’s focus has shifted to include productivity, as well as on creating a learning environment. The VfM Steering Group has incorporated both these areas of activity into its draft work programme for 2009/10. The revised strategies and strategic approaches are provided below in the table headed ‘Strategic Plan’.

Chief Operating Officers continue to focus on benchmarking to improve performance on stroke services, emergency department waiting times, and theatre use. Their meeting in Auckland in March evaluated progress with stroke and emergency department initiatives, and began benchmarking on theatre productivity.
DHBs have provided information on their VfM initiatives. The VfM Programme is still interested in ranking these to identify high value initiatives that can be recommended for implementation by all DHBs.

The National Quality Improvement Programme is well underway, driving four quality improvement initiatives, each led by a DHB. These support initiatives to build patient safety, as described by Goal 1 (Improve Service Quality and Effectiveness) of the revised strategic priorities. The four quality improvement initiatives are:

- Optimising the Patient Journey, Counties-Manukau DHB
- Infection Prevention and Control, Auckland DHB
- National Healthcare Incident Management, Waikato DHB
- Safe Medication Management, Hutt Valley DHB

A fifth initiative – National Mortality Review Committees Review – is being driven by the Ministry.

**Achievements**

Another successful national workshop for Champions was held in March. Key messages to emerge included the:

- Need for greater coordination of VfM activity and better systems to track spending in this area
- Importance of clinical engagement to the success of initiatives
- Value of robust, visible measurements and reporting mechanisms
- Importance of sharing useful information and building support for this work within DHBs.

Champions agreed to look further at how best to achieve these things. They also expressed a desire for Boards to provide strong leadership for VfM activity and to use opportunities to raise VfM’s profile in meetings and other appropriate settings.

Targets to measure the performance of the VfM Steering Group have been developed, and a draft report is available at http://www.dhbnz.org.nz/members only section for VfM.

Champions have been asked to assess their DHBs’ progress on VfM initiatives for the period April 2007 to January 2009, the role and purpose of VfM Champions, and areas requiring review or further work.
**COMING UP**

The VfM and Productivity strategic goals and objectives are to be finalised and a work programme to be developed.

The Measuring sub-group of the Champions network to meet and discuss current and future DHB measures, resources, Ministry reporting requirements and the earlier work of the Performance Assessment and Management group (PAM).

Initiatives will be evaluated and the VfM Steering Group will consider economic evaluation as a method to highlight which priority areas to support for widespread adoption by DHBs. Work will continue to develop a website to support a learning sector. All material associated with the management of the national VfM programme is available on DHBNZ VfM’s website.

**Strategic Plan 2008/2011**

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<td>• DHBs collectively agree to benchmark analysis.</td>
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<td>• Establish a NZ Chapter of the Health Roundtable (HRT).</td>
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<td>• Process performance improvement, quantify known interventions and measure effectiveness.</td>
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<td>• Connect the local and regional learning sector within VfM programme initiatives – eg, QIC, procurement.</td>
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<td>• Facilitate and encourage, not govern or duplicate.</td>
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Primary Health and Service Improvement

STRENGTHEN THE PRIMARY CARE SECTOR BY ACHIEVING VALUE LOCALLY AND MEETING LOCAL HEALTH TARGETS – IN COLLABORATION WITH DISTRICT HEALTH BOARDS (DHBs), PRIMARY HEALTH ORGANISATIONS (PHOs), PROVIDERS, THE MINISTRY OF HEALTH AND THE WIDER SECTOR.

WHAT’S HAPPENING NOW

The Minister of Health appointed a Ministerial Committee in January 2009 to review a broad range of areas within the health sector, including Primary Care, and to identify areas of potential improvement that would contribute towards the Government’s focus on reducing bureaucracy, shifting resources to frontline services and enabling “better, sooner, more convenient primary care”. The Minister’s Committee has been interested in the effectiveness of the PHO Performance Programme, with face-to-face engagement and written reports being provided.

In February 2009 the Minister’s Letter of Expectations identified priority areas for DAPs 2009/10, including devolution of services from secondary to primary care, such as First Specialist Appointments, and greater access to Diagnostics for GPs.

DHBs collectively and the Ministry of Health are working through what the national actions will be for the 2009/10 Primary Health Care Work Plan. Attention is being given to the current activity of PHOs which are strengthening internal clinical leadership, developing a broader understanding of the opportunities, benefits and implications of alternative contracting (including interest in fund-holding evidence and experience in New Zealand and overseas) to PHOs and other key areas of priority for the Minister including Integrated Family Health Centres, service devolution and the future direction for Primary Care/PHOs.

ACHIEVEMENTS

- National Service Devolution Stocktake, March 2009, identified DHB secondary to primary care devolution initiatives and shared this information and opportunities to improve/strengthen service delivery across DHBs, PHOs and providers.

- PHO Performance Programme successfully implemented monthly reporting to PHOs of Influenza and Cervical Screening data. PHOs now receive more timely data for these indicators. Monthly reporting for other Programme indicators is still in development.
Further Service Improvement Activity

The Primary Health Care Implementation Programme managed by DHBNZ, and involving the Ministry of Health, continues to work with DHBs on the opportunities that service devolution provides for improving effective service delivery, clinical engagement and a patient focus. This could include development of performance monitoring and effectiveness outcome measures to help DHBs fully evaluate the effectiveness of these initiatives. It will also identify integrated primary care service models that may support the move toward Integrated Family Health Centres including single facility, multi-facility with virtual linkages and secondary interface. The Programme is also interested in opportunities to reduce barriers for the use of various funding streams within primary care to enhance service delivery for immunisation, chronic conditions, self-management and Diabetes Annual Review.

The Programme will progress the roll-out of Ministry of Health funding to improve after-hours services during 2008/09 ($4.5M) and 2009/10 ($9M) by participating in the Ministry’s evaluation team and providing support and guidance to DHBs.

The PHO contract and S88 Immunisation Notice price increases have been agreed for 2009/10. DHBs are interested in how to enhance value from the capitation contract.

The PHO Performance Programme continues to build stronger relationships between Provider Performance and PHO Performance to ensure value for money across the health sector.

The Community Pharmaceutical and Pharmaceutical Cancer Treatment budgets are on track to be finalised for 1 July 2009. The working relationship with PHARMAC continues to be productive.

The Aged Residential Care A21 contract review will be finalised in time for a 1 July 2009 start. This includes the distribution through price of the additional $18m in funding allocated to DHBs to improve the quality of supervision and nursing in rest homes by helping rest homes support and retain nursing staff. HCPNZ has stated that the additional funding once allocated will ensure that its intended A23 Variation Event claim related to the MECA agreement will be set aside.

DHBs are working with the Ministry on the expectations around provision of further respite care beds for which DHBs have been allocated an additional $2.5m for 2009/10. DHBs are also working with the Ministry on planning associated with audit reviews, including spot audits and multiple audits.

In a separate, and significant piece of work, DHBs are working collectively with the ARC provider sector on the ARC Service Review, whose Steering Group is co-chaired by the Lead CEO and CEO of Health Care Providers NZ.
The working relationships continue to be productive here, and in the four projects under the ARC Joint Work Programme. The ARC Project Group is also reviewing the matter of extra charging in aged care and activities around licenses to occupy on behalf of DHBs.

The Service Improvement portfolio and DHB contributors are involved in ongoing work (as outlined in the DHBNZ Annual Plan 2008/09) to do with implementation of the Cancer Control Strategy and CVD-Diabetes Quality Improvement Plan; home based support services; pharmacy services and PHARMAC-related activity; termination of pregnancy services; services to Children and young people in residential care.

**COMING UP**

Overall, work is being focused on service areas aligned with Government and DHB priorities, with final directions for this portfolio in 2009/10 in the process of being confirmed by CEOs and GMs Planning and Funding (Goal 1 of the 21 DHBs Strategic Plan and Annual Plan).

**Strategic Plan 2008/2011**

**Outcome Sought -**
- Develop and improve access and effectiveness of the primary health delivery system.

**Approach -**
- Strong sector relationships.
- Joint DHB workplan with a sharper focus on workforce development, chronic care management, DHB/PHO capability building and Ministry of Health relationship.
- DHBs, Ministry of Health and PHOs continue commitment to PHO Performance Programme, new governance arrangements and indicators.

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Purpose

Develop a flexible and sustainable health workforce – District Health Boards (DHBs), the Ministry of Health and the wider sector in collaboration.

What’s been done

The updated Future Workforce strategy ‘Our Health Workforce: Today and the Future’ has been finalised and endorsed by Chief Executives. The strategy provides a blueprint for action on workforce issues sector-wide for the next decade. The document will be widely circulated during May and copies will be available at the Chairs’ next meeting in June.

There has been significant focus on confirming that the sector’s direction on workforce is in accordance with Government priorities. Peter Glensor and Lead CE Cathy Cooney met with the Minister on 23 April and had an opportunity to profile the significant work DHBs have done to progress workforce issues and to confirm priorities with him. The Minister emphasised the importance of workforce to the Government, with retention of key frontline workforces a major priority.

What’s happening now

International collaborative Recruitment: The Minister has asked the Future Workforce Group to submit a proposal for a collaborative approach to international recruitment. This has been supported by Chief Executives. The proposal will build on work already done to develop a function supporting successful recruitment for individual DHBs while avoiding duplication and extra cost.

Enrolled Nurses: The Minister has also asked DHBs to work with the Ministry and the Nursing Council to develop an extended Enrolled Nurse scope of practice. The Nursing and Midwifery Strategy Group is now working with the sector to explore options for a flexible intermediate nurse role that is able to be employed in a range of service settings.

Joint DHB/MOH work: A major current focus for DHB workforce networks is selecting initiatives to be delivered in 2009/10 to achieve maximum value for DHBs individually and collectively. Future Workforce Group continues to work with the Ministry as part of identifying action priorities for the collaborative 2009/10 workforce work plan to agree areas of shared priority where DHBs and the Ministry will work together.
2008/09 workplan: Workforce Strategy Groups continue to make good progress on 2008/09 workplan initiatives.

Achievements

- Completion of a collaborative submission for the RMO Commission on workforce issues for new doctors, including the need to strengthen medical career pathways to improve retention in the New Zealand health workforce.

- A new postgraduate midwifery programme on complex care has been launched by the CTA in collaboration with the profession and the Nursing and Midwifery Strategy Group. The programme extends competencies in caring for women with complications requiring secondary and tertiary care. Thirty midwives from DHBs are participating in the programme in 2009 and similar numbers are expected next year. There are three programmes available nationally based in Auckland, Wellington and Christchurch.

- Improving workforce participation by Maori and Pacific peoples is a key health workforce issue for New Zealand. A study completed recently by the Nursing and Midwifery Strategy Group in association with the Maori Workforce Champions network has highlighted the critical importance of improving support for Maori and Pacific nursing and midwifery students to address the very high attrition rates for these groups. The study provides an evidence base for future action, including engaging with the education sector to achieve better outcomes.

- Easing transition to practice for new graduates has proven benefits for staff retention. A recent Allied Health Strategy Group initiative surveyed DHBs to identify present best practice for new graduates across nine allied health disciplines. Findings from the study will provide a strong base for DHBs to strengthen local and nationally coordinated development for beginning allied health practitioners.

- Results from a Health Workforce Information Programme forecast on future dental therapist workforce needs will be considered at a Ministry-led meeting of oral health policy and service people to be held on 15/16 May. This initiative is an excellent example of joint Ministry and DHB work shaping service delivery informed by workforce development requirements.

- Release of the Health Workforce Information Programme July-October 2008 quarterly report covering the DHB employed workforce.

- The Ministry has agreed to consider the executive clinical and management leadership proposal, developed by the Corporate Strategy Group and a network of sector leaders, as part of joint work between...
DHBs and the Ministry in 2009/10.

- Completion of the Future Workforce Strategy to 2020 - *Our Health Workforce: Today and Tomorrow.*

**Dental therapist workforce - Modeling future demand and workforce:**

![Graph showing the forecasted dental therapist workforce profile.](image)

**COMING UP**

- The proposal to the Minister on collaborative international recruitment is due at the end of June.
- Joint advice on an expanded scope of practice for enrolled nurses is due with the Minister by end of June.
WORKFORCE

Approach -
• Deliver on workplan.
• Identify and address priorities.
• Collaborate with a coordinated and connected sector-wide approach.
• Reflect Health Sector Relationship Agreement goals.
• Minimise duplication.
• Align Employment Relations’ strategies – act collectively on Employment Relations for the next three years.
• Coordinate and integrate collaborative workforce, human resources and employment relations activity across workstreams and be responsive to DHB activity.

Strategic Plan 2008/2011

Outcome Sought -
• Develop a sustainable, flexible workforce that meets health sector needs.

Approach -
• Deliver on workplan.
• Identify and address priorities.
• Collaborate with a coordinated and connected sector-wide approach.
• Reflect Health Sector Relationship Agreement goals.
• Minimise duplication.
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“Filming will start next month to profile more health careers”

- The Medical Strategy Group is now ready to release an early draft of its strategy document on the role of the future doctor. This will go out widely for input from key sector networks as part of building a shared vision on the contribution of doctors in the future health sector.

- Completion of an analysis of the care and support workforce information, including workforce numbers. The analysis will assess the quality of information available, information gaps and also look at ways to improve information collection on this diverse and important workforce.

- Filming will start next month to profile more health careers on Just the Job a television series going on air in November. The programme will show a range of health roles in a storyline beginning with an emergency event, through acute care, to rehabilitation. This is a Future Workforce Group healthcareers initiative, working with Te Pou, and building on an earlier Auckland regional DHBs initiative.
Purpose

Drive employment relations according to an agreed workforce strategy over the next three years – coordinate collaborative workforces, human resources and employment relations and ensure they are integrated with and responsive to District Health Board (DHB) activity.

What’s been done

DHBs have responded to the Government’s expectations for setting state sector pay and employment conditions, as outlined in the Minister’s letter of expectations to DHB Chairs and guidance from the State Services Commissions. DHBs established an Employment Relations Portfolio Group in December 2008, and this Group has met regularly since to discuss and give direction to the development of a refreshed collaborative ER strategy.

This strategy will shortly be sent to the Director General of Health under the DHBs statutory consultation obligation, and it is already providing useful guidance for the formation of bargaining strategies for upcoming negotiations.

DHBs continued to engage with key sector unions during the quarter (via the Health Sector Relationship Agreement and its associated work programme) to consolidate and further develop effective and productive working relationships.

DHBs have implemented the outstanding collective agreements with the Association of Professional and Executive Employees (APEX) for clinical physiologists and with the Public Service Association (PSA) on three regional clerical documents, with advice and support from DHBNZ’s team of ER specialists. All national and major regional documents are now settled.

What’s happening now

DHBs provided individual and collective submissions to the two Workforce Commissions sponsored by the Ministry of Health’s Director-General on issues to do with Resident Medical Officers (RMOs) and Senior Medical Officers (SMOs). These Commissions are now considering the information they have received and developing their reports for the Director General.

The new Employment Relations Portfolio Group is continuing to meet. To date this Group has concentrated on providing direction and oversight for a comprehensive refresh of the Employment Relations strategy, and getting early DHB buy-in for strategies that promise to deliver the desired workforce
outcomes and which are consistent with the Government’s expectations. The Portfolio Group comprises four regional CEOs (Karen Roach, Phil Cammish, Julie Patterson and David Meates), as well as representatives of General Managers Human Resources, Chief Operating Officers, Chief Financial Officers, and DHBNZ’s CEO.

Support continues to be provided to the work programmes associated with various partnership agreements entered into with individual unions as well as the collective CTU unions. These work programmes aim to identify and enable productivity gains as well as improving the underlying relationships between DHBs and staff represented by these unions. Deterioration in the fiscal environment means greater emphasis will be placed on the delivery of productivity gains.

A strategy has been finalised for upcoming negotiations with the Service and Food Workers Union (SFWU), with the existing document expiring in June 2009. Planning is nearly complete for negotiations with the PSA on the final regional Clerical Multi-Employer Collective Agreement (MECA) to cover Southern employees, and initial work has started for the forthcoming negotiations with APEX about Medical Radiation Technologists (MRTs), and with the New Zealand Medical Laboratory Workers Union (NZMLWU) for laboratory workers.

Work has begun in conjunction with DHBs’ Human Resources Managers to build sector and DHB-specific Employment Relations capability by identifying and developing ER talent.

Achievements

- Developed refreshed national strategy incorporating Workforce priorities and aligned to Government expectations.
- Strategies for specific upcoming negotiations either completed or work is well underway.
- Support provided for work to develop employment relations capability within DHBs.

COMING UP

- Planning for negotiations with the New Zealand Resident Doctors Association (NZRDA) for Resident Medical Officers will start shortly – the existing agreement expires in December 2009 – and for negotiations with the NZNO on the Nurses and Midwives document which expires in March 2010.
- Reconfirmation of the collaborative three-year work programme – covering both the negotiation schedule and associated projects – is now well underway.
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Purpose

Achieve savings and efficiencies through District Health Boards’ (DHBs’) collective procurement. The Government, through Ministers and central government policy agencies, has set a clear expectation of more effective use of public sector resources.

Develop and implement a Health Procurement Strategy that will set the direction for DHB collective procurement and supply chain management, and enable the building of procurement capability and infrastructure.

What’s been done

DHB National Procurement Strategy (now referred to as the Health Procurement Strategy): the first stage of this project has been completed with the delivery of the Analysis Report by LECG*. The purpose of this report is to provide in-depth analysis to support the development of a Health Procurement Strategy for all 21 DHBs

* LECG is the consulting firm contracted by DHBNZ to undertake the first stage of the Health Procurement Strategy Project, the main output being an Analysis Report.

Commencement of the delivery phase for:

- Oral Health Care Project – facilitated the signing of deeds of standing offer with DHBs and finalised the production plan with CiMunro for the mobile units.
- Syringe Driver Project – facilitated the signing of deeds of standing offer with DHBs. The implementation for Auckland began with all DHBs, NGOs, and RCFs in the Auckland area taking part in training and education programmes.

Confirmation of four new projects by CEOs:

- Energy and Utilities – looking at consumption and conservation; security of supply and supply agreements. $55m spend per annum (approx).
- Office Equipment including PCs, Laptops and Peripherals – standardisation; process automation; supply agreements; links to Energy and Utilities project. $25m spend per annum (approx).
- Print Supply – standardisation; process automation; supply agreements. $20m spend per annum (approx).
• Vehicle Fleet Management – standardisation; optimisation; funding models; supply agreements. $30m spend per annum (approx).

Scope – these projects cover circa $130m (one third) of amenable non clinical spend.

Additionally, Health Procurement continued to build on increased collective thinking at the DHB Procurement Manager level through a workshop in February. Managers reported back on progress with the collective projects initiated at the November 2008 workshop, received an update from LECG on the analysis phase of the Health Procurement Strategy and workshopped procurement functions at a local/regional/national level to further inform LECG’s thinking.

Health Procurement also dealt with an issue raised by the Vehicle Fleet insurer regarding the unsustainable level of claims being submitted by DHBs. All 21 DHB CEOs agreed that the current variation in DHB risk/claim profiles needs to be more effectively managed and the total cost reduced. The DHB Insurance Working Group and DHBNZ has developed options to achieve this as part of the Insurance Renewal process for 2009/10 which started in February.

What’s happening now

Health Procurement Strategy: The DHB CEO Group has signalled strong support to continue at pace with this work. Concurrent activity includes establishing a set of principles and a strategy group to guide the project as it moves forward.

Oral Health Care: The first of the new mobile units will be delivered to CDHB in May. Associate Health Minister Peter Dunne will speak at a delivery ceremony at CDHB and work is underway to ensure the value of the collective activity driving this project is publicly recognised.

Syringe Drivers: The next regions to begin implementation (mid-May) are West Coast, Northland and Taranaki.

Insurance: Following CEO approval of the proposed renewal strategy in April, the DHBs’ requirements will be marketed to insurers during May, culminating in placement decisions by DHB CEOs in June 2009.

Orthopaedic Prostheses: The health Alliance has agreed to lead a first mover collective agreement involving a small number of large DHBs. This work will set a base for collective procurement activity for all DHBs.

Savings Objective for 2009/10: The CEO group has set a challenging savings target from DHB procurement activities for the next financial year. DHBNZ is facilitating and coordinating this effort, notably bringing Procurement Managers together to agree a set of projects that aim to deliver the target.
HEALTH PROCUREMENT

This will include the pooling of resources across all 21 DHBs to properly resource the work.

Work Plan for 2009/10: Development and finalisation of the Health Procurement work plan and budget, including the Health Procurement Strategy Project.

“Bringing Procurement Managers together to agree a set of projects”

Strategic Plan 2008/2011

Outcome Sought -

• DHBs prefer collective procurement to achieve demonstrable value fiscally and sustainability.

Approach -

• Maximise dollar savings and establish sustainable procurement deals.
• Document savings and efficiencies and align policies and processes with government direction.

Note: This information refers to current strategic priorities, which are in the process of being updated and confirmed for a new Strategic Plan 2009/14 and Annual Plan 2009/10.
### Active Projects

<table>
<thead>
<tr>
<th>Active Projects</th>
<th>Type</th>
<th>Budget</th>
<th>Savings</th>
<th>Standardisation</th>
<th>Supply Chain</th>
<th>Agent</th>
<th>Experts</th>
<th>% Complete</th>
<th>Next Steps</th>
<th>Deliverable / Contract</th>
<th>DHBs Use / Start Trading</th>
<th>Evaluation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collective Procurement Strategy</td>
<td>21 DHBs</td>
<td>$150K</td>
<td>Savings result from actions from Strategy not as part of the strategy itself</td>
<td>National review and strategy development will give clarity to the best structure around procurement activity to maximise DHBs position</td>
<td>National review and strategy development will give clarity to the best structure around supply chain efficiency to maximise DHBs position</td>
<td>DHBNZ</td>
<td>DHBs, MED, DAG and various international agencies eg HPV</td>
<td>45</td>
<td>Analysis complete with the development of the strategy report to CEOs commencing June 09</td>
<td>Nov 2009</td>
<td>Apr 2010</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Common Catalogue</td>
<td>21 DHBs</td>
<td>Base Capacity</td>
<td>No direct savings as savings will be in efficiencies and supply chain management</td>
<td>Common catalogue use across DHBs improves supply chain &amp; procurement efficiencies</td>
<td>Common catalogue use across DHBs improves supply chain &amp; procurement efficiencies</td>
<td>DHBNZ</td>
<td>DHBs &amp; product coding consultants</td>
<td>30</td>
<td>Project team established and developing code set for trial.</td>
<td>Sept 2009</td>
<td>Sept 2009</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Oral Health (OH): Mobile Dental Units</td>
<td>21 DHBs</td>
<td>Base Capacity</td>
<td>Quality and standardisation of one design</td>
<td>Standard Contract with single supplier</td>
<td>DHBNZ</td>
<td>DHB advisory group</td>
<td>99</td>
<td>Prototype to be manufactured (for delivery to COHB)</td>
<td>Dec 2008</td>
<td>Feb 2009</td>
<td>Qua rterly</td>
<td></td>
</tr>
<tr>
<td>Vehicles</td>
<td>21 DHBs</td>
<td>$30K (stage 1)</td>
<td>Reduction in range of models assists in fleet reduction</td>
<td>Advantages to fleet management efficiencies</td>
<td>DHBNZ</td>
<td>DHB advisory group</td>
<td>40</td>
<td>Review of Strategy complete. New initiative to be initiated with a wider scope incorporating fleet management as opposed to “buying cars”</td>
<td>Nov 2009</td>
<td>Nov 2009</td>
<td>Ongoing</td>
<td></td>
</tr>
<tr>
<td>Orthopaedic prostheses</td>
<td>21 DHBs</td>
<td>Base Capacity</td>
<td>$5M+</td>
<td>Assists with Market tension and aids rationalisation of product</td>
<td>Improved stock management with savings in freight cost from efficiencies gained via improved processes</td>
<td>DHBNZ</td>
<td>DHB advisory group</td>
<td>40</td>
<td>Project team developed draft project strategy. Being reviewed prior to sending to CEOs for endorsement.</td>
<td>Sept 2009</td>
<td>Sept 2009</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Wound care</td>
<td>Opt on</td>
<td>Base Capacity</td>
<td>$1.2m</td>
<td>Assists with Market tension and aids rationalisation of product</td>
<td>Improved stock management</td>
<td>Health Alliance Advisory group</td>
<td>95</td>
<td>DHB NZ facilitating the take up of the offer with DHBs</td>
<td>Nov 2008</td>
<td>Feb 2009</td>
<td>Nov 2009</td>
<td></td>
</tr>
<tr>
<td>Cardiac Stents &amp; related devices</td>
<td>Opt on</td>
<td>Base Capacity</td>
<td>$0.6M+</td>
<td>Assists with Market tension and aids rationalisation of product</td>
<td>More effective and efficient processes</td>
<td>CCDB, COH, and ADHB Advisory group</td>
<td>95</td>
<td>Adjusting response from 2 DHBs regarding alignment detail</td>
<td>Apr 2008</td>
<td>Apr 2008</td>
<td>Nov 2008</td>
<td></td>
</tr>
<tr>
<td>Capital - syringe drivers</td>
<td>Majority - However LNI and Southland have already moved to contact</td>
<td>$45K</td>
<td>$220K</td>
<td>Appropriate streamlining of range over time to meet clinical best practice</td>
<td>Standard Contract for both DHBs &amp; NGOs ensuring consistency of supply in line with clinical requirements</td>
<td>DHBNZ</td>
<td>PCWG, MOH</td>
<td>99</td>
<td>Deed of Standing Offer still to be signed by some DHBs</td>
<td>Nov 2008</td>
<td>Feb 2009</td>
<td>May 2009</td>
</tr>
<tr>
<td>Diabetes Management Products (Community)</td>
<td>Opt on</td>
<td>Base Capacity</td>
<td>$300K</td>
<td>Standardisation of community style products</td>
<td>Standard contract with selected suppliers</td>
<td>PHAR-MAC PTAC</td>
<td>80</td>
<td>Communicate opportunity to DHBs</td>
<td>July 2009</td>
<td>July 2009</td>
<td>Ongoing</td>
<td></td>
</tr>
<tr>
<td>Four New Procurement Initiatives</td>
<td>21 DHBs</td>
<td>$500K</td>
<td>High value collective procurement projects to be selected</td>
<td>Standardisation and Quality key factors in project selection</td>
<td>Overall procurement approach includes supply chain</td>
<td>DHBNZ</td>
<td>Expert Advisory Groups to be established</td>
<td>0</td>
<td>tbc</td>
<td>tbc</td>
<td>tbc</td>
<td></td>
</tr>
</tbody>
</table>
## Completed Projects

<table>
<thead>
<tr>
<th>Completed Projects</th>
<th>Type</th>
<th>Budget Details</th>
<th>Benefit Achieved</th>
<th>Lead Agent</th>
<th>DHBs Trading</th>
<th>Delivery Dates Achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collective Insurance 2009/10</td>
<td>21 DHBs</td>
<td>$160K placement broker fee</td>
<td>Maintain savings. Move to self-insurance where appropriate</td>
<td>DHBNZ AON</td>
<td>21</td>
<td>Broker placement approved by CEOs for 08/10. Working group reviewing TOR and preparing for review in 2009</td>
</tr>
<tr>
<td>Collective Insurance 2008/09</td>
<td>21 DHBs</td>
<td>$160K placement broker fee</td>
<td>Insurance premiums held at 07/08 levels</td>
<td>DHBNZ AON</td>
<td>21</td>
<td>Renewal for next period endorsed at October CEO meeting</td>
</tr>
<tr>
<td>Recruitment Advertising</td>
<td>Regional</td>
<td>$89,500</td>
<td>Awaiting Results</td>
<td>DHBZ DHB advisory group</td>
<td>N/A</td>
<td>Awaiting feedback from DHBs re regionalisation of activity</td>
</tr>
<tr>
<td>Fuel</td>
<td>Opt regional Capacity</td>
<td>$0.3M p.a.</td>
<td>Efficiencies to be gained from having only 1 supplier for all 21 DHBs</td>
<td>DHBZ DHB advisory group</td>
<td>21</td>
<td>All DHBs have joined contract</td>
</tr>
<tr>
<td>Electricity</td>
<td>HESO Run by DHBs</td>
<td>$6.5M</td>
<td>Savings are yet to be determined. Some have purchased under the spot market and actual savings will not be known until review complete</td>
<td>N/A ADHB ETS</td>
<td>21</td>
<td>Awaiting feedback from DHBs re uptake and savings</td>
</tr>
<tr>
<td>OH: Fixed Facility Design Production of a suite of generic plans</td>
<td>21 DHBs MOH Funded</td>
<td>$6.5M</td>
<td>Quality and standardisation of one design</td>
<td>N/A CDHB DHB advisory group</td>
<td>21</td>
<td>Completed with all DHBs receiving their plans and supporting documents</td>
</tr>
<tr>
<td>OH: Equipment</td>
<td>21 DHBs Base Capacity</td>
<td>Included in mobile savings</td>
<td>Quality and standardisation of one design</td>
<td>DHBZ DHB advisory group</td>
<td>21</td>
<td>Awaiting orders for units from DHBs</td>
</tr>
</tbody>
</table>

**Notes:**
- **Collective Contract:**
  - Oct 2008: To July 2010
  - Jul 2008: Aug 2008
- **Begin Trading:**
  - Oct 2008: May 08
  - Apr 2008: May 08
  - Jul 2008: Quarterly
- **Evaluation:**
  - Dec 2008: Oct 2008
Purpose

The Information Portfolio doesn’t run programmes or projects. It has a strategic, advisory and monitoring role where national, regional and local sector information systems involve or affect District Health Boards (DHBs).

What’s happening now

In all areas of information technology and information management we need well-informed leadership from Boards, Chief Executive Officers (CEOs), senior managers and clinicians.

The importance of the Information Portfolio, and of CEO leadership, has been recognised by the inclusion of two more CEOs to the portfolio. This brings the total number of CEOs to four and ensures each region is represented.

In December, the CEO Group agreed to develop a Statement of Commitment on Information, to confirm the areas where DHBs would work collaboratively on information, and what was sought from the Ministry of Health and the Minister of Health.

A number of useful workshops between the lead CEOs and the Deputy Directorate General - Information in late April has resulted in a draft document that incorporates the intent of the Statement of Commitment and a joint DHB/MoH work programme. The resulting joint workplan was presented to the National CEOs meeting on 28 April. The main content of the joint workplan includes:

- Electronic prescribing
- GP to GP electronic transfer of patient information
- Exchange of laboratory test orders and results
- Electronic referrals
- Electronic discharge summaries
- A core summary record of personal health information to be stored and accessed electronically
- Investment in infrastructure (e.g. 24x7 support) appropriate to stabilise existing systems and the development of the above initiative
- Support for the development and adoption of a consistent and evolving national health information architecture currently being progressed by the National CIOs and the Ministry of Health
- Recognition that other sector-wide initiatives will require IT support for successful implementation and that these will need to be scoped and
Quarterly Update for Boards | April 2009

resourced as part of existing workstreams (e.g. value for money, workforce, primary care and so on).

The finalised document (including the joint workplan) will be presented by the end of June 2009 to CEOs and the Ministry.

Quite a number of the above priorities will go a long way to address the Health and Disability Commissioner (HDC) cases that highlight the importance of communication and sharing of patient information.

Seven DHBs' collective procurement to replace their existing patient management systems is now at the final stages of the Request for Information stage. A large number of vendors have responded and these are currently being evaluated. Governance and CEO leadership and stewardship of this process needs to be of the highest quality to ensure the project’s success. This collaboration is very significant to the landscape of the New Zealand health information system and will be watched closely by the Government, central agencies and the rest of the health sector. Questions raised include timeframe (if it is going to take a number of years, what happens in the interim) and costs.

Achievements

- Progress in developing the first (draft) joint workplan between the DHBs and the Ministry.
- A collective national approach to upgrade electronic discharges to improve patient safety led by primary and secondary doctors is underway.
- Greater interests and involvement of CEOs and Chairs in this portfolio.

COMING UP

- Finalisation of the Statement of Commitment and a joint workplan between the DHBs and MoH.
- Watching brief over the development of the seven DHBs' initiatives.

Strategic Plan 2008/2011

Outcome Sought -
- Sector unity on IT/IS issues to enable patients to move seamlessly through the health services.

Approach -
- Visible, measureable coordination and convergence and data available for the national collective good.
- Boards support the 21 Action Zones in Health Information Strategy.

Note: This information refers to current strategic priorities, which are in the process of being updated and confirmed for a new Strategic Plan 2009/14 and Annual Plan 2009/10.
Communications
QUARTERLY UPDATE FOR BOARDS

Lead Chair: Bob Francis, Peter Glensor
Lead CEO: Garry Smith
DHBNZ CEO: Julian Inch
DHBNZ Manager: Cushla Managh
(started 9 March 2009)

Purpose
Promote and explain collective activity at the national level, encourage well-informed public confidence in the public health system and support collaborative communications between DHBs.

What’s happening now
Improving the quality of reporting to Boards and CEOs has been a priority for this quarter, the aim being to provide Quarterly Updates that are relevant, concise and interesting. This work has been started by an external communications consultant and is being continued by DHBNZ’s new Communications Manager. It is expected that the format and content of these Quarterly Updates will continue to be refined over coming months.

Work is also underway to identify opportunities to showcase the value obtained from collective activity, to develop clear processes about the branding of this activity, provide communications advice and support to portfolios and programmes, and to engage effectively with a wide range of communications stakeholders in key media, ministerial offices, DHBs and government agencies.

Achievements
- Communications advice and support provided for national coordination of an OIA request about mental health reportable events.
- Continued refinement of DHBNZ’s reporting tools to Boards and CEOs (Quarterly Updates), with this work set to continue into the next quarter.
- Preliminary work begun to develop a broader communications strategy that takes account of collective activity and the need to build confidence in public health.

COMING UP
- Developing processes for effective liaison and ‘no surprises’ approach with ministerial press secretaries and communications staff in DHBs and the Ministry of Health.
- Development of clear processes to manage branding, reputation and external communications for collaborative activity.
- Provision of communications support and advice for key areas of work (for example, Employment Relations, OIA activity).
## Strategic Plan 2008/2011

<table>
<thead>
<tr>
<th>Outcome Sought -</th>
<th>Approach -</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Public confidence in the public health system.</td>
<td>• Describe and promote collective activity clearly and proactively.</td>
</tr>
<tr>
<td>• Well-informed stakeholders at all levels and a strong sector network.</td>
<td>• Work closely and collaboratively with DHB communications.</td>
</tr>
<tr>
<td>• A clear media presence.</td>
<td></td>
</tr>
</tbody>
</table>

**Note**: This information refers to current strategic priorities, which are in the process of being updated and confirmed for a new Strategic Plan 2009/14 and Annual Plan 2009/10.