21 District Health Boards

QUARTERLY UPDATE FOR BOARDS

FEBRUARY 2009
FOR THE QUARTER ENDING 31 DECEMBER 2008

Value for Money & Quality
Primary Health & Service Improvement
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 the five 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 assists DHBs to deliver on their obligation 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 are clearly accountable to the Minister. DHBs make their own decisions and DHBNZ has no ability to direct them.

Quarterly Update for Boards: Publication dates

<table>
<thead>
<tr>
<th>Month</th>
<th>Quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td>October</td>
<td>1st quarter</td>
</tr>
<tr>
<td>February</td>
<td>2nd quarter</td>
</tr>
<tr>
<td>April</td>
<td>3rd quarter</td>
</tr>
<tr>
<td>July</td>
<td>4th quarter</td>
</tr>
</tbody>
</table>
Overview

In November 2008, the 21 District Health Boards (DHBs) provided collective advice to the incoming Minister of Health in a ‘key issues’ letter. The letter focused on DHBs’ commitment to active engagement with the Minister to assist with the delivery of the new Government’s priorities. Thank you to all Chairs and CEOs for your clear feedback on the drafts of this letter, and support for the final document. The Director-General of Health was also consulted on the contents of the letter, and had no concerns with the final advice.

The Minister of Health attended the Chairs’ Board of Governance meeting on 8 December and outlined initial actions being taken by the Government in its first 100 days.

A focus going forward is proactively ensuring delivery on the Minister’s immediate priorities. DHBs are reviewing their priorities and workplans to align with these priorities. This will include review of collective activity through DHBNZ for the remainder of 2008/09 on a line-by-line basis, and development of new direction for 2009/10 in response to the Minister’s priorities.

The Chairs’ Board of Governance (21 Chairs) will discuss revised Strategic Priorities at their March 16 meeting, and the CEO Group will work up the detailed priorities and Annual Plan for discussion at their 25 March meeting and signoff during April and May.

Consideration is being given to clear goals (5 year), objectives (1-3 year) and tactics (1 year), to improve the focus on strategic direction, monitoring value, and effective escalation of risk items.

DHBs are also providing collective input into the recently-announced Ministerial Group to advise on improving the quality and performance of the public health system.

This Update for Boards outlines progress against the five strategic priorities for the period to December 2008, as well as communications activity. DHBs have received value in all priority areas. Current achievements and upcoming activity are outlined.

- **Quality & Value for Money** has benefitted DHBs by sharing proven initiatives across DHBs; establishing the benchmarking programme to compare performance; actioning work on improving value and eliminating waste in stroke services, emergency department and theatre utilisation; and actioning agreed quality improvement initiatives. A learning sector approach has been defined and is being applied jointly with the Ministry. The next update will include a summary of initiatives similar to the table provided with the Procurement update.

- **Primary Health & Service Improvement** has benefitted DHBs by defining actions across service change, provider sustainability, and PHO performance essential to improve primary health and delivery of the Primary Health Care Strategy. There is considerable learning across the sector, and service delivery is improving. Workforce and information systems are important enablers and actions are required at sector, DHB and Government levels.

- **Workforce** has benefitted DHBs by delivering clear strategic direction for each of the six key workforce areas, improved information to inform decision-making, and attention to attracting and retaining staff through the Health Careers brand and local DHB actions. Policy and legislative changes to enable workforce flexibility and responsiveness are defined.
• **Employment Relations** has benefitted DHBs by delivering all major Multi-Employer Collective Agreement (MECA) settlements within agreed parameters, secured partnership agreements focused on service and productivity improvement, and agreed the Health Sector Relationship Agreement to improve the overall environment. Workforce Strategy now drives Employment Relations, and there is more to do to sharpen this and set direction early.

• **Health Procurement** has benefitted DHBs by delivering several early wins while also building DHB strategic direction and ensuring all DHBs are ready and able to fully participate in the new direction. Savings achieved are summarised and new projects underway to capture further gains outlined.

• **Information** has benefited DHBs by providing a collective voice into information strategy and working to align DHB activities where this provides value. There is more to do for DHBs to show collective leadership in information, especially as it related to key areas such as Primary Health and Hospital Productivity.

Boards are invited to provide feedback on the value to their DHB 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 on 16 March provides opportunity for free and frank discussion on priorities. The Minister will be in attendance.

A full report on progress against the 2008/09 Annual Plan for the period to December 2008 is provided to all CEOs. All activities agreed are underway and meeting timelines.
February 2009

Value for Money & Quality
QUARTERLY UPDATE FOR BOARDS

Purpose

This work focuses on Value for Money and Quality. Chairs have brought both these important aspects together under the Value for Money and Quality banner. Value for Money supports and facilitates ‘best practice’ in health delivery by celebrating learning and good performance and encouraging benchmarking. This involves sharing information in a variety of media and forums, to encourage and enhance quality and value for money in health service provision. There are several Quality improvement initiatives underway, identified and funded by the Quality Improvement Committee (QIC).

Both sets of activity focus on achieving gains from quality and efficiency initiatives, workforce and employment initiatives, and the many other areas of work being undertaken by District Health Boards (DHBs). The goal is to improve performance and instill a ‘learning sector’ so that performance improvement becomes a central part of all sector activity.

What’s been done

Provider-arm benchmarking for 2009 is underway through the New Zealand Chapter of the Health Roundtable and the Chief Operating Officers’ Group, and a work programme for 2009 is available.

The Ministry representation on the Value for Money (VfM) Steering Group continues to work well, with good sharing of information and alignment of activities. The Steering Group is currently working on a learning sector framework and tools, including a central web-based repository of initiatives: www.dhbnz.org.nz/members

The Learning Sector Action Plan has been drafted and is now out for sector comment.

What’s happening now

The new Government has indicated a strong interest in showing where value for money has been achieved through DHB actions. The current focus of the VfM programme on creating a learning environment will be modified to align with this interest. The VfM Steering Group will be incorporating this clear direction into its work programme for 2009, including developing financial and quality measures of VfM. To achieve this, the VfM Steering Group is:

• Evaluating the Statement of Commitment
• Reviewing the role and membership of VfM Champions
• Confirming alignment to time, cost and quality
• Developing targets relevant to measurement of the VfM Steering Group outputs.

Chief Operating Officers benchmarking over the next 18 months will focus on stroke, emergency department and theatres, sharing comparative stroke and emergency department information. A follow-up meeting in Auckland will evaluate progress with stroke and emergency department initiatives and commence benchmarking on theatre productivity. The Ministry of Health has indicated there may be funding available to assist with the stroke innovation.

DHBs have provided information on VfM initiatives happening in their DHBs. The VfM Programme is now looking to rank these to identify those that are of high value and can be recommended for implementation by all DHBs. Some initiatives are readily identified as high priority, for example, emergency department and primary care, and these will be further considered.

The National Quality Improvement Programme is underway, driving four quality improvement initiatives each led by a DHB. The 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

The Ministry is driving the 5th initiative - National Mortality Review Committees Review.

Updates are provided regularly to DHBs and the full year report has also been circulated.

**Achievements**

- An increasing focus on what is needed for a 'learning sector' has revealed a number of areas for connection and networking, for example, in the professional areas of organisational development, human resources, and service planning, and in the various activities such as health workforce, Quality Improvement Committee (QIC), risk and quality, primary care and procurement. DHBs manage the relationships locally, and the national programme has and will continue to support identification/recognition of useful networks and promote learning activities through a variety of mechanisms.

- Other benefits of the VfM programme for DHBs will be the establishment of a central repository of VfM material; this will occur over time as systems are formalised and processes implemented. Currently, there is a collection of useful material for DHBs. This central repository will improve interaction by DHBs in providing useful material and feedback on the VfM national programme.
A draft framework for a learning sector was prepared for discussion at the December meeting of CEOs. CEOs are supportive of the approach. Its focus is on how learning is transferred within the sector, and what frameworks, tools and support are essential to assist this at local level. A multi-disciplinary approach is being taken with a range of sector experts involved.

There has been profiling of specific initiatives through the VfM e-zine, namely: Auckland Admission and Planning Unit; Strengthening contract monitoring in Hawke’s Bay; and Sterotactic Biopsy at Waikato.

Good progress is being made by the National Quality Improvement Programme in its establishment year.

- All DHBs are participating in the Optimising the Patient Journey Collaborative Learning Events. There are 11 DHB pilot sites focusing on improving the patient journey in wards, theatre or emergency departments. Three DHBs are piloting the Hand Hygiene guidelines in phase 1 and the Infection Prevention and Control team is expecting more DHBs to participate in phase 2, starting February 2009.

- A draft national policy on healthcare incident management has been developed with the sector and was delivered to the Ministry of Health before Christmas. The National Healthcare Incident Management Programme is now training all DHBs in healthcare incident management.

- Safe Medication Management is the largest programme of the four. Its aim is to reduce adverse drug events for patients/consumers by focusing on the process of prescribing, dispensing, administering and reviewing medication. It is a complex and leading edge programme made up of four clusters of sub projects. These are: Medication chart/E-prescribing; Medicine reconciliation; Linking systems; and Unit dose/Bedside verification.

- Approximately 60 people from DHBs and the wider sector are involved in the working groups for each of the clusters above. The programme will be consumer focused, and clinician led. The initial focus will be in the hospital setting and on the interface with primary care.

COMING UP

- Champions will be asked to report on their DHB’s progress against the VfM Statement of Commitment, and their views will also be sought on assessment of which VfM initiatives are suitable for DHBs to report on (ie, progress on implementing, or reasons why they are not implementing).

- Targets to measure the performance of the VfM Steering Group will be developed. These will measure the effectiveness of the relationships and structures set up to facilitate and support DHBs, rather than actual delivery of the initiatives.
- Potential indicators on VfM are being prepared in consultation with the VfM Steering Group for the Minister to consider. These indicators will be sharply focused on tangible measures (possibly including dollars saved, and efficiency gains at a local level).

- The list of initiatives by DHBs is extensive and the VfM Steering Group is considering an economic evaluation as a method to highlight which priority areas to support for diffusion in DHBs.

- There will be discussion with the Ministry of Health on the use and allocation of funds tagged for VfM. Possibilities include development of tools and support for implementation of the learning sector action plan, as well as an economic evaluation tool for DHBs to use to assess initiatives.

- A process is being developed to rank innovations to identify those that are high value for DHB roll out.

- DHBs will be asked to reconfirm the Statement of Commitment and to identify the resources for implementation of the learning sector action plan. Active participation from DHBs is required as part of the implementation. To assist, the role and functions of the Health Sector Conferences facility will be examined as a vehicle for sector learning.

- A table of initiatives that the programme is promoting to DHBs as excellent value for money is being developed and will be included in the next update.

### Strategic Plan 2008/2011

<table>
<thead>
<tr>
<th>Outcome Sought -</th>
<th>Approach -</th>
</tr>
</thead>
<tbody>
<tr>
<td>Encourage and support all DHBs to move to ‘best practice’ in health delivery from a culture of tolerance to one that celebrates and incentivises good performance.</td>
<td>Establish a NZ Chapter of the Health Roundtable (HRT).</td>
</tr>
<tr>
<td>DHBs collectively agree to benchmark analysis.</td>
<td>Process performance improvement, quantify known interventions and measure effectiveness.</td>
</tr>
<tr>
<td></td>
<td>Connect the local and regional learning sector within VfM programme initiatives – e.g., QIC, procurement.</td>
</tr>
<tr>
<td></td>
<td>Facilitate and encourage, not govern or duplicate.</td>
</tr>
</tbody>
</table>
Primary Health and Service Improvement

What’s happening now

The Government’s primary care policy focuses on the direction set out in the health discussion paper Towards better, sooner, more convenient primary care. This includes care closer to home, coordination of care, prevention and greater personal responsibility for health, and connecting health and social care (including chronic care and social support). It also includes devolving care to the primary sector – for example, family health centres, diagnostics and clinical networks. Clinical involvement is a strong focus for the new Government, with a lesser focus on population health. The government is still forming its detailed views on primary care.

Funding to begin the devolution of services to primary care has been allocated in the funding package [$6.5 million for the half year 2009/2010, $13.5 million for 2010/2011]. Further details will be provided in February. Through the Primary Health Care Strategy (PHCS) Implementation Work Programme, the Primary Health and Service Improvement team will be involved in considering which services could be devolved.

From March, Craig Climo takes over the Lead CEO role following Chris Clarke’s resignation. Welcome to Craig, and thanks to Chris for his efforts over the past two years.

Achievements

- The Primary Care Innovations Funding round has concluded, with applications sought, received and evaluated. Contracts will now be negotiated with the successful applicants. Evaluation of the processes will commence in early 2009.
- The refreshed PHO Performance Programme governance arrangements are building positive sector commitment to the Programme.
Further Service Improvement Activity

Implementation of the Government’s 100-day promises with respect to the PHARMAC budget and aged residential care (ARC) contracts is a current focus.

An additional $180 million over the next three years has been allocated to the purchase of medicines. Forty million is allocated for 2009/2010 (includes $19M Future Funding Track, and Herceptin, with the Ministry of Health managing the latter), and around $15.7 million for additional investments in the community pharmaceutical budget or pharmaceutical cancer treatments. The joint PHARMAC-DHB advice is to be with the Minister of Health by April.

Ministerial interest in pharmacy services is expected this year, as well as continuing interest in the impact of PHARMAC purchasing on the pharmacy wholesale sector, with whom DHBs do not contract directly.

A variation to the Pharmacy agreement, offering an increase to the dispensing fee, is with pharmacists for sign off. Once signed, the increase will be backdated to 1 October 2008.

Increased funding has been allocated for aged residential care in 2009/2010, to improve the quality of care provided and the levels of supervision in ARC facilities (basically to achieve parity with the nurses’ Multi-Employer Collective Agreement (MECA)). The Minister of Health has an expectation of an increase of approximately 2 percent, in addition to full FFT [ie, 3.116 percent] being applied to the ARC contract, but as yet, there has been no formal direction. DHBs’ negotiation parameters need to be discussed with the Ministry of Health in February.

The DHB funding package makes funding available for further respite care beds; $2.5 million in 2009/2010 and $5 million ongoing. DHBs will need to balance demand for beds and demand for Home Based Support Services.

DHBs are working collectively on an Aged Care Strategy (Terms of Reference and outline agreed), and the ARC Service Review, in conjunction with Ministry of Health and ARC sector representatives. We have entered a very productive stage in the working relationships between DHBNZ, the sector and the Ministry of Health. This has enabled four large pieces of work to be progressed: the ARC strategy, the ARC services review, the ARC joint work programme, and the A21 review 2009/2010.

In the maternity area, there is an allocation of funding to support mothers to stay longer in birthing facilities if they wish ($5.5 million in 2009/2010 and $11 million ongoing). The option will support the establishment of breastfeeding and increase mothers’ confidence to return home. The Maternity Action Plan has not yet been signed off for release, and some amendments are currently being made to reflect the new government’s views.

The Primary Care Innovations Funding round has concluded, with applications sought, received and evaluated.
These service areas align with priorities for the new Government and will reflect refreshed DHB collective priorities for 2009/10.

**COMING UP**

Future directions for this portfolio, in line with Government priorities, are still being confirmed. Projects in the annual plan that are still to be delivered, and that will be a focus are:

- managing collective contracts and associated projects, for example, ARC service review and work programme mentioned above
- process improvements, for example, PHO Agreement Amendment Protocol Group, PHO Performance Programme
- building relationships and working effectively around primary care and with the Ministry of Health on work programmes such as cancer, CVD-diabetes, long-term sector framework.

**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.
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 launch of the health careers brand and website has been a major focus in this quarter. The Future Workforce Group has continued to work with sector networks to extend the Future Workforce strategy to 2018. This work will be completed by the end of February, providing a clear direction for the sector’s workforce activity over the next 10 years.

What’s happening now

The Minister has signalled health workforce development as a major priority for the new Government. Future Workforce activity places the sector in a strong position to support the Government to achieve its workforce priorities, including clinical leadership. There is already strong clinical engagement in all Future Workforce activity to ensure that workforce activity supports frontline service needs into the future.

Workforce Strategy Groups are generally making good progress on 2008/09 workplan initiatives. Policy change may affect some planned workforce activity, particularly related to Health of Older People and Primary Health services.

The Future Workforce Group is continuing to work with the Ministry of Health to support delivery on Government priorities, including a voluntary bonding scheme scheduled for introduction this year. This initiative is aimed at retaining new graduate doctors, midwives and nurses in ‘hard to staff’ specialties and localities. Undertaking joint work to progress improved access for midwives to post-graduate clinical training is also a priority. This work will support service quality and retention of midwives.

Achievements

Future Workforce continues to work with DHBs locally to raise the profile of health careers. The Inzone bus completed visits to Northland schools in the final school term of 2008 and is due to start again in South Auckland in February. The health careers message is clearly getting out. There have been over 2000 hits on www.healthcareers.org.nz since the launch of the health careers brand at the end of October 2008.
The Future Workforce Group is now receiving feedback from workforce networks on an extended Future Workforce Strategy. The strategy will provide a strong framework for action planning for workforce activity across the sector over the next ten years. A number of DHBs have indicated the usefulness of the strategy for local as well as national workforce planning. The strategy will be released with a package outlining present workforce initiatives to complement its longer-term focus.

The Medical Workforce Strategy Group is currently working on the development of a strategy exploring the role of the future doctor in the New Zealand health sector. A visioning workshop held in September made significant progress to develop a discussion document for consultation with professional and sector networks. Participants at the workshop included Len Cook, Chair of the Medical Training Board. His presence helped ensure effective linkages with other medical workforce development activity.

A Nursing and Midwifery Strategy Group project in 2005/06, funded by the Clinical Training Agency, established a nationwide annual programme supporting new graduate nurses in their first year of clinical practice in hospitals. This has now been extended, enabling DHBs to work with primary health providers to support new graduate nurses in primary health care.

The Health Workforce Information Programme (HWIP) is gaining increased recognition for its workforce forecasting work. The results of forecasting initiatives provide a strong information base for workforce supply planning and advice to the education sector on future training needs. A new programme forecasting the sectors’ future nursing workforce needs will be complete by the end of 2009.

COMING UP

- DHBs, the Ministry of Health and clinical leaders have developed a framework for executive clinical leadership development. This will enable future sector leaders to be assisted to develop the competencies required for working in the challenging health environment.

- In February, the Health Workforce Information Programme releases the July-October 2008 quarterly report covering the DHB employed workforce. This report includes workforce trend information that will be very valuable for workforce planning.

From the Inzone bus:

“Enjoyed the whole experience as it wasn’t difficult to operate and also fun”

“I learned about medical careers I hadn’t heard of before. It was great, thank you”
Northland student quotes from the Inzone bus

“I learned about medical careers I hadn’t heard of before. It was great, thank you.”

“Very insightful and educational experience considering we don’t get many opportunities like that in the north. Enjoyed the whole experience as it wasn’t difficult at all to operate and also fun, but at the same time helpful. Thanks!!”

“I found the videos very helpful in that they opened up my eyes to aspects or areas of industries that I had not previously considered. For example in the health career video, I was introduced to the possibility of physical rehabilitation, it provoked interest into those areas that are not so widely talked about when compared to those such as psychology.”

Strategic Plan 2008/2011

<table>
<thead>
<tr>
<th>Outcome Sought -</th>
<th>Approach -</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Develop a sustainable, flexible workforce that meets health sector needs.</td>
<td>• Deliver on workplan.</td>
</tr>
<tr>
<td></td>
<td>• Identify and address priorities.</td>
</tr>
<tr>
<td></td>
<td>• Collaborate with a coordinated and connected sector-wide approach.</td>
</tr>
<tr>
<td></td>
<td>• Reflect Health Sector Relationship Agreement goals.</td>
</tr>
<tr>
<td></td>
<td>• Minimise duplication.</td>
</tr>
<tr>
<td></td>
<td>• Align Employment Relations’ strategies – act collectively on Employment Relations for the next three years.</td>
</tr>
<tr>
<td></td>
<td>• Coordinate and integrate collaborative workforce, human resources and employment relations activity across workstreams and be responsive to DHB activity.</td>
</tr>
</tbody>
</table>
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 worked hard, both internally and on a sector-wide basis, to engage fully with health professionals to improve sector performance. This includes evolving relationships between organisations and staff to build a shared commitment to improving sector performance. This includes clinical leadership and clinical networks.

All DHBs have processes through which health professionals contribute to decision-making, and are working to ensure that this is universal across funded services. DHBs are steadily introducing leaders from the primary and community sector into their planning activities alongside provider arm clinical roles. Clinical boards are established in all DHBs, where clinicians drive, set and monitor clinical standards.

The Health Sector Relationship Agreement (HSRA) signed by DHBs, CTU health unions and Government, signals the need and intent to engage more meaningfully with all staff, and focuses implementation at the local level.

DHBs have settled the outstanding collective agreements with the Association of Professional and Executive Employees (APEX) (Clinical Physiologists) and with the Public Service Association (PSA) (three regional clerical documents). The team has provided advice and support to DHBs on the implementation of both these, and earlier settlements. All national and major regional documents are now settled.

An internal review of the operational aspects of the bargaining round has been concluded, and the lessons identified will inform future operational practice, as well as the strategic refresh. In December, Chief Executive Officers (CEOs) endorsed the establishment of an Employment Relations Portfolio to lead the future development of collaborative employment relations activity. This new group held its initial meeting in mid-December.

Included in the DHBNZ briefing to the new Government was a confirmation of the collaborative agreements DHBs have entered into with unions, and a positive statement about the expected benefits from these. This message
has subsequently been confirmed to the unions affiliated with the Council of Trade Unions.

Peter Glensor spoke at the Association of Salaried Medical Specialists (ASMS) conference and highlighted the importance of both the Time for Quality Agreement, and the Health Sector Relationships Agreement. He reaffirmed the DHB commitment to these agreements. He also signalled the importance of quickly moving to the ‘delivery’ phase of these agreements, especially given the changing global economic picture.

What’s happening now

The two Workforce Commissions sponsored by the Ministry of Health’s Director-General, Resident Medical Officers (RMOs) and Senior Medical Officers (SMOs), are now fully underway. DHBs, both individually and collectively, are providing information to the commissions.

The new Employment Relations Portfolio Group met in December. The key activity of this group is to oversee further improvement of the employment relations strategy, with a focus on gaining earlier DHB buy-in to strategies that deliver workforce outcomes. This group comprises four regional CEOs (Karen Roach, Phil Cammish, Julie Patterson and David Meates) along with representatives of the national General Managers Human Resources, Chief Operating Officers, Chief Financial Officers (Eric Sinclair), and DHBNZ’s CEO.

DHB and union commitments, such as in the Health Sector Relationship Agreement (HSRA), and union-specific agreements such as with the New Zealand Nurses Organisation (NZNO) – the Joint Action Committee or JAC – are of even more importance given the deteriorating economic situation. The portfolio group will consider the development of a reporting tool, to capture at an individual DHB level, the local progress against these commitments.

Within the HSRA work programme it has been agreed to focus efforts on supporting local and existing initiatives in order to gain the most immediate benefit.

The national team has commenced planning for negotiations with the Service and Food Workers Union (SFWU), with the existing document expiring in June 2009. Planning for negotiations with the PSA for the final regional Clerical Multi-Employer Collective Agreement (MECA) (Southern) is also underway.

Achievements

- Agreement was reached with APEX (CPTs), and PSA on three regional Clerical MECAs (Central, Midland and Auckland).

- The Health Sector Relationship Agreement (HSRA) steering group, which includes the Ministry of Health, CTU and DHBs, shared their collective experiences of the bargaining round. This is expected to lead later in 2009
to a multi-party workshop on current and future constraints and drivers of the sector.

COMING UP

- Planning for negotiations with APEX Medical Radiation Technologists will commence shortly – the existing agreement expires in September 2009 and the NZ Medical Laboratory Workers Union (NZMLWU) document expires in November 2009.

- Reconfirmation of the collaborative three-year work programme – covering both the negotiation schedule and associated projects – is now well underway.

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.
- Align Employment Relations with workforce 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
**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 utilisation of public sector resources.

**What’s happening now**

There has been a significant improvement in collective thinking at DHB Procurement Managers’ level following the November Procurement Managers’ workshop. This is encouraging, as commitment and contribution by DHBs to collective activity is essential to achieve the savings and efficiencies possible in Health Procurement.

A number of collective projects were established at the November workshop, which will move the DHBs closer to common systems and processes. These are: Common Catalogue; National Contracts Database; Current Systems Stocktake; DHB and Regional Procurement Plans; Reporting; and Procurement Definition and Scope. When complete, these projects will provide DHBs with further efficiencies and savings.

At their December meeting, CEOs were given a package of deliverables from this portfolio. These deliverables were:

- Oral Health – Deeds for signing
- Syringe Driver – Deeds for signing
- Orthopaedic Prostheses – Strategy
- Vehicles – Collective procurement
- Glucose meters – Implementation advice and guidance provided
- Wound care – Recommendation to take the Health Alliance contract offer
- Cardiac Stents – Advice to DHBs to ensure alignment to one of the three contracts available.

Quickscans are underway across the following DHBs: Hawke’s Bay, Otago/Southland, Tairawhiti, Health Alliance, Canterbury, and MidCentral. The purpose of the Quickscans is to describe the readiness of these DHBs to contribute to the new collective approach to health procurement.

The DHB National Procurement Strategy Project will assist DHBs as they examine options for more efficient and effective operations. The development of the strategy is underway, with the first draft report due in March 2009.
Quarterly Update for Boards | February 2009

HEALTH PROCUREMENT

The 2008/09 budget includes funding for a further four initiatives. The Vehicles project will fill one of these, and the other three are being selected.

**Achievements**

- To date $15M in savings opportunities has been generated by Health Procurement. This includes maintaining previous savings in Insurance and adding significant savings in Oral Health. The Programme is well on the way to the $25M savings target.
- The Oral Health Mobile Unit and Equipment contract negotiation is now complete, with the Deeds of Standing offer with DHBs for signing. Significant savings have resulted from the oral health projects.
- The Syringe Driver contract negotiation is complete, and a Deed of Standing Offer is currently with DHBs for signing. A clause in the contract allows non-government organisations (NGOs) access to pricing, and to other benefits provided to DHBs. This is the first project where we have had the opportunity to include NGOs, and this has met with a very positive response from those groups.
- Wound Care contracts are with DHBs for evaluation of offer, with DHBNZ facilitating the take up of the offer with each DHB.

**COMING UP**

- Present early indicators from Collective Procurement Strategy activity to procurement managers.
- Finalise orders and begin construction of Oral Health Mobile units.
- Present strategy for Orthopaedic Prostheses initiative to CEOs.
- Work with DHBs and NGOs to introduce new Syringe Drivers across sector.
- Finalise Wound Care agreements with DHBs.
- Further develop collective projects with DHB procurement managers.
- Commence work with DHBs on the 2009/2010 Collective Insurance contract renewal process.
- Development of draft workplan for 09/10.

**Strategic Plan 2008/2011**

<table>
<thead>
<tr>
<th>Outcome Sought -</th>
<th>Approach -</th>
</tr>
</thead>
<tbody>
<tr>
<td>• DHBs prefer collective procurement to achieve demonstrable value fiscally and sustainability.</td>
<td>• Maximise dollar savings and establish sustainable procurement deals.</td>
</tr>
<tr>
<td></td>
<td>• Document savings and efficiencies and align policies and processes with government direction.</td>
</tr>
</tbody>
</table>
# Programme Summary Report

## Active Projects

<table>
<thead>
<tr>
<th>Active Projects</th>
<th>Lead Agent</th>
<th>Budget</th>
<th>Type</th>
<th>Benefit Estimate</th>
<th>Standardisation</th>
<th>Status</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oral Health (OH): Mobile Capacity</td>
<td>DHBNZ DHBs, MED, OAG</td>
<td>$1.2 m</td>
<td>Optimised</td>
<td>$1.2 m</td>
<td>Assists with Market tension and aids rationalisation of product</td>
<td>Ongoing</td>
<td>Reduction in range of models assists in fleet reduction</td>
</tr>
<tr>
<td>Oral Health (OH): Equipment</td>
<td>DHBNZ DHBs, MED, OAG</td>
<td>$2.3 m</td>
<td>Optimised</td>
<td>$2.3 m</td>
<td>Assists with fleet rationalisation and alignment in staffing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>�</td>
<td>DHBNZ DHBs, MED, OAG</td>
<td>$3.0 m</td>
<td>Optimised</td>
<td>$3.0 m</td>
<td>Assists with fleet rationalisation and alignment in staffing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>�</td>
<td>DHBNZ DHBs, MED, OAG</td>
<td>$4.0 m</td>
<td>Optimised</td>
<td>$4.0 m</td>
<td>Assists with fleet rationalisation and alignment in staffing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>�</td>
<td>DHBNZ DHBs, MED, OAG</td>
<td>$5.0 m</td>
<td>Optimised</td>
<td>$5.0 m</td>
<td>Assists with fleet rationalisation and alignment in staffing</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Health Procurement

<table>
<thead>
<tr>
<th>Benefit Estimate</th>
<th>Type</th>
<th>Status</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Savings</td>
<td>Budget</td>
<td>Ongoing</td>
<td>Reduction in range of models assists in fleet reduction</td>
</tr>
<tr>
<td>$1.2 m</td>
<td>$1.2 m</td>
<td>Ongoing</td>
<td>Reduction in range of models assists in fleet reduction</td>
</tr>
<tr>
<td>Ongoing</td>
<td>Ongoing</td>
<td>Ongoing</td>
<td>Reduction in range of models assists in fleet reduction</td>
</tr>
<tr>
<td>Ongoing</td>
<td>Ongoing</td>
<td>Ongoing</td>
<td>Reduction in range of models assists in fleet reduction</td>
</tr>
<tr>
<td>Ongoing</td>
<td>Ongoing</td>
<td>Ongoing</td>
<td>Reduction in range of models assists in fleet reduction</td>
</tr>
<tr>
<td>Ongoing</td>
<td>Ongoing</td>
<td>Ongoing</td>
<td>Reduction in range of models assists in fleet reduction</td>
</tr>
</tbody>
</table>

## Project Selection Factors

- National review and strategy development will give clarity to the best structure around procurement activity to maximise DHBs position.
- Common catalogue use across DHBs & NGOs ensuring consistency of supply in the future.
- Improved stock management with savings in freight cost from efficiencies gained through small number of suppliers.
- Majority - 21 DHBs $30K (stage 1)
- Standardisation of community style products.

## Ongoing

- Ongoing July 2008
- 21 DHBs Base 6.1M
- Quality and standardisation of Suite of approved P&P available for use and uptake by DHBs.
- Continued development of library of standard procurement tools.

## Delivery Dates

- Phase 1 (scope & planning) complete. Remaining Phases 2009.
- Benchmarking of DHBs complete. Endorsed by Procurement Managers now underway.
- Development of Strategy underway with paper prepared for March CEQ meeting.
- Advisory group 95
- Deed of Standing Offer with DHBs for signing. Awaiting orders for units from DHBs.
- 21 DHBs $160K placement
- $300K Standardisation of community style products
- Standard contract with selected suppliers
- DHBNZ Expert Advisory Groups to be established
- DHBNZ, CDHB, CCDHB

## Evaluation

- Appropriate selection of range over time to meet clinical best practice
- Standard Contact for both DHBs & NGOs ensuring alignment with clinical requirements
- Standard Contact with selected suppliers
- 21 DHBs 2009/10
- Minimum benefits of unique clinical requirements across Service Branches

## Overall Procurement Approach

- High value collaborative procurement processes to be selected
- Standardisation and Quality Key for project selection
- Ongoing procurement approach includes supply chain management.
<table>
<thead>
<tr>
<th>Completed Projects</th>
<th>Budget</th>
<th>Type</th>
<th>Completed</th>
<th>Lead Agent</th>
<th>NH</th>
<th>Supply Chain</th>
<th>Standardisation</th>
<th>Savings</th>
<th>Benefit Achieved</th>
<th>Lead Agent</th>
<th>DHBs Trading</th>
<th>Delivery Dates Achieved</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recruitment</td>
<td>$160K</td>
<td>DHBs</td>
<td>21</td>
<td>DHBNZ</td>
<td>AON</td>
<td>DHBNZ</td>
<td>Standard contract / supplier interface</td>
<td>N/A</td>
<td>N/A</td>
<td>DHBNZ</td>
<td>DHBNZ</td>
<td>Dec 2007</td>
<td>N/A</td>
</tr>
<tr>
<td>Advertising</td>
<td>$89K</td>
<td>Regional</td>
<td>21</td>
<td>DHBNZ AON</td>
<td>AON</td>
<td>DHBNZ</td>
<td>Standard contract / supplier interface</td>
<td>N/A</td>
<td>N/A</td>
<td>DHBNZ</td>
<td>DHBNZ</td>
<td>Apr 2008</td>
<td>N/A</td>
</tr>
<tr>
<td>Regional standardisation and economies of scale may push savings into the sector.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>A standard policy across the sector enabling sharing of best practices.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fuel</td>
<td>$0.3M</td>
<td>DHBs</td>
<td>21</td>
<td>DHBNZ</td>
<td>AON</td>
<td>DHBNZ</td>
<td>Standard contract / supplier interface</td>
<td>N/A</td>
<td>N/A</td>
<td>DHBNZ</td>
<td>DHBNZ</td>
<td>Apr 2008</td>
<td>N/A</td>
</tr>
<tr>
<td>Efficiency savings to be gained from having one supplier for all 21 DHBs.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>One standard contract / supplier interface.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electricity</td>
<td>$6.5M</td>
<td>MOH</td>
<td>21</td>
<td>DHBNZ</td>
<td>AON</td>
<td>DHBNZ</td>
<td>Standard contract / supplier interface</td>
<td>N/A</td>
<td>N/A</td>
<td>DHBNZ</td>
<td>DHBNZ</td>
<td>Oct 2008</td>
<td>N/A</td>
</tr>
<tr>
<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></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Quality and standardisation of one design.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Quarterly Update for Boards | February 2009**

**HealtH proCurement**

**Completed Projects**

<table>
<thead>
<tr>
<th>Completed Projects</th>
<th>Budget</th>
<th>Type</th>
<th>Completed</th>
<th>Lead Agent</th>
<th>NH</th>
<th>Supply Chain</th>
<th>Standardisation</th>
<th>Savings</th>
<th>Benefit Achieved</th>
<th>Lead Agent</th>
<th>DHBs Trading</th>
<th>Delivery Dates Achieved</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recruitment</td>
<td>$160K</td>
<td>DHBs</td>
<td>21</td>
<td>DHBNZ</td>
<td>AON</td>
<td>DHBNZ</td>
<td>Standard contract / supplier interface</td>
<td>N/A</td>
<td>N/A</td>
<td>DHBNZ</td>
<td>DHBNZ</td>
<td>Dec 2007</td>
<td>N/A</td>
</tr>
<tr>
<td>Advertising</td>
<td>$89K</td>
<td>Regional</td>
<td>21</td>
<td>DHBNZ AON</td>
<td>AON</td>
<td>DHBNZ</td>
<td>Standard contract / supplier interface</td>
<td>N/A</td>
<td>N/A</td>
<td>DHBNZ</td>
<td>DHBNZ</td>
<td>Apr 2008</td>
<td>N/A</td>
</tr>
<tr>
<td>Regional standardisation and economies of scale may push savings into the sector.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>A standard policy across the sector enabling sharing of best practices.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fuel</td>
<td>$0.3M</td>
<td>DHBs</td>
<td>21</td>
<td>DHBNZ</td>
<td>AON</td>
<td>DHBNZ</td>
<td>Standard contract / supplier interface</td>
<td>N/A</td>
<td>N/A</td>
<td>DHBNZ</td>
<td>DHBNZ</td>
<td>Apr 2008</td>
<td>N/A</td>
</tr>
<tr>
<td>Efficiency savings to be gained from having one supplier for all 21 DHBs.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>One standard contract / supplier interface.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electricity</td>
<td>$6.5M</td>
<td>MOH</td>
<td>21</td>
<td>DHBNZ</td>
<td>AON</td>
<td>DHBNZ</td>
<td>Standard contract / supplier interface</td>
<td>N/A</td>
<td>N/A</td>
<td>DHBNZ</td>
<td>DHBNZ</td>
<td>Oct 2008</td>
<td>N/A</td>
</tr>
<tr>
<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></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Quality and standardisation of one design.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
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) 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.

Development of the Statement of Commitment is a current focus of the portfolio, and includes principles to guide sharing, access and use of electronic health information. This is timely, as one of the first tasks of the Health Information Strategy Advisory Committee (HISAC) is to refresh and update the 2005 Health Information Strategy New Zealand (HIS-NZ) in the area of electronic health records. DHBs are seeking to provide collective input into the work of HISAC.

Recent Health and Disability Commissioner (HDC) cases have highlighted the importance of communication and sharing of patient information. The key message from these cases is the need for better communication of referrals/discharges between:

- General practitioners to hospitals
- Hospitals to hospitals
- General practitioners to general practitioners.

The HDC cases highlighted the need for the sector to improve communication as a matter of priority in the interest of patient safety.

Activities to improve communication come under the information action zones of electronic referrals, electronic discharges and electronic medication. They will be undertaken as part of the Safe Medication Management national quality programme.
CEOs have agreed to work collectively to upgrade the electronic discharges system used by DHBs, so the system complies with national standards. This upgrade will address some of the issues raised by the HDC. A collective national project is underway that will see a group of secondary and primary care doctors signing off the updated national clinical specifications for electronic discharges.

Seven DHBs have started the tender process for a collective procurement to replace their existing patient management systems. 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. Governance and CEO leadership and stewardship of this process needs to be of the highest quality to ensure the project’s success.

**Achievements**

- Seven DHBs are making significant efforts to work together collaboratively on the project to replace their patient management systems.
- A collective national approach to upgrade electronic discharges to improve patient safety led by primary and secondary doctors is underway.
- Greater commitments by CEOs to this portfolio by increasing the number of portfolio CEOs from two to four.

**COMING UP**

The Information Portfolio will need to link in with any change of emphasis or direction from the new Government. There are early signs of an increased focus on greater integration of information projects with other health-related projects. The Government has also signaled the need for greater clinical leadership, and substantive involvement by clinicians, in the health information area.

**Strategic Plan 2008/2011**

**Outcome Sought -**

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

**Approach -**

- Visible, measurable co-ordination and convergence and data available for the national collective good.
- Boards support the 12 Action Zones in Health Information Strategy.
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

More proactively promoting the benefits of collective DHB activity will be a focus this year. This includes using Chairs’ conferences as a media ‘hook’ to communicate DHBNZ’s key messages.

It was agreed at the most recent conference of DHB communication advisors and managers that collaboration between DHBs, and between DHBs and DHBNZ, would continue to increase. This will be seen in the February release of 2007/08 serious and sentinel events report.

Achievements

- At the recent DHB communication advisors and managers conference, hosted by Wairarapa DHB, there was a strong focus on future collaboration.

COMING UP

- Greater engagement with DHB communications staff to ensure a ‘no surprises’ approach, with sharing of information in advance on areas that could elicit negative comment
- Consideration of joint projects, such as considering a national campaign aimed at reducing admissions to emergency departments this winter.

Strategic Plan 2008/2011

Outcome Sought -
- Public confidence in the public health system.
- Well-informed stakeholders at all levels and a strong sector network.
- A clear media presence.

Approach -
- Describe and promote collective activity clearly and proactively.
- Work closely and collaboratively with DHB communications.