

Briefing to the Incoming Minister

Part A: The New Zealand Health and Disability System

2020

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Introduction

E te Minita, tēnā koe

Congratulations on your appointment as Minister of Health. The Ministry of Health is committed to supporting you to implement the Government's policy direction.

Our health and disability system – and the health of that system – have never been more in the spotlight in New Zealand and internationally than they are now. COVID-19 (KOWHEORI-19) is driving a new interest in 'how are things working' within our system – and, of course, 'how could they work better'.

Aotearoa New Zealand's successful and adaptive response to COVID-19 has demonstrated, *inter alia*, the strengths of New Zealand's health and disability system; it has also highlighted areas for improvement that will help us address some of our key long-term challenges. The success to date provides a pointer for wider system change: leadership, strongly engaging our committed workforce, both clinical and non-clinical; and ongoing review and improvement.

Whilst we have achieved significant success to date in eliminating COVID-19 from our communities, the pandemic remains a major focus for our work as its impacts will be with us for some time to come. Alongside this, as a country we need to make rapid progress on the key challenges we face, many of which are global, around ongoing inequities, workforce availability, the impact of non-communicable diseases, dealing with complex public health problems, and funding.

The New Zealand health and disability system is complex and relies heavily on strong and enduring relationships to ensure it delivers for New Zealanders. In this respect, it is not unique and the challenges we are grappling with are shared with other countries whether they are high, medium or low income. What is unique to New Zealand is the need for a committed cultural approach, grounded in Te Tiriti o Waitangi (Te Tiriti). The health and disability system has not always done a good job of meeting its obligations to Māori under the Treaty and this is a core driver behind the Ministry's vision of pae ora – healthy futures, and our response to Hauora: Report on Stage One of the Health Services and Outcomes Kaupapa Inquiry (WAI2575). We are committed to doing better for Māori and other groups to ensure equity of access to, experience of and outcomes from care.

Both the COVID-19 situation and the recent Health and Disability System Review (the Review) provide a unique opportunity to refresh the strategic direction for the health and disability system, to improve equity and shift the system towards a sustainable and joined-up future that puts the wellbeing of New Zealanders at the centre. There is an opportunity and imperative to 'transform', not just 'reform', the system. We are keen to discuss your priorities for transformation and the pathway for change in the context of COVID-19.

My leadership team and the wider Ministry look forward to meeting you and supporting you as you take up your new portfolio.

Nāku noa, nā

Dr Ashley Bloomfield Director-General of Health

Summary

Now is an important time for New Zealand's health and disability system. The health and wellbeing of New Zealanders is critical to the economic, social and cultural wellbeing of the nation, communities and whānau.

Responding to the COVID-19/KOWHEORI-19 pandemic has challenged the system like never before. We have achieved success with our science-driven and adaptive elimination strategy. Our response to COVID-19 has shown both the quality of our workforce and, through them, the system's ability to be agile and embrace change under a clear common purpose and leadership. Looking ahead, COVID-19 and the *Health and Disability Review – Final Report – Pūrongo Whakamutunga* provide an opportunity to better serve people in New Zealand. While the overall health of New Zealanders is generally improving – we are living longer in better health – we must keep improving in order to achieve pae ora – healthy futures for all New Zealanders. These improvements, including a stronger focus on prevention and population health, are critical to address health inequity for Māori, Pacific peoples, disabled people and other groups.

COVID-19 emerged as the health and disability system was already responding to long-term challenges. Those challenges include: meeting the needs of a growing and ageing population; how we work together and with our partners to prevent future ill health, especially from non-communicable diseases such as diabetes, heart disease and cancers; strengthening leadership and accountability across the system; meeting our obligations under Te Tiriti and ensuring equitable outcomes; training and retaining a skilled and adaptable workforce; rebuilding and repairing our physical infrastructure; and investing in transformative technology, particularly data and digital – all while ensuring financial sustainability in a challenging economic climate.

There are many assets to build on, including the strength of a highly skilled and deeply committed workforce, successes and lessons from COVID-19, population-based approaches and a willingness to innovate. In the near-term, this means responding relentlessly to COVID-19 while improving district health board (DHB) performance and implementing the Government's response to He Ara Oranga (Report of the Government Inquiry into Mental Health and Addiction). In the medium- to longer-term there is opportunity to map out a pathway, initially in the context of COVID-19, to position the system to better meet the health and disability needs of current and future generations of people calling New Zealand/Aotearoa home. We are keen to discuss your priorities for reform and the pathway for change.

As kaitiaki of this system and principal health advisor to the Government, the Ministry will work with you to improve the health and disability outcomes of New Zealanders and deliver on the Government's priorities for the health portfolio.

This document describes the strategic context and current state of the health and disability system and the medium-term focus areas to meet the challenges of the future and to achieve the long-term vision of pae ora – healthy futures for all people in New Zealand.

Appendix One provides a list of the initial key decisions for you as the incoming Minister. A handbook of the organisations and responsibilities of the Health and Disability System is included as Part B of this briefing. A series of secondary briefings on COVID-19 and other priority issues will be provided to you separately.

Our vision for the future is pae ora – healthy futures

Our vision for the future of the health and disability system is pae ora – healthy futures

The concept of pae ora promotes the wellbeing of all New Zealanders and enables them to improve or maximise their health and independence. Pae ora has three elements, summarised below:

/ision

Pae Ora – Healthy Futures

- We live longer in good health
- We have improved quality of life
- We have health equity for Māori and all other people

Our system is performing well for many New Zealanders as we move towards our goal of pae ora – healthy futures

Compared with other high-income countries, New Zealand performs relatively well on overall population health indicators, and many continue to improve over time. For example: New Zealanders are living longer and spending more years in good health; infant mortality has reduced; smoking rates are declining, with very low rates among teenagers; oral health for children is improving; cancer screening service coverage has increased leading to early detection and earlier treatment; and amenable mortality (which is associated with health system performance) decreased for all groups.

These improvements reflect important policy, funding and implementation decisions, coupled with commitment of health system leaders, clinicians, planners and funders to work with their communities and with Māori to change models of service delivery, implement advances in treatments and health technologies, and deliver more integrated services.

It is in this context the system has responded to the unprecedented international challenge of COVID-19. Public health services have mobilised rapidly to monitor and respond to the emergent threat, including delivering one of the highest per capita testing rates in the world. Service models have been redesigned and reprioritised where necessary to ensure sufficient overall capacity to deal with a surge in infections (including ramping up contact tracing) and tailored approaches to delivering services for Māori and Pacific peoples have been facilitated through government investment, community involvement and service innovation.

Health equity is central to achieving pae ora

While strong overall progress on population health is being made, there are continued inequitable outcomes for some groups, including Māori, Pacific peoples, socioeconomically deprived people, rural people, disabled people and people with mental health and addiction needs. As a result of COVID-19, there may also be disproportionate impacts on these groups/regions depending on where outbreaks occur. Life expectancy is increasing for Māori males and females, but remains 7.3 and 6.8 years below that of non-Maori males and females. Mortality rates are also falling (improving) for Māori but remain higher than non-Māori (Figure 1).

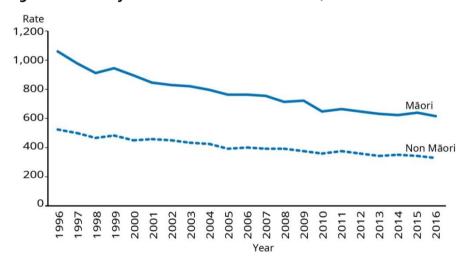


Figure 1: Mortality rates for Māori and non-Māori, 1996-2016

In common with other high-income countries, non-communicable diseases (such as cancer/neoplasms, cardiovascular disease and mental illness) contribute the most to ill health and early death in New Zealand (81.8%) (Figure 2). These diseases are a significant driver of health inequities for Māori, Pacific peoples and other groups and are important risk factors for poor COVID-19 outcomes.

Non-communicable diseases (81.8%) Neoplasms 17.4% Cardiovascular and cerebrovascular diseases 13.9% 81.8% Musculoskeletal disorders 11.6% Mental disorders 8.5% Neurological disorders 7.1% Chronic respiratory diseases 5.1% Diabetes and kidney diseases 3.8% Sense organ diseases 2.9% Skin and subcutaneous diseases 2.9% Digestive diseases 2.4% 2.0% Substance use disorders Other non-communicable diseases 4.2% Communicable, maternal, neonatal Injuries (14.2%) and nutritional diseases (4%)

Figure 2: Contribution of various causes to overall disease burden

Unintentional injuries 8.3%
Transport injuries 3.1%

Self-harm and interpersonal violence

Source: Global Burden of Disease Collaborative Network, 2018

The wider determinants of health and wellbeing have an impact on equitable health outcomes

2.7%

The wider determinants of health and wellbeing play a major role in overall health and wellbeing (Figure 3). That is, people's health is substantially influenced by the physical environment, social and economic factors, culture, spiritual beliefs, and by their behaviour. Individuals have varying levels of control over these determinants. In many ways, these factors are structural – they are embedded in how our society functions and so constrain the level of choice people have.

The health and disability system has an important role to play, working alongside other agencies, to address these wider determinants of wellbeing. There is a range of important work underway to support this in the health and disability system and between agencies to address key health determinants such as reducing poverty, improving educational outcomes, increasing access to healthy housing, reducing homelessness and tackling family and sexual violence. Work is also underway to support people to make healthy behaviours (such as improved nutrition, increased physical activity and being smokefree) including working with industry and strengthening/modernising regulatory settings.

40% Socioeconomic factors Education Family/ social support Physical 10% environment Health 30% behaviours Tobacco exercise Health 20% care Access to care

Figure 3: The determinants of health and their relative contribution to our health outcomes

Source: Adapted from the Institute for Clinical Systems Improvement (2014)

Quality of care

There are barriers to equitable health outcomes

There is a range of barriers to equitable health outcomes, including racism, discrimination, cost, transport and information accessibility, that prevent some people from having fair access to health services and disability supports. These inequities reduce the resilience of our whole population to evolving and increasing demands on the health system which are brought by demographic shifts, changing expectations, and public health threats.

The Review defined racism as a social system based on historical and political inequalities that results in systemic privileging of some groups over others, and found that self-reported experiences of racism, including by health professionals, is higher for Māori, Pacific peoples and Asian peoples compared with European/other people.

Contributing to these institutional barriers are low levels of Māori and Pacific representation among the health workforce. Achieving equitable outcomes will require a deliberate investment in workforce and other initiatives that support fair access to, experience of and outcomes from care and support.

The Ministry is committed to Te Tiriti o Waitangi and achieving pae ora for Māori

The Ministry is committed to fulfilling the special relationship between Māori and the Crown under Te Tiriti. The Ministry, as the kaitiaki of the health and disability system (under article 1 of Te Tiriti), has the responsibility to enable Māori to exercise authority over their health and wellbeing (under article 2) and achieve equitable health outcomes for Māori (under article 3) in ways that enable Māori to live, thrive and flourish as Māori.

The principles of Te Tiriti, as articulated by the Courts and the Waitangi Tribunal, provide the framework for how we will meet our obligations under Te Tiriti in our day-to-day work. The 2019 Hauora report recommends the following principles for the primary health care system, which are also applicable to the wider health and disability system.

- Tino rangatiratanga: The guarantee of tino rangatiratanga, which provides for Māori self-determination and mana motuhake in the design, delivery and monitoring of health and disability services.
- **Equity:** The principle of equity, which requires the Crown to commit to achieving equitable health outcomes for Māori.
- Active protection: The principle of active protection, which requires the Crown to
 act, to the fullest extent practicable, to achieve equitable health outcomes for Māori.
 This includes ensuring that it, its agents, and its Treaty partner are well informed on
 the extent and nature of Māori health outcomes and efforts to achieve Māori health
 equity.
- Options: The principle of options, which requires the Crown to provide for, and
 properly resource, kaupapa Māori health and disability services. Furthermore, the
 Crown is obliged to ensure that all health and disability services are provided in a
 culturally appropriate way that recognises and supports the expression of hauora
 Māori models of care.
- **Partnership:** The principle of partnership, which requires the Crown and Māori to work in partnership in the governance, design, delivery and monitoring of health and disability services. Māori must be co-designers, with the Crown, of the primary health system for Māori.

Meeting our obligations under Te Tiriti is necessary to realise the overall aims of *He Korowai Oranga: Māori Health Strategy* and achieve outcomes for the health and disability system as a whole. The Ministry has developed action plans, including *Whakamaua: Māori Health Action Plan 2020-2025* (Whakamaua) and *Whāia Te Ao Mārama 2018–2022: The Māori Disability Action Plan* for tangata whāikaha (Māori with disabilities) which serve to support these aims and set a direction to improve outcomes for Māori. Whakamaua also positions the health and disability system to continue protecting the health of iwi, hapū, whānau and Māori communities in the face of the COVID-19/KOWHEORI-19 pandemic.

Improving access and outcomes in the health and disability system for Māori will require a transformation programme that invests early and in the right things to support Māori individuals, whānau, hapū and iwi. This includes redirecting funding so that it gets to communities and supporting Māori to take ownership in the design and development of services that meet their needs and aspirations. Transformation is already underway in mental health and addiction, where there has been significant investment of Budget 2019 funding in primary mental health and addiction services. Māori are identified as a priority population across all new service investment, but the Ministry has also ringfenced 20 percent of funding available for service delivery exclusively for kaupapa Māori services. The Ministry is trialling new approaches to procuring kaupapa Māori services designed to align better with a Māori world view and support the success of Māori providers.

COVID-19 emerged as the system already faced multiple long-term challenges

Long-standing system challenges are welldocumented, including in the final report of the Health and Disability System Review

The New Zealand health and disability system faces a range of cost pressures. These include pressures from the response to COVID-19, as well as changes in demographics, funding levels and patterns of illness. Compared with some other high-income countries (Schneider EC, Sarnak DO, Squires D, et al, 2017), New Zealand spends a smaller share of national income on health care per capita, performs well in terms of care process and administrative efficiency, but is lower ranked on equity ('equity' in this study means the difference between low- and high-income adults on the 11 measures related to timeliness, financial barriers to care and patient-centred care). However, what we spend is only one part of the picture: we need to consider all of our levers, and not just additional investment, to ensure that we use funding more effectively and implement changes that move us closer to our vision of pae ora.

The health and disability system does not deliver equitable outcomes for all

As noted above, there are inequitable outcomes for some groups, including Māori and Pacific peoples. The system needs to work differently to meet our Te Tiriti obligations and improve Māori health and social outcomes. The Review has recommended a Māori Health Authority be established as an independent departmental agency advising the Minister of Health. This recommendation will be considered by the Transition Unit in DPMC which is leading the provision of advice on the response to the Review. The consideration of equity is now key to the work programme of the Ministry.

Demand for health and disability services is evolving and growing

Demand is driven by population growth and ageing, increasing complexity in New Zealanders' health- and disability-related needs and changing expectations of what the system should deliver. Health funding has failed to keep pace with growing demand since the Global Financial Crisis. For example, challenges such as the 2016 Havelock North campylobacter outbreak, the 2019 Measles outbreaks, the attack on Christchurch Mosques and the Whakaari/White Island volcanic eruption have stressed already stretched system capacity, including public health services. In August 2020, the Ministry commenced a programme of work to establish a National Public Health Service, to strengthen the system of public health in New Zealand to respond to COVID-19 and other threats, and respond to the critical weaknesses identified in recent reviews.

The system is complex with a high degree of devolved decision making, with organisations not always collaborating around the needs of individuals and communities

The Review notes the overlap in the functions of organisations and lack of clarity on mandates which leads to duplication of effort, inefficiency and reduced accountability for performance. Stronger national and regional service planning and commissioning, particularly of specialist services, is needed. Calls for investment to be redirected within the system have been documented in *He Ara Oranga, Hauora: Report on Stage One of the Health Services and Outcomes Kaupapa Inquiry* (WAI2575) and the Final Report of the Review. At their core, these reports suggest both increased investment and a significant shift in the way services are designed and funded, with a greater focus on prevention and upstream investment on the individuals, families and populations who use the system. These suggestions will be considered in the response to the Review.

The aged care sector current system's regulatory environment is a good example of this challenge. The environment is somewhat fragmented, involving different processes and bodies, and it is difficult to achieve sufficient coordination and leadership of the improvement work needed. The Ministry is developing advice on potential changes to this environment and these changes will be considered alongside the response to the Review.

The health system is operating at capacity and COVID-19 has added more pressure

COVID-19 Alert Levels 3 and 4 changed patterns in demand. Some areas saw demand decrease eg, emergency department admissions. In other areas, the deferral of services, alongside individuals delaying seeking care has led to a significant backlog, eg, planned care interventions. All DHBs are focused on reducing the number of patients waiting longer than intended for services and have seen some success, and the Ministry is supporting DHBs with additional funding for service delivery and improvement. However, timely access to planned care remains a challenge and further impacts are likely if COVID-19 alert levels increase in the future. Additionally, evidence of demand patterns following other significant events suggests that the effect of COVID-19 on people's mental wellbeing may result in an increased demand for mental health and addiction services and social supports.

The supply and diversity of the workforce remains challenging

Health and disability services are delivered by an aging and committed workforce of more than 220,000, including doctors, nurses, allied health professionals and non-regulated Kaiāwhina (care and support) workers. Currently, the Ministry and DHBs have limited oversight of undergraduate training and education, which impact significantly on overall health workforce supply.

The current workforce pipeline is vulnerable to economic and environmental impacts, as seen during the COVID-19 response, which disrupted the flow of international workers on whom our system heavily depends. The health and disability workforce must adapt and respond rapidly to new technology and ways of working.

The health and disability workforce does not currently reflect the diversity of New Zealand's population. However, there are promising signs among Māori and Pacific graduates of clinical training, particularly nursing.

The Ministry is also responsible for ensuring that employment relations decisions, including bargained settlements, are made in line with the Government's expectations. This is a complex environment with many unions and collective agreements. Effects from settlements (for example, on pay equity) can flow on across the sector and government. When combined with traditional workforce growth these factors are a significant challenge for developing and implementing models of care that allow the workforce to deliver services in different ways.

The system needs a clear investment pathway of both operating and capital funding

Vote Health has grown from actual expenditure in 2015/16 of \$15.280 billion to budgeted expenditure in 2020/21 of \$20.269 billion, an increase of \$4.989 billion over five years (Treasury, 2019, Vote Health). For the year ending June 2019, Health accounted for 21 percent of total Core Crown Spending (Treasury, 2019, Financial Statements). The Treasury Statement on the Long-Term Fiscal Position (2016) projected that government spending on health would need to rise from 6.2 percent of GDP in 2015 to 6.8 percent in 2030 and 8.3 percent in 2045, just to maintain the current offer – investment that will only be achievable with significant trade-offs in other areas.

The financial performance of our DHBs varies and has deteriorated in recent years. The fundamental driver of this was the cumulative impact of funding levels below those needed to meet ongoing cost pressures. Higher levels of investment over the last three years have stabilised the DHBs' overall financial position, but some individual DHBs had accumulated significant deficits. DHBs have reported an unaudited sector-wide deficit of \$874 million for the year ended 30 June 2020. After allowing for the impact of one-off items not included in the 2019/20 Annual Plans, the result is an underlying deficit of \$497 million, which is in line with budget. Key drivers of DHB financial positions include workforce costs, investment in technology and infrastructure, and significant full-time equivalent growth in their provider arms. The Review called for fewer DHBs and this will be considered in the work to respond to the Review.

Disability support services have also come under pressure in recent years due to the increasing demand for support and the associated costs. There are also increasing demand side pressures, for example increasing demand for access to rehabilitation services such as cochlear implants for adults.

COVID-19 remains as a significant challenge and provides an opportunity for transforming the system

The unprecedented internal challenge of COVID-19 has disrupted the norm but showed the strengths of the system, led to new ways of working and resulted in a number of positive outcomes.

We have achieved success with our science-driven and responsive elimination strategy. New Zealand's knowledge capital has played a critical role in our response to COVID-19. Our science workforce supported our evidence-based approach with its capacity to work across agencies and sectors and its ability to absorb evidence and participate in international research and development networks. This approach has been discussed internationally and creates a model for a system where science and evidence play a much stronger role in the design and evaluation of the health and disability system and its performance.

The system showed its ability to be agile, adaptive and to embrace change under a clear common purpose and leadership. Our public health, clinical and management workforce was in the spotlight and demonstrated just how highly skilled and deeply committed these people are to the health and disability support needs of New Zealanders.

We have seen major progress in areas that had previously proven elusive, including in the use of telehealth and virtual consultations. And new partnerships have been established within and between organisations and their communities, with increased participation leading to more effective, bespoke solutions. For example new ways of working have led to an increase of Māori uptake of flu vaccinations, and food parcels including health and hygiene packs.

The use of population-based approaches helped the system provide tailored support to Māori and Pacific peoples which was crucial in the August 2020 outbreak. The Ministry developed and implemented Māori and Pacific Health COVID-19 Response Plans. The plans and their updates provide frameworks for protecting, preventing and mitigating the impacts of COVID-19 within Māori and Pacific communities, including actions supported by the Māori Health Funding Package and actions to facilitate communication in Pacific communities.

We want to capitalise on the positive lessons of COVID-19. Opportunities for change include shifts in technology; new care pathways; greater cross-sector and community collaboration and focus on vulnerable populations; and maximising workforce capacity. Risks include the health and psychosocial effects of COVID-19 on populations already experiencing inequity in the health and disability system, the effect of an economic downturn on the sustainability of services and supports and maintaining a workforce while border controls are in place. The Ministry's priorities reflect lessons learnt from COVID-19 but also focus on maintaining the current system and preparing it for reform.

The Ministry has work underway to support transforming the system and achieving pae ora

Our immediate priorities are critical activities that maintain and improve the health of New Zealanders and strengthen the current system alongside the COVID-19 response. Our priorities for the **short term** include:

Leading the public health response to COVID-19 and delivering the Government's elimination strategy

To date, we have successfully implemented an elimination strategy in response to COVID-19, meaning we continue to have a low number of cases. In the short term we want to build on the successes of our approach while retaining the capacity and capability to alter our response as required.

Improving the performance of district health boards' financial sustainability, capital infrastructure, and employment relations bargaining

DHB performance concerns have become more acute over the last few years, with financial performance of many DHBs deteriorating and service performance metrics falling below expectations in some cases. DHB performance must improve in these areas to support better and more equitable health outcomes for New Zealanders. We are delivering the DHB Performance Programme, which aims to strengthen performance by improving the way we appoint, induct and develop leaders; the way we lead system and service planning; the way we support innovation and improvement; how we measure and monitor performance; how we engage with the sector; and how we leverage performance through accountability frameworks.

Building system capacity to deliver health services for New Zealand's growing and ageing population is a priority. The Government has provided significant levels of capital investment in recent years and supported the embedding of a new Health Infrastructure Unit (established in November 2019) to support national asset management planning, investment strategy and design and infrastructure development. Currently we are overseeing or leading 88 health capital projects, including major redevelopments such as the new Dunedin Hospital for Southern DHB.

The Ministry is also responsible for ensuring that employment relations decisions, including bargained settlements, are made in line with the Government's expectations. This is a complex environment with many unions and collective agreements. Effects from settlements (for example, on pay equity) can flow on across the sector and government. The significant challenge is developing and implementing models of care that allow our workforce to deliver services in different ways.

Implementing the Government's response to He Ara Oranga (Report of the Government Inquiry into Mental Health and Addiction) and transforming New Zealand's approach to mental health and addiction

The Ministry is progressing work to implement the Government's response to *He Ara Oranga (Report of the Government Inquiry into Mental Health and Addiction)*. He Ara Oranga called for urgent action to transform New Zealand's approach to mental health and addiction and ensure that people have more options for accessing the support they need, when and where they need it. This work is more important now than ever as it will support our recovery from the psychosocial impacts of the COVID-19 pandemic.

Work is under way to deliver the substantial Budget 2019 mental wellbeing package. This includes expanding access to and choice of primary mental health and addiction services and how these services can be integrated into different settings, eg, schools. Work is also underway to update the long-term pathway to guide and sequence actions to implement the response to He Ara Oranga. This pathway will reflect the post-COVID-19 environment, building on the actions outlined in the national psychosocial and mental wellbeing recovery plan, Kia Kaha, Kia Māia, Kia Ora Aotearoa.

And delivering work across seven focus areas to support the immediate priorities

We want to take steps now to embed the strategic direction of the Review, lessons learnt from COVID-19, in preparation for the Government's response to the detailed recommendations of the Review. Accordingly, the Ministry has identified the following set of action areas to progress in the next year. Many will help address long-standing known issues and contribute to improving inequity of health outcomes.

- 1. Commissioning for better health outcomes for Māori and all New Zealanders
- 2. Strengthening system leadership at all levels
- 3. Strengthening public health services
- 4. A modern, digitally enabled health system
- 5. Improving delivery of primary and community care
- 6. Investing in intelligence and insights to modernise and improve the system
- 7. Strengthening focus on system quality and safety.

The Ministry will provide you with a more detailed briefing on our work across these seven actions in due course.

Medium term: Harnessing what is good and laying the foundations for change

Previous changes to the health and disability system have been criticised for insufficient planning, lack of follow-through with implementation and insufficient monitoring and evaluation to understand the impact. Planning for the transition and transformation of the system during this phase can help change this. A Transition Unit has been established in the Department of Prime Minister and Cabinet to deliver the detailed policy and design work on the Government's response to the Review. The Ministry has seconded staff to the Transition Unit to support this work. We are primed to support and help lead the Government's development and implementation of proposed system changes.

We know that more substantive changes to the system will be needed to deliver the outcomes we expect for all New Zealanders and ensure that the system is sustainable and equitable. New, more cost-effective ways of preventing ill health and delivering care and support are required to meet demand and provide consistent experiences for people using services. To invest well will require better insights into population health, the quality of services and the way services are currently delivered, to appropriately manage cost pressures to improve effectiveness, productivity and efficiency, reduce waste and increase health equity. We also need to consider all our levers and those of our partner agencies, not just additional investment, to ensure that funding is used more effectively and implement changes that move the system closer to our vision of pae ora – healthy futures.

What next?

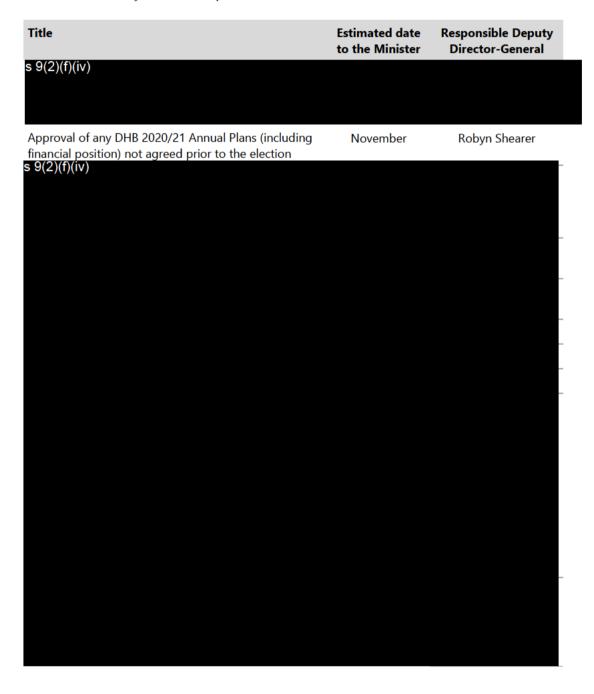
We realise this is a particularly busy time for the system but as COVID-19 has highlighted this system is agile. We already have work underway to create change to achieve pae ora – healthy futures and will support you to deliver your priorities for reform in the context of COVID-19.

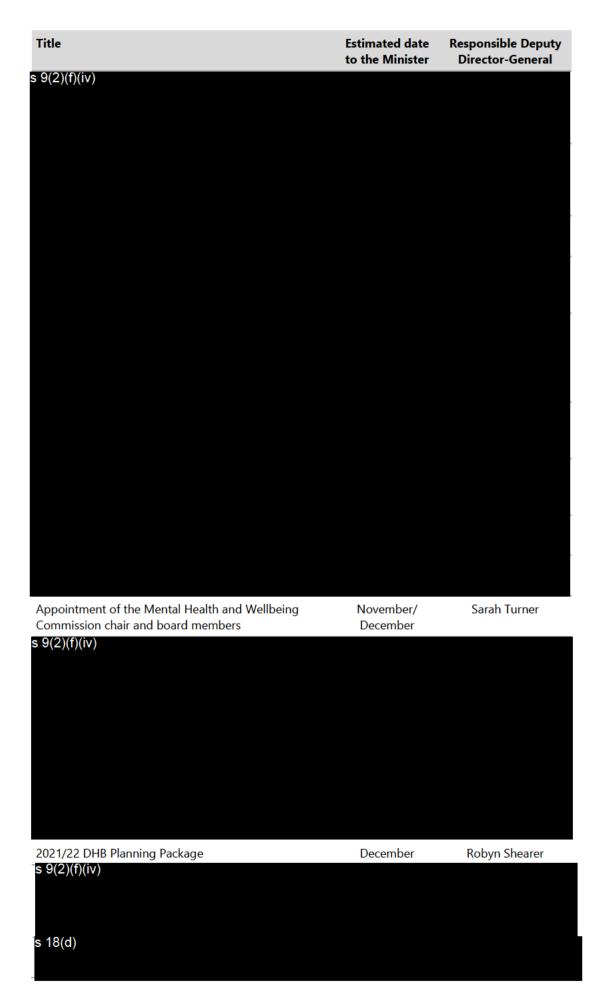
We look forward to discussing our work and how we can best support you to achieve the Government's priorities for the health and disability system.

Appendix One: Key upcoming decisions

A range of strategic and operational challenges and opportunities face the health and disability system.

The table below lists the key decisions for your portfolio for the remaining months of the 2020 calendar year. We will provide further detail in due course.





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