

20 March 2019

Marie Daly

E mail: fyi-request-9754-21c59974@requests.fyi.org.nz

Dear Marie

Subject: Official Information Act request Re: rural adjuster

Thank you for your request for information under the Official Information Act received by Lakes DHB on 4 March 2019. Please see the following answers to your questions.

- 1. For each of the past three years ending June 2016, June 2017 and June 2018 what was the DHBs Rural Adjuster funding component of the PBFF funding pool?**

This question has been transferred to the MOH. Please note:

The rural adjuster is an input into the population based funding formula (PBFF). PBFF is used to distribute the bulk of the funding share of Vote Health to District Health Boards. PBFF does not determine the overall level of funding nor how DHBs should spend it. The model applies a pool of funding based on cost weights (national average expenditure per head per year for a person) which is divided among DHBs according to their demographic profile, and a range of other factors including rural populations. Lakes DHB has no visibility of the impact of the rural adjuster on funding received via PBFF.

- 2. Does the DHB fund and provide rural hospital services?**

Yes Taupo Hospital

If Yes, continue to answer questions 2.1, 2.2 and 2.3. If no, go to question 3.

- 2.1 Provide the following information about the rural hospitals in your DHB.
If there are none, please report this.**

- Name or location of hospital**

Taupo Hospital is situated in a residential area of Taupo about 4km from the CBD

- List of services the hospital provides**

Taupo Hospital has a 24/7 Emergency Department, Inpatient Unit, Day Unit and Theatre, outpatient clinics by medical consultants and visiting specialists, Maternity Unit, Pharmacy, Clinical Records, Radiology, District Nursing and clinical nurse



specialists supported by an administration team. The laboratory that is based in Taupo Hospital is run by Pathlab, who provides the support for both hospital and the community. We have Lakes DHB facilities staff including cooks, who provide wonderful food for both staff and patients alike, cleaners and attendants.

The Southern Lakes Mental Health and Addictions Team is based at Taupo Hospital, providing specific and specialist services for infants, children, adolescents and family, youth specialty services, adult and other persons.

- ***The business structure of the hospital eg DHB owned and operated / NGO or Iwi owned and operated***

DHB owned and operated

Annual Budget

2.2 How is the annual budget for each of the rural hospitals listed in the table in 2.1 set?

The annual budgets for services across Lakes DHB are based on forecasting the activity associated with each service. There is a complex interaction of matching demand to capacity to ensure services have the resources required to meet these demands. This may involve assumptions that account for growth in demand, alternate models of care, cost changes and the impact of other developments across the Lakes health system. Rural hospitals are funded using this methodology.

2.3 How does the DHB apply the annual rural adjuster funding to the benefit of each of the rural hospitals listed in the table in question 2.1?

The rural adjuster is an input into the PBFF rather than a funding line. There is no dedicated funding for rural services in this model. The DHB's role is to allocate resources that provide the best possible outcomes for our population in accordance with our legislative role which is to improve, promote, and protect the health of our people and communities.

3. Does the DHB fund and provide rural community services?

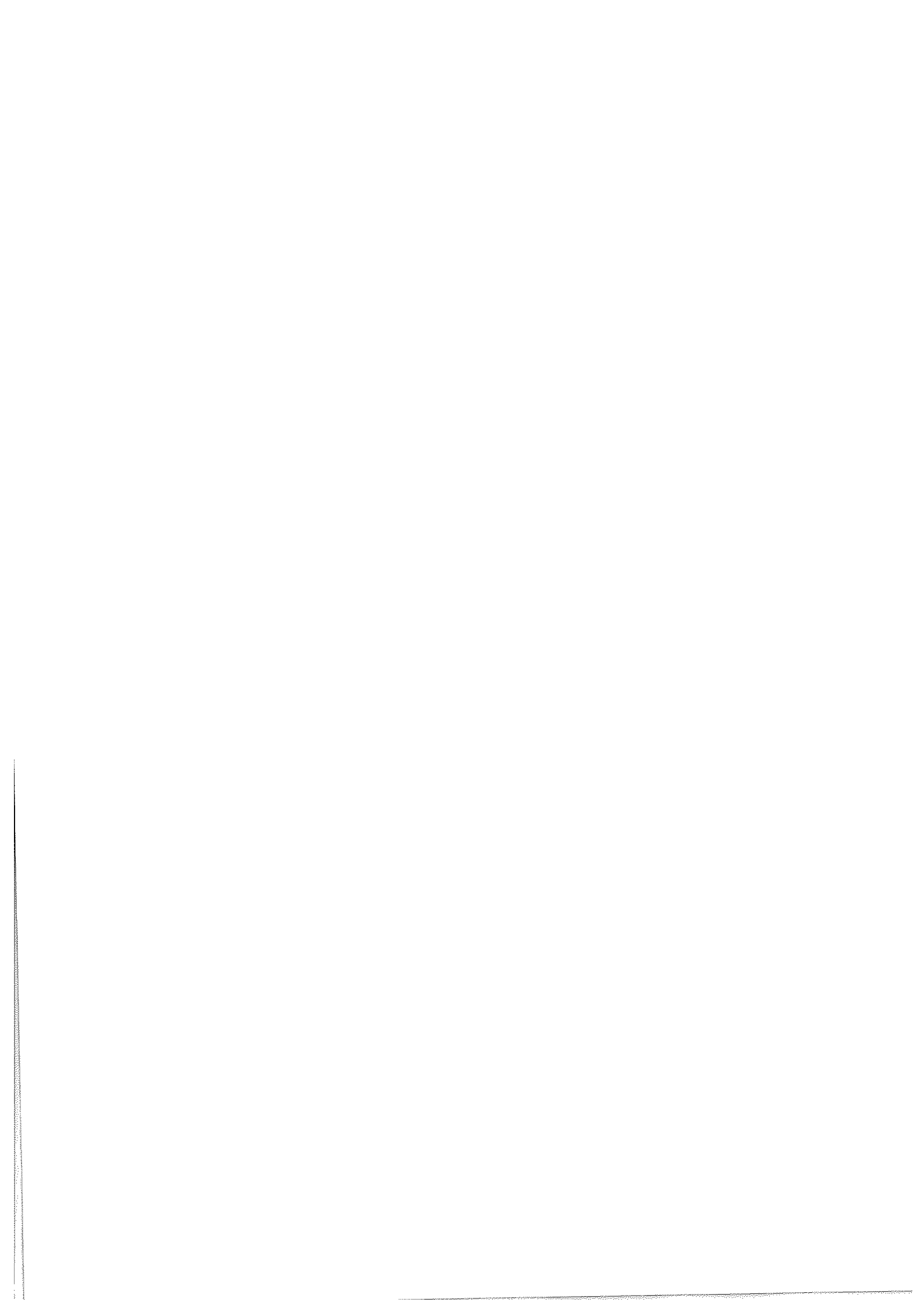
Yes, but not out of the rural adjuster fund

If yes, continue to answer questions 3.1, 3.2 and 3.3. If no, go to question 3

3.1 Provide the following information about the rural community services in your DHB.

If there are none, please report this.

- ***Location of services***
- ***List of Community services in each location***



- ***The business structure of the service provider eg DHB owned and operated / NGO or Iwi owned and operated***
- ***Annual Budget.***

Health Reporoa- NGO Multiple services including school based service, district nursing service, immunisation , nurse led primary care clinic, Reporoa Community and Kaiangaroa

Mangakino Health Services – receive rural services funding via the Primary Health Organisation Services Agreement PHOSA - GP practice aligned with RAPHs PHO

Pihanga Health 2007 Ltd is a GP practice in the Pinnacle Midlands Health Network and the Rural funding generated through the PHOSA is managed by the Midland Health Network Rural SLAT Located in Turangi

Turangi Pharmacy 2012 Limited Pharmacy which receives a Rural & Isolated Pharmacy Initiative support payment.

Pursuant to clause 9 (2)(b)(ii) of the Official Information Act the Lakes DHB is withholding annual budget information as to release it would be likely to unreasonably prejudice the commercial position of the person who supplied or who is subject of the information.

3.2 How is the annual budget for the community services listed in the table in 3.1 set?

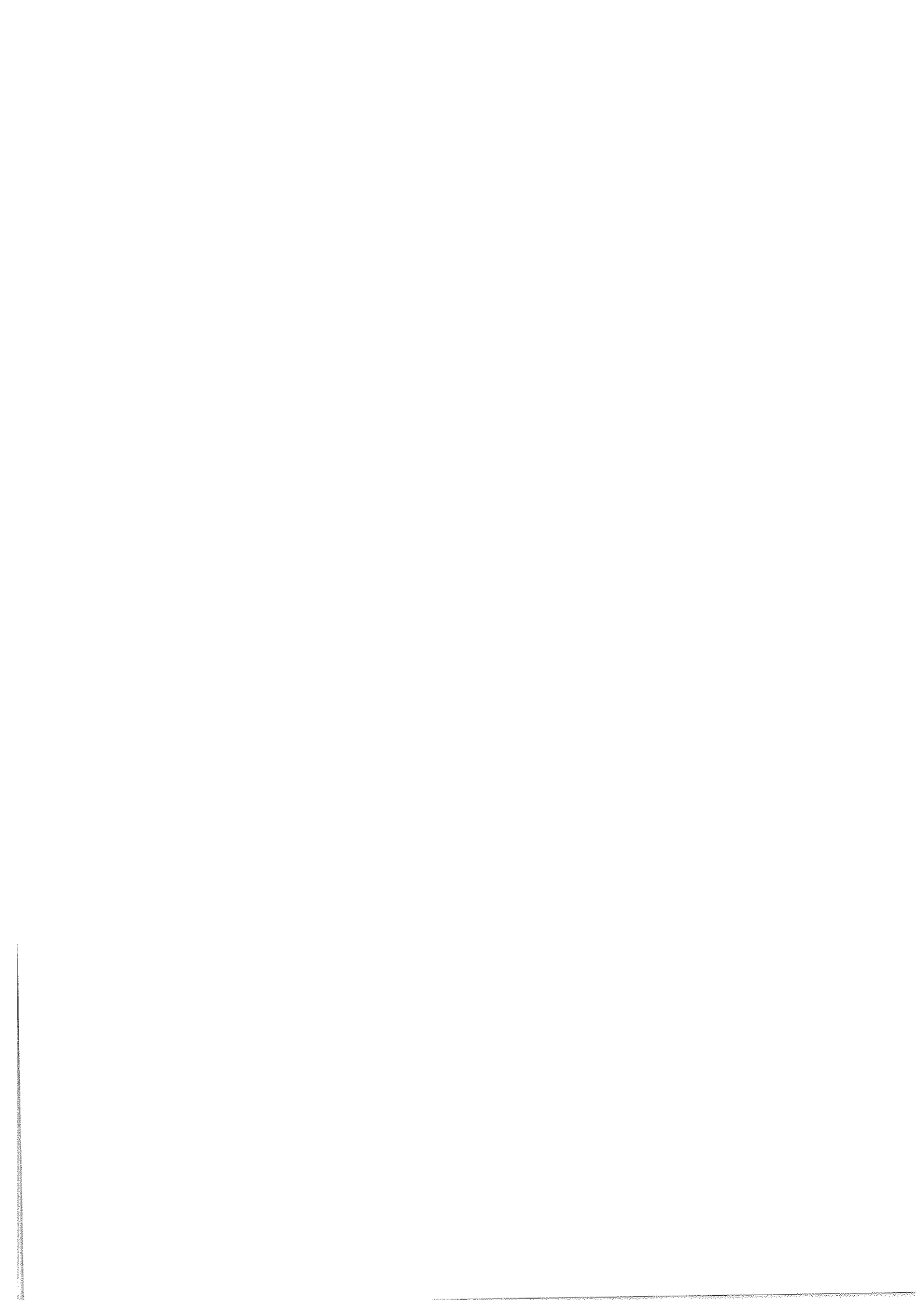
As in 2.2 above, the annual budgets for services across Lakes DHB are based on forecasting the activity associated with each service. There is complex interaction of matching demand to capacity to ensure services have the resources required to meet these demands. This may involve assumptions that account for growth in demand, alternate models of care, cost changes and the impact of other developments across the Lakes health system. Each of the rural services is funded using this methodology.

3.3 How does the DHB apply the annual rural adjuster funding to the benefit of each of the rural community listed in the table in question 3.1?

As in 2.3 above, the rural adjuster is an input into the PBFF rather than a funding line. There is no dedicated funding for rural services in this model. The DHB's role is to allocate resources that provide the best possible outcomes for our population in accordance with our legislative role which is to improve, promote, and protect the health of our people and communities. The provision of funding for our rural population is one way in which we achieve this objective.

4. For each of the past three years, under each of the components of the Rural Adjuster, quantify the allocation of Rural Adjuster funding through the DHBs contracts with its contracted providers or Service Level Alliance Teams.

- ***Small hospital facilities***
- ***Community services***
- ***Offshore Islands***



- *Travel and Accommodation*
- *Inter hospital transfers*
- *Governance*
- *Rural GP/PHO payments*

The rural adjuster is not a funding line, as mentioned above it is an input into PBFF. There is allocation of the rural adjuster to services across the DHB.

5. i. Does the DHB include reporting requirements specific to the use of rural adjuster funding in its contracts with service providers whose contract includes rural adjuster funding.

ii. If yes, provide a list of the reporting requirements included in the DHB contracts with these providers.

No

In the event that you disagree with this response you may, under section 28(3) of the Act, seek an investigation and review from the Ombudsman. Please see:

<http://www.ombudsman.parliament.nz/make-a-complaint>

Please note we may publish this letter and enclosed documents (with your personal information removed) on Lakes DHB's website.

Yours sincerely



Nick Saville-Wood
Acting Chief Executive

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