

## Greetings from the Chief Executive David Clarke

### POPULATION BASED FUNDING

The government's move towards a new model of funding for District Health Boards is called a Population Based Funding Model. It is purported to be a saviour of areas such as Counties Manukau where there are without doubt some of the highest health needs in the country, but some of the lowest funding. However, will this model really meet the needs of the Counties Manukau area and other similar areas in New Zealand where funding for general practice, elective surgery and medical, paediatric and mental health services are below the national average?

The current funding model is patently not fair. For example, if you live in other regions and need a hip operation or varicose veins removal you will probably get the operations without too much of a wait. This would not happen in South Auckland. You would be waiting two years for a hip operation and you would never get your veins fixed.

The Population Based Funding Model for DHBs will take three to four years to implement, so even if it does address the big anomalies this will not be until at least 2004/5, perhaps even longer. What happens in the meantime?

Let's start by asking ourselves whether the public health system that is being funded by taxpayers has improved the health care for South Aucklanders in the last decade. The answer is "no it hasn't!" In fact, some health indicators such as infant deaths for Polynesian children have got worse in that period. One out of two Polynesian children born at Middlemore will be admitted to Kidz First hospital during the first year of their life.

The Ministry of Health now recognises that over the last three or four sector reforms since the late '80s, funds have not followed patient needs. We have struggled in South Auckland to get our population immunised above 60% coverage. It is one of the simplest interventions that modern medicine can give. It requires a course of simple injections. We have immunisation rates in Western Samoa greater than 90% and yet here we are in New Zealand – a first world country struggling to get it above 60% for South Aucklanders. It has been estimated that to move immunisation rates from its current average of about 60%, to above 85% will cost \$10m.

We are currently working with the Ministry on a set of small pilot programmes to improve disease management and preventative programmes such as breast feeding and Well Child services. We hope to have the first results from these in September/October. Early feedback is promising.

*( continued overleaf )*

### IN THIS ISSUE....

- Population Based Funding Model
- DHB Appointments
- Information Technology
- Integrated Care
- Maori Health
- Pacific Health
- Devolution of Contracts
- Planning Timetable for the DHB
- Insert: Election / Health Profile

Counties Manukau has:

- ❑ The highest concentration of urban poor
- ❑ The highest concentration of acute rate of growth (e.g. diabetes and renal growing at 18% compounded per year)
- ❑ The lowest rate of spend per head on general practitioners, pharmaceuticals and laboratories. In fact, to get the number of GPs the same across metropolitan Auckland another 41 GPs should be added in South Auckland.
- ❑ Some of the longest elective surgerywaiting lists in the country.
- ❑ Per head of population the lowest funding of disability and particularly mental health services
- ❑ Death rates, particularly for Maori and Polynesian children, that are 5-10 times greater than the New Zealand average
- ❑ Third World diseases such as rheumatic fever, meningococcal meningitis, tuberculosis that are either never seen elsewhere or are seen in rates in South Auckland that are not seen in any of the major areas in New Zealand. (In fact, Kidz First clinicians tell me that when they go to conferences such as recently held in the UK and deliver a paper on rheumatic fever, British paediatricians are shocked and surprised that the disease even exists in New Zealand.)

Two recent examples demonstrate our plight. Last year patients were getting joint replacements with 70 points on the national scale. Now the threshold score for surgery is 85. These patients are close to crippled. Consultants say they have never seen patients this bad presenting for surgery. Similarly, the waiting list for tubal ligations in South Auckland is currently over nine months. Right now there is almost instant access in Christchurch if you wish to have a tubal ligation.

What should also be factored in is that many of our population are not able to afford private insurance and hence do not have an alternative. Counties Manukau has one of the lowest private insurance rates in the country and the reality is that many of these people have nowhere else to go.

The current under-investment in Counties Manukau has accumulated over many decades and its effects are clear to see. The total spent by the taxpayer on health in Counties Manukau is some \$600m. Unless we significantly improve health services now we are going to end up with compounding growth rates of need. We will also need another hospital in South Auckland within a decade.

The solution is certainly not building brand new large hospitals. The solution is to put this money in early – into primary care - so that we can actually make a difference.

The Population Based Funding Model for DHBs must deliver for Counties Manukau. We cannot wait until 2004/2005.

*Dave*

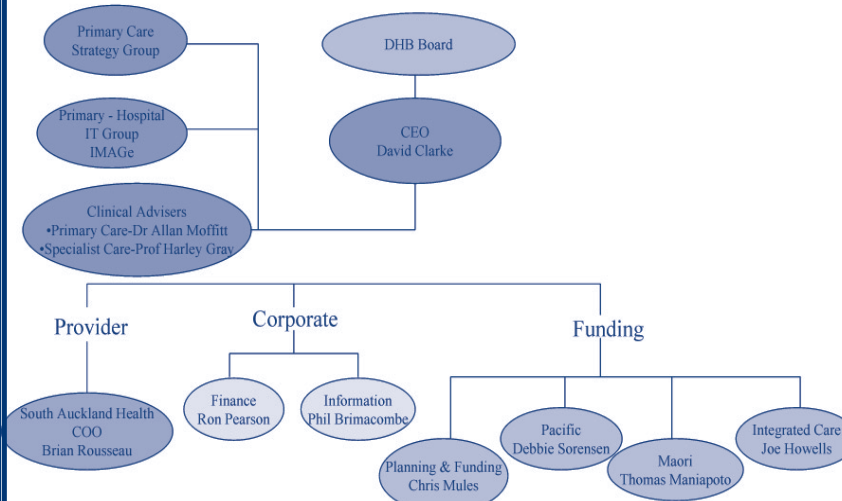


## DISTRICT HEALTH BOARD APPOINTMENTS

**We welcome Professor Harley Gray to the position of Clinical Advisor Specialist Care and Dr Allan Moffitt as Clinical Advisor Primary Care.**

**The appointments to the senior Counties Manukau DHB positions have now been completed.**

### COUNTIES MANUKAU DHB MANAGEMENT STRUCTURE



# LISTENING TO OUR ORGANISATIONS

Counties Manukau DHB has established a deputations process to provide community and provider organisations the opportunity to present to the Counties Manukau DHB. The Board has delegated the responsibility for receiving deputations to its Community & Public Health Committee (CPHAC).

The aims of Counties Manukau DHB receiving deputations are:

- ▶ to contribute to the building of relationships between the DHB and its communities;
- ▶ to increase the Board's knowledge base of the community and provider groups and the work they do;
- ▶ to inform the groups about the role of the DHB and CPHAC, and opportunities for the groups to have input into DHB planning.

Each CPHAC meeting will have time slots for one community group deputation of no more than 30 minutes prior to the start of the formal meeting. The 30 minutes would be limited to no more than 15 minutes for the group presentation and another 15 minutes for questions and discussion.

If you, or your organisation is interested in presenting to a CPHAC meeting please contact the PA for the DHB's Chief Planning & Funding Officer on 262 9500.

## **Information Management Advisory Group (IMAGe)**

The purpose of IMAGe – established in April this year - is to act as an advisory group across the Counties Manukau region on issues relating to the management of health information in the integrated care area.

IMAGe consists of a group of advisors with relevant sector experience, appointed by me. Others may supplement this group for specific issues. The initial members are:

## **South Auckland Health Wins Double Awards in IT Excellence for Emergency Care and Kidz First™**

South Auckland Health has won the Computerworld Overall Excellence in the Use of IT Award and also the Award for Excellence in Government IT, at the annual Computerworld Excellence Awards held in Auckland on Friday July 6.

The Computerworld Excellence Awards honour outstanding achievement in the field of information technology.



Judges said "the South Auckland Health entry was impressive because of its decision to use local software development to marry a number of leading-edge technologies, making the overall system usable by a large number of clinicians in the largest Emergency Department in the southern hemisphere. This was done in parallel with fitting out a new facility that had to work first time with very little margin for errors."

A critical success factor of this Project was the partnership of clinical, managerial, clerical and IT staff from all the areas concerned, to ensure that IT solutions fitted the best practice philosophy of the new facility.

- ❑ Counties Manukau DHB staff - Chief Information Officer, Clinical Director IT, IT Group Manager
- ❑ IPA representatives
- ❑ General Practitioners
- ❑ Primary care (non general practice)
- ❑ Community care
- ❑ Māori and Pacific
- ❑ Consumers

High priorities for the group include:

- ❑ Development of an integrated care information management strategy
- ❑ Privacy policy
- ❑ Standards
- ❑ Providing input into national strategies such as Well Child and the Health Information Management and Technology Plan (HIMTP) project
- ❑ Identifying projects / activities which have general application and require policy development and a broad view of implementation
- ❑ Supporting initiatives which are likely to achieve improvements in the management of health information and in health outcomes
- ❑ Identifying gaps, especially in the areas of privacy, systems and data.



**Flu Vaccinations**

Every winter there are many admissions to Middlemore, and some deaths from influenza complications that are preventable by a simple vaccine. People most at risk are the frail elderly, and those with chronic illnesses like diabetes and respiratory and heart disease. Counties Manukau DHB extended the free flu vaccine (which normally costs about \$18) to all residents of Otara, Mangere, Papatoetoe, Manukau, Manurewa, Takanini and Clendon who are over the age of 45. This extended the existing government sponsored free flu shots to all with chronic illness and those over 65. The scheme was available until June 30 2001.

**Chronic Care Plan**

Much has been learnt from the five Chronic Care Management projects in Counties Manukau over the last two years. These have been Coronary Obstructive Pulmonary Disease (COPD), Congestive Heart Failure (CHF), Diabetes, Care of the Frail Elderly and a combined asthma/COPD project.

We are keen to develop a generic approach, incorporating the best features of each project. A writing group has been commissioned to write a plan which will include:

- Determining the most cost effective approach for the DHB
- Enabling an effective risk management approach by the DHB
- An effective model for Chronic Care Management in mainstream primary care incorporating identification of target groups, cultural competency aspects, support for patients to enable them to be better informed and better able to manage their own diseases, GP and practice nurse skills, support from secondary care and IT support
- Structures, including incentives and compensation, that need to be in place to implement the model
- Evaluation of the programme

Counties Manukau DHB and ProCare IPA have piloted a very successful evidence based guideline for the diagnosis and treatment of H pylori bacteria infections, which are quite common in our area. This infection can cause serious health issues. The project has eliminated unnecessary referrals to Middlemore making the waiting time shorter for gastrointestinal diagnosis. The implementation of these guidelines to all general practices serving our region is currently being worked on.

Contact John Wellingham ([jwellingham@cmdhb.org.nz](mailto:jwellingham@cmdhb.org.nz)) for more details or Jocelyn Tracey ([jocelyn@south-med.co.nz](mailto:jocelyn@south-med.co.nz)) for a copy of the work done to date by the writing group, if you want input into the developing plan.

**Information technology upgrades information going to GPs**

A series of new initiatives are in place which we believe initiatives will result in improved communication of important clinical information about patients from the hospital to GPs.

The initiatives are:

- a) Improved reporting of patient waiting lists and status of referral information e.g. GPs will now be informed as soon as an outpatient appointment has been confirmed, as well as several other improvements to the current acknowledgement of referral messages
- b) Electronic delivery of outpatient documents from medical and surgical outpatient clinics

These programmes are currently being tested at Middlemore Hospital, and GPs should see the benefits over the coming months, starting with comprehensive status of referral information.

Electronic discharge letters are being sent to GPs at the rate of more than 6400 per month as a result of increasing hospital staff usage of the electronic system.

## Maori Health

The DHBs focus over recent months has been on building our funding capability for Maori health.

Key milestones will be:

- establishment of the Treaty relationship with mana whenua,
- smooth transfer of contracts to DHB management,
- the determination of a clear and functional role for the Tainui MAPO.

In addition, some specific Maori health initiatives have recently been developed.

## Pacific Health

The Counties Manukau Pacific Health Committee met on 7 June and discussed the terms of reference for the committee and the workplan for the next 4 months. Dr Debbie Ryan is the Committee Chair and the members include Dr Siro Fuatai, Ika Tamefuina, Aiula Fatialofa, Taufauo Lurch, Bernadette Pone, Sefita Haouli, Rev Mana Tavelia, Rangī Fariu, Rev Lemuelu and Metua Faasisila. The committee is expected to have a key role in the DHB's strategic planning process over the next 4 months with a particular emphasis on the health needs of Pacific peoples.

The Pacific Health team's focus for the next few months will be working with providers during the transition process of contracts devolving from the Ministry of Health to the DHB. In addition Counties Manukau DHB is the lead DHB for a number of regional (see article on 'Management multi-district contracts') Pacific contracts and is closely working with Auckland DHB and Waitemata DHB to ensure consistency across the region.

The recently released Pacific Health Action plan will provide guidance to the sector on the priorities for Pacific health and the development of services. The Pacific Provider Development Fund is also expected to be announced by the Ministry of Health. This will include a component on leadership development in addition to provider development activities.

## Case Management Clinics

The first of three case management clinics, the Raukura Hauora O Tainui Clinic, has been operating in the Clendon Mall, since 30 January this year. The purpose of these clinics is to target Maori, in regions of high need. It is recognised that chronic disease, including diabetes, COPD and ischaemic heart disease are a significant health burden on the Maori population. The key to the clinic's success is identifying those people in the registered population who have chronic disease, and managing their needs effectively. The role of the community health worker, practice nurse and extended GP consultation times, are important components of this model. Working alongside the disease management nurses, this holistic, tikanga Maori approach is intended to bring health gains much needed for Maori. Clinics at Papakura Marae and in Mangere are due to open at the beginning of next month.

## Breastfeeding Project

This project is a joint initiative between Turuki Health Care, a Maori provider, South Seas Health Care, a Pacific provider and South Auckland Health. Known as "B4BABY", the project aims to raise the South Auckland breastfeeding rates, particularly in Maori and Pacific women. South Auckland Health community midwives in both Mangere and Otara are supported by Maori and Pacific community health workers trained in breastfeeding support.

A lactation consultant manages a breastfeeding clinic in Mangere. She sees women at the clinic (referred by the community health worker, GPs and maternity carers or self referred) as well as offering 24 hour phone advice. It is hoped that this team approach is able to improve breastfeeding rates, with a decrease in admission rates for infants with gastroenteritis and respiratory illness.

## Devolution of Primary Care Contracts

Late last year Cabinet decided that primary health care contracts should devolve to DHBs from 1 July 2001. The next few weeks will be a very busy period with the Counties Manukau DHB team keeping Primary Health Care providers informed of the transition of their contracts from the Ministry of Health to either the Counties Manukau DHB or the Northern DHB Support Agency (NDSA) to be managed on our behalf. While there has been direct contact with each provider organisation to describe their specific arrangements, broadly speaking contracts will follow the following devolution path.

- ❑ Section 88 (51) notices were devolved from 1 July and managed by the NDSA.
- ❑ Most PCO and similar general practice agreements will be devolved on 1 October (with existing agreements being extended by the Ministry to December 2001 if they expire earlier).
- ❑ Most other agreements held by primary care providers for specific programmes were devolved to on 1 July 2001

Primary health care providers have received a letter from the DHB introducing the respective programme manager who will be managing their agreement. The programme manager will be meeting with each of the contracted primary providers over the next six weeks.

## Management of multi-district contracts

One of the challenges in the transition to DHBs has been how 'multi-district' contracts will be managed. To date, 43 northern region contracts have been identified in the areas of primary care, Pacific health, dental health and community services.

Each of these contracts will be managed during 2001/02 by a single 'lead DHB', from their devolution (mostly on 1 October). The lead DHB will be acting on behalf of all the DHBs for whom that provider delivers services.

The northern DHBs have been working on defining the roles and responsibilities of the 'lead DHB', including such matters as how and by whom contracts should be negotiated and monitored, and relationships managed. How the associated financial risks should be managed is also a topic of some interest! Discussion to date suggests that the lead DHB would manage the contract and relationship, and work jointly with the other relevant DHBs on strategy and management of financial risk.

The Ministry envisages a similar 'lead DHB' model for management of most national contracts from 1 October this year.

## Negotiation of the general practice / PCO contracts

Since late last year, the Ministry (having assumed responsibility from the HFA) has been working on changes to the national general practice/PCO base contract document. The intention is that the changes will be introduced through the contracts to be renegotiated during 2001/02 between the DHBs and the providers concerned, and through revision of the Section 51 Notice (now through section 88 of the new legislation).

The Ministry has been seeking a number of specific changes, including those relating to:

- ❑ Audit provisions
- ❑ Information reporting
- ❑ Quality standards
- ❑ Service specifications
- ❑ Immunisation fees

These changes will be incorporated in a national service framework for primary care, and negotiated into new contracts between the DHBs and general practice providers.

## Considering capitation ▼▼

Counties Manukau DHB is currently taking part in a northern region project to consider the possibility of contracting with general practice provider organisations on a capitated basis. This would allow groups to move away from their current arrangements – which are predominantly fee-for-service, with budget holding for pharmaceuticals and laboratory referrals.

### The project involves a large number of organisations, each with representation on a steering group:

- ❑ All four northern DHBs – Counties Manukau, Auckland, Waitemata, and Northland
- ❑ The seven IPAs in the region, including South-Med, IPCS, CHS, ProCare, East Health, First Health and Whangarei Health Services.

In addition, a diverse reference group of people and organisations from many parts of the primary health sector has been identified to assist and review the work of the project.

### The specific aims of the project are to:

- ❑ review the capitation and budget holding / management models that are currently in place in New Zealand (and a proposed Ministry model) against an agreed set of criteria;
- ❑ recommend the most appropriate model for the northern region; and
- ❑ develop an implementation plan for the chosen model.

The criteria to be used in evaluating the existing models include: being simple to understand, implement, and administer; affordability; transparency and reproducibility; encouraging desired behaviours (such as a population health focus, quality, use of practice nurses); providing building blocks towards the Primary Health Care Strategy; and having an ability to migrate to a national formula when one is established.

### The project started on 8 June, and has three key milestones:

- ❑ Analysis of current models and initial recommendation 6 July 2001
- ❑ Modelling of funding implications 25 July 2001
- ❑ Implementation plan finalised 31 August 2001

Further progress will depend on the results of these three steps. At the time of writing this, the first milestone has been achieved, and is about to be reviewed by the steering group prior to embarking on the second stage.

## Capability Development ▲▲▲

Over the last 12 months, Counties Manukau DHB has been working to build our organisational capability, especially to manage the contracts and responsibilities devolved to us from 1 July 2001 by the Minister. The table below summarises some of the key capabilities we have in place.

<i>Funding processes</i>	<ul style="list-style-type: none"> <li>❑ Systems and processes have been established for the key funding processes</li> </ul>
<ul style="list-style-type: none"> <li>❑ <i>Financial Management</i></li> </ul>	<ul style="list-style-type: none"> <li>❑ The national chart of accounts has been implemented from 1 July 2001</li> <li>❑ Systems are in place which link with the national agencies of SSSG and HB to enable provider payment</li> </ul>
<ul style="list-style-type: none"> <li>❑ <i>Service Agreement Management</i></li> </ul>	<ul style="list-style-type: none"> <li>❑ A web based system for DHBs to access service agreement information has been established. This includes monitoring information and contract/ service agreement information</li> </ul>
<ul style="list-style-type: none"> <li>❑ <i>Consultation</i></li> </ul>	<ul style="list-style-type: none"> <li>❑ A consultation policy has been drafted based on the Ministry of Health guidelines and previous Health Funding Authority Guidelines</li> </ul>
<ul style="list-style-type: none"> <li>❑ <i>Provider Selection</i></li> </ul>	<ul style="list-style-type: none"> <li>❑ A provider selection protocol has been developed. (During the transition year, 2001/02 there will be only very limited opportunities to select new providers, or develop new services)</li> </ul>
<ul style="list-style-type: none"> <li>❑ <i>Needs analysis</i></li> </ul>	<ul style="list-style-type: none"> <li>❑ The Northern DHB Support Agency (NDSA), jointly owned by the metro Auckland DHBs is supporting needs assessment and prioritisation activities.</li> </ul>
<i>Partnership with Māori</i>	<ul style="list-style-type: none"> <li>❑ Engagement with Maori is underway to establish governance and operational relationships</li> </ul>
<i>Communications</i>	<ul style="list-style-type: none"> <li>❑ A communications strategy is being implemented including regular newsletters and the website <a href="http://www.CMDHB.org.nz">www.CMDHB.org.nz</a></li> <li>❑ Specific communications strategies for Maori and Pacific peoples have also been developed</li> </ul>
<i>Collaborative arrangements</i>	<ul style="list-style-type: none"> <li>❑ Counties Manukau DHB has a range of formal and informal links with the other DHBs in the northern region. The DHB is also contributing to national activities</li> </ul>
<i>Accountability</i>	<ul style="list-style-type: none"> <li>❑ Counties Manukau DHB has submitted a draft Statement of Intent to the Minister of Health. This will be finalised by 30 September (refer planning article for detail on publication of this document). Funding agreements are also being negotiated.</li> </ul>

# PLANNING TIMETABLE FOR THE DHB

## Annual Planning

Counties Manukau DHB has delivered a draft Statement of Intent (SoI) to the Minister of Health in line with the requirements of the Public Finance Act. This was the first key accountability document delivered to the Minister for 2001/02.

Subsequent documents and the timing of their delivery are summarised in the figure below.

The District Annual Plan and Statement of Intent will be made available to the public as soon as practicable after the Minister of Health has signed these documents, which is intended to occur by 30 September.

## Strategic Planning

By July 2002 the DHB is required to have prepared a Strategic Plan. This Strategic Plan will inform the 2002/03 annual plan.

The Strategic Plan needs to:

- have a 5 to 10 year timeframe
- be reviewed at least every 3 years
- be based on assessment of health status and needs.

In addition, Counties Manukau DHB must consult on the draft Strategic Plan and must identify how the DHB will contribute to national Health and Disability strategies and government's policy priorities. The planned timing of the Strategic Plan consultation is February and March 2002.

Between July and December 2001 the DHB will be developing a draft Strategic Plan based on:

- the assessment of needs of the Counties Manukau population, and
- service and population strategy development.

Much of the base planning work is being done in conjunction with the other two metro Auckland DHBs.

## DHB Annual Planning Milestones

