

Wairarapa District Health Board Vision

"Well Wairarapa - Better health for all"
"Wairarapa ora – Hauora pai mo te katoa"

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Wairarapa District Health Board Mission

To improve, promote, and protect the health status of the people of the Wairarapa, and the independent living of those with disabilities, by supporting and encouraging healthy choices.

Wairarapa District Health Board Treaty Statement

The Wairarapa DHB recognises and respects the Treaty of Waitangi, and the principles of partnership, participation and protection. The Wairarapa District Health Board will work with the Mana Whenua Caucus to ensure Maori participation at all levels of service planning, service delivery and the protection and improvement of the health status of Maori. The Wairarapa DHB has statutory responsibilities and obligations to Maori under the New Zealand Public Health and Disability Act 2000.

Wairarapa District Health Board Values

Nga Tikanga Ki Mua Hei Whakawateatia A Muri – Well-being flows from our values. These values underpin all of the DHB's work:

- Valuing people : Whakamana Tangata
- Demonstrating mutual respect courtesy, and support for each other, and for the rights of individuals.
- Integrity : Mana Tu
- Acting honestly, openly, and in accordance with ethical principles.
- Co-operation : Whakawhanaungatanga
- Working collaboratively and positively in partnership with the community, other service providers, and other organisations.
- Holism : Kotahitanga
- Taking into account all aspects of a person and their environment.
- Taking Responsibility : Tino Rangatiratanga
- Encouraging all to determine and achieve their own aims and aspirations, and to be accountable for their actions.
- Achievement : Whakatutuki
- Setting realistic goals, for the organisation, and for individuals and ensuring they are achieved.
- Excellence : Taumatatanga
- Striving for the highest standards and best practice in all that we do.
- Innovation and learning: Matauranga
- Valuing learning, and encouraging exploration of new opportunities

EXECUTIVE SUMMARY

This District Annual Plan sets out the Wairarapa DHB's objectives and targets for 2005/06. It shows how we will make continuing progress towards: the strategic priorities and financial targets that the DHB has committed to previously; address newly emerging priorities; allocate funding; provide services; and monitor and report performance.

This plan shows financial breakeven for 2005/06, and surpluses in each of the out-years. The DHB is committed to achieving financial breakeven in 2005/06, and to overcoming the risks and challenges to this. During 2005 significant new financial risks have emerged that are mainly external to the DHB, and require co-operative regional or sector-wide and solutions. As it works to address these new external risks the DHB will seek the support of the Ministry of Health and other DHBs.

Before looking to the future we are proud to highlight Wairarapa DHB's key achievements in 2004/05.

Key achievements against Ministerial Expectations for 2004/05 include:

- Further implementation of He Korowai Oranga and Whakatataka
- Increasing services and transport options for people with disabilities
- Achieving 'green' status on all elective services performance indicators (the first DHB to do so)
- Substantial improvements in health indicators for people with diabetes
- Providing insulation for homes of people with high health needs
- Supporting the Wairarapa Community PHO to achieve increased access and successful roll-out of Care Plus (with uptake significantly ahead of other parts of New Zealand)
- Implementing Wairarapa DHB's mental health services strategy to align service provision more closely with the Mental Health Blueprint
- Realising efficiencies in laboratory and radiology services
- Successful re-negotiation of expiring local collective agreements
- Managing hospital services within budget

Key achievements against the key DHB annual objectives for 2004/05 include:

- Completion of and gaining Ministerial approval for, a revised Business Case for the construction of a new hospital to be completed in March 2006.
- Progress in hospital service redesign and workforce reconfiguration in preparation for the move to the new facility
- Increasing development in Maori health services, partnerships with Maori and launch of the Tikanga guidelines
- DHB accreditation by Quality Health New Zealand

These achievements provide the platform for further progress in 2005/06 to meet the Minister's expectations and Wairarapa DHB's objectives for 2005/06.

The Minister of Health's expectations for 2005/06:

1. Strategic Priorities:
 - Progressing the New Zealand Disability Strategy
 - Reducing Inequalities
 - He Korowai Oranga
 - The Health of Older People Strategy
 - Improving mental health
2. Implementation priorities:
 - Progressing the Primary Health Care Strategy, including:

- Developing health infrastructure including:
 - Progressing the Meningococcal Vaccine Strategy (MVS) and achieving improved overall immunisation rates
 - Improving elective services, including orthopaedics
 - Implementing the New Zealand Cancer Control Strategy, incorporating prevention, screening, treatment, palliative care and research
 - Implementing Healthy Eating, Healthy Action through collaboration within the sector and intersectorally
 - Collaborating across agencies to progress programmes to reduce tobacco, alcohol and other drug abuse, and minimise family violence, child abuse and neglect
3. Keep infrastructure costs as low as possible, and within the expenditure track forecast in the DAP.
 4. Industrial relations strategies (including fostering workforce co-operation on DHB objectives and affordable remuneration solutions).
 5. Innovative approaches to enable managing within budget.

Wairarapa DHB overarching objectives for 2005/06

- Continue to improve health outcomes and access to services for people in Wairarapa
- Maintain financial breakeven in 2005/06
- Complete the new hospital development while maintaining service delivery
- Further increase integration of service provision across primary-secondary-NGO interfaces
- Continue to improve quality and safety of service delivery
- Develop the Wairarapa's health and disability services workforce

Consistent with our strategic plan, this annual plan shows a population based approach to achieving the DHB's vision of Well Wairarapa. Closer working with other agencies, both within the health and disability sector and intersectorally is critical to this. There is growing recognition that to be 'well' requires more than health services, it requires co-ordinated community action and access to a wide range of services outside the health and disability sector.

Service Changes, planned and underway, to deliver improved service outcomes and long term sustainability

Hospital Services

The way in which Wairarapa DHB's hospital services are provided has to undergo significant change. The service models for which the new hospital is designed require complete redesign and reorientation of service delivery and staffing to maintain and expand services to better meet the needs of the aging population. Efficiency and effectiveness must be increased so that services are clinically and financially sustainable over the longer term. The change processes for implementing new service and workforce designs have begun and will be completed in 2005/06.

Primary Health Care

Many of the actions proposed in this plan require 'working with' other groups and agencies, and most particularly working closely with Wairarapa community PHO. Better integration of services is key to improving service outcomes and service sustainability. Linkages and closer relationships between the PHO and DHB are developing.

There is great progress in development of primary health care in Wairarapa. During 2004/05 the PHO has made significant impact and progress in delivering on the goals of the Primary Health Care Strategy. It has developed a high level of community involvement, and established a wide range of initiatives to improve access and to improve services for people with chronic diseases.

Primary health care is supported by a growing number of nurse led initiatives provided through the nursing innovations programme, and by Healthline, a telephone advice and information service that has been available in Wairarapa since late January 2005.

Management of expenditure on community referred services

Pharmacy facilitation within general practice has continued through 2004/05. A new development in 2004/05 has been the completion of a local variation to the national contract for pharmacy services. This agreement is a first step towards risk sharing, and away from total reliance on fee-for-service payments.

Mental Health Services

During 2004/05 the Wairarapa mental health services strategy has been implemented, with increases in access and efficiency. 2005/06 will be a year of consolidation for the re-organised mental health services, with priority given to ensuring the new services are providing greater responsiveness, flexibility, and improved outcomes.

Developing population based approaches and continuums of care

District wide continuums are being developed for management of diabetes, respiratory and cardiovascular disease and cancer. Health promotion and illness prevention strategies are incorporated within these with priority given to implementation of Health Eating Healthy Action initiatives and inter-sectoral action to address tobacco, alcohol and other drug issues.

Developments in relation to other DHB provided services

In 2004/05 the DHB has completed reviews and made changes and improved efficiency in the following services:

- Radiology
- Laboratory
- Home Support services

Some benefits from these changes are now occurring will impact more fully in 2005/06

Risks and Challenges

This DAP is ambitious. Achieving our goals will require that considerable risks and challenges are met and addressed. The financial risks the DHB faces in 2005/06 are larger and differ in nature from those of previous years as the most significant ones are outside DHB control.

Internal Risks – should be able to be managed effectively by the DHB

Change management - Implementing the hospital re-development project requires substantial change in service delivery and workforce. Realisation of sustainable service delivery and the economic benefits needed to achieve this depends upon ownership and commitment from the whole organisation. The change process carries inherent risks, including: resistance to change; inability to recruit and retain appropriately skilled staff; disruption to services during construction; and slippage against timelines. To address these risks the DHB has strong change management processes in place and is confident it has developed appropriate mitigation strategies.

Completion of new hospital on time and on budget – This is central to the ability of the DHB to achieve financial breakeven. The risks over 2005/06 are:

- Project delays meaning efficiencies are not realised within the timelines expected
- Unexpected construction and fitcost increases

The DHB has close governance, management, monitoring and control structures and processes in place to ensure early identification of problems and ensure quick and effective action to address them.

Ability to recruit and retain clinical workforce - While issues regarding the need to maintain a stable workforce are not unique to Wairarapa, the impact on Wairarapa of any workforce gaps is significantly higher than for larger DHBs due to the lower establishment numbers of any one type of clinical staff. The DHB recruitment and retention of qualified staff is a high priority in the ongoing management of the hospital, at all levels.

External risks – cannot be addressed fully by the DHB acting alone

IDFs – Since the completion of the previous DAP, Wairarapa DHB's anticipated year end IDF position has deteriorated by over \$2 million between 2004/05 and 2005/06 due to:

- Methodology changes - more complete counting and recognition of inter district flow expenditures, and changes in allocation rules
- Price increases, particularly for tertiary and more complex secondary services
- Volume increases – more patients using out of district services.

In addition, in 2004/05 there has also been a change in payment rules, with wash-ups now implemented for all inpatient IDF volumes. This has created additional risks for Wairarapa DHB, particularly in relation to the volatility caused by changes in small numbers of very high cost patients.

Indicative wash-up results for the first six months of 2004/05 show Wairarapa will be charged a wash-up sum equivalent to 1.2% of total DHB funding for the period. This could be repeated or completely reversed over the next six months and is largely outside the control of the DHB. Patient needs determine treatment flows. Wairarapa is not able to provide the full range of services and therefore cannot absorb fluctuating numbers of high cost patients within its local service provision arrangements where only marginal costs of unexpected patient needs and numbers would impact, but instead has to pay to another DHB the full average cost per complex/high need patient.

Risks relating to adequacy of DSS funding – DHBs face several risks in regard to expenditure on older people's services, and disability related services.

- *Changes in Income and Asset Testing* –Government has made provision for additional DHB funds to meet the expected costs of changes in income and asset testing. However there is considerable uncertainty in estimating the likely financial impacts of the changes and consequent concern that the funding will not be adequate.
- *Provider sustainability* – Increasingly service providers are indicating serious business viability concerns. This will worsen in 2005/06 as pay increases for nurses employed by DHBs take effect and are unable to be matched by similar increases in non-DHB providers.
- *Shifting boundaries between personal health and DSS* – The Ministry is completing work on eligibility for DSS funding (non age related). This is likely to narrow eligibility for Ministry funded DSS and leave DHBs with increased demands on their personal health services funding.

Expenditure on pharmaceuticals and pharmacy services – PHARMAC is forecasting increased growth in prescription volumes in 2005/06 and out-years resulting from implementation of the Primary Health Care Strategy. Wairarapa experience in 2004/05 confirms this. Expenditure on pharmaceuticals and pharmacy services is growing strongly and is very largely beyond DHB control.

Salary and wage costs – Although the DHB will receive 'pay jolt' funding for the NZNO settlement there are several other MECAs yet to be settled for which there is very limited funding provision. There are concerns also about flow-on implications for NGO costs.

Health Practitioners' Competency Assurance Act – While the DHB is rolling out systems and processes to ensure full compliance with this new legislation, the full costs are not yet identified fully and are growing as the Act takes increasing effect.

Our Commitment to Succeed

As for previous plans, the Wairarapa DHB is totally committed to strive for a breakeven financial outcome in both plan and in performance.

Wairarapa DHB is committed to maintaining its focus on achieving the financial projections in this DAP and to improving its position as the benefits from the new service designs and delivery from the new Masterton Hospital are realised, and to recognising and addressing the risks and challenges to this.

The real issues in this plan are the external risks that have not and cannot be quantified at this time, are not funded, but nevertheless are real. It is inevitable that a number will impact on the performance of the Wairarapa DHB. To minimise the impacts we will seek a commitment from the MOH to joint problem solving, support to the DHB in prioritising and implementing necessary services changes, and support regarding industrial action. Through such a partnership there will greater certainty that this DAP will be achieved.

Doug Matheson
Chair
Wairarapa DHB

David Meates
Chief Executive
Wairarapa DHB

This annual plan is signed and approved by the Minister and the Chairman of the Wairarapa District Health Board, as required under section 39(3) of the New Zealand Public Health and Disability Act 2000.

Hon Annette King
Minister of Health

Date: