



BETTER COORDINATION AND DELIVERY OF PRIMARY HEALTH CARE IN HAWKE'S BAY

**Hawke's Bay District Health Board Response to
Better, Sooner,
More Convenient Primary Health Care**

DISCUSSION DOCUMENT

June 2010

TABLE OF CONTENTS

INTRODUCTION.....	3
CONTEXT.....	3
KEY COMPONENTS OF A STRENGTHENED PRIMARY CARE STRUCTURE	4
SERVICE CHANGE GOALS.....	4
WHAT ARE THE BEST STRUCTURAL OPTIONS FOR THE FUTURE?.....	4
Option One: A Single PHO Structure	5
Option Two: A Joint Integrated Governance Arrangement with the District Health Board.....	7
LEADING THE CHANGE: MAKING IT HAPPEN.....	10
TIMELINE AND NEXT STEPS.....	11

INTRODUCTION

Hawke's Bay DHB has been reviewing the funding and delivery of primary health care in the region in light of the new government challenges and fiscal environment. It has become clear to the DHB Board that there is a need for a more focussed service review and a reduction in the number of PHOs.

There is also a growing call for integration across primary and secondary care which is likely to drive structural change across both sectors.

The DHB has recently released a report, Revitalising the Health Sector in Hawke's Bay March 2010¹ that presents the future challenges for Hawke's Bay health services. The purpose of this document was to determine changes that will be required to improve the way services are coordinated and delivered across the health sector.

The Board has established an oversight group to consider the options that will improve the coordination of primary care. These options are:

- A single PHO for Hawke's Bay
- A Joint Integrated Governance Arrangement with the District Health Board

This document sets out the drivers for change that have been considered, together with a range of considerations to be applied in arriving at a decision.

CONTEXT

Revitalising the Health Sector in Hawke's Bay

In order for the Hawke's Bay health sector to move forward, we need to review the way that we are structured and organised so that we can

- deliver services to meet patient care needs
- reduce the health disparities that persist in some communities
- improve the overall health outcomes of our population
- be more effective and efficient so that we are both clinically and financially sustainable.

Therefore, actions are being taken to bring about :

- **structural changes** to DHB Governance, the DHB Corporate Structure, the Hospital and the PHOs, that will improve the health sector's efficiency and effectiveness. .
- an Organisational Development Programme that will develop the **culture and capability** of the health sector through effective leadership, working together and focussing on patient and population health outcomes, and a Service and Financial Improvement Programme which will ensure **health sector sustainability**, ie the best value from the resources available over the long term. .

¹ Revitalising the Health Sector, March 2010 <http://Revitalizing the Health Sector March 2010>

Each of these elements is interrelated. Putting in place the right structure should support the right culture, which should enable **better financial** control and service improvement. Hawke's Bay DHB is currently undertaking a review of all of its own services and where necessary will undertake restructuring of those services. It has become evident that a sector wide approach will need to be taken if we are to achieve the necessary revitalisation. This will include primary care and the Non Government Organisation sector.

KEY COMPONENTS OF A STRENGTHENED PRIMARY CARE STRUCTURE

PHOs were established to enable and facilitate the development of the primary care sector and better address the needs of the community. PHO performance has been variable, both across the country and within Hawke's Bay. A strengthened primary care structure must promote a more patient focussed care system with strengthened clinical governance that enables service innovations in Maori/Pacific and Decile 9/10 communities where health disparities persist. We need to develop capacity in primary care and ensure integration across primary and secondary care. As we do this we must ensure that we encourage innovation to address inequalities whilst improving overall health status – and last but not least we must do this in a cost effective way.

SERVICE CHANGE GOALS

The following are the goals that we should measure any change against:

- Reduce health disparities
- Improve quality and safety of patient care
- Ensure focus on key health priorities
- Improve efficiency and effectiveness
- Encourage entrepreneurial spirit and innovation
- Improve coordination of care and reduce waste
- Enable integration between primary and secondary care
- Enable better use of information systems to improve patient care
- Reduce bureaucracy

Questions:

- **Do you agree with these goals?**
- **If not, how should these be changed?**

WHAT ARE THE BEST STRUCTURAL OPTIONS FOR THE FUTURE?

The DHB is seeking the sector's advice on the most appropriate structure to realise *Better, Sooner, More Convenient Primary Health Care*. It is intended that any new structure will over time assume increased responsibility for the planning, funding and development of primary care services. This is an important and fundamental shift from the current PHO models operating in Hawke's Bay.

These two options are not mutually exclusive, given that some degree of devolution of DHB funding/resources to the primary care sector is possible under either. The key difference between the two is that the PHO model maintains a separation from the DHB to 'protect' existing primary care resources whilst the Primary Care Division allows much closer integration with the DHB and allows control over a significantly larger group of resources.

Option One: A Single PHO Structure

This option is being considered by a number of DHBs across the country.

The proposal is to form a single PHO structure (essentially a reduction of the three existing PHOs into one) in order to oversee primary care in Hawke's Bay. It is envisaged that under this option, a new single PHO would be created with an appropriate ownership and governance structure.

District Level

At a district level this model would be able to address consistency, economies of scale and maximise the use of resources. A governance structure of a single PHO may consist of similar representatives as it currently has now - such as General Practice, Maori and community. However, with a district wide emphasis governance may also need to include representatives from geographical communities of interest such as Wairoa or Central Hawkes Bay, or indeed an advocacy group from the high decile sector.

Its functions would include:

- Clinical Leadership
- Annual planning
- Programme development
- Management services (financial services and contract management)
- Professional development and training
- Cross sector relationships
- Information services (performance reporting and health intelligence)

Local Level

Health service delivery is the responsibility of a wide range of health service providers across Hawke's Bay. The key role of the PHO at the local provider level will be to:

- Develop provider relationships
- Support the development of clinical networks
- Progress development of Integrated Family Health Centres
- Support program management
- Facilitate planning for local health needs
- Monitor service performance
- Manage and allocate discretionary budgets
- Assist with Providers development and service coordination

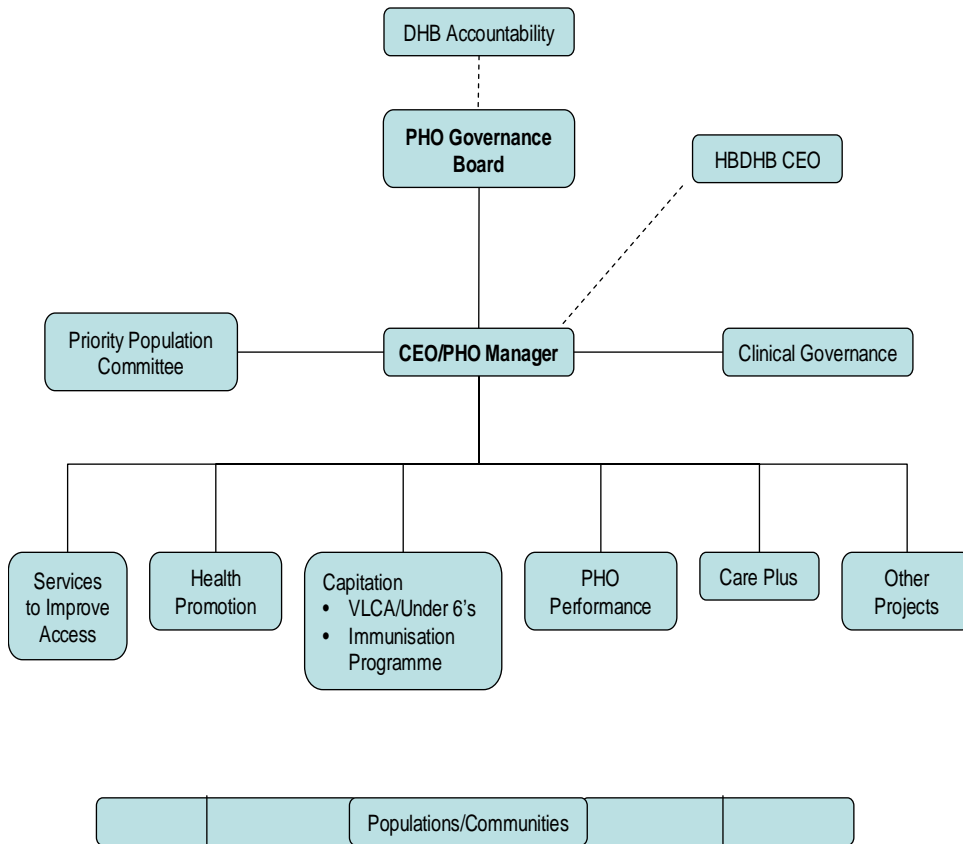
Resources

The PHO would manage approx \$27m of resources made up of:

Projected Annual Expenditure

• Capitation	\$19.0m
• Care Plus	\$1.3m
• Services to Improve Access	\$2.0m
• PHO Performance Programme	\$1.2m
• Management Fee	\$1.2m
• GMS	\$1.0m
• Immunisation/Health Promotion/Rural	<u>\$1.7m</u>
	\$27.4m

A Single PHO Structure



Note:

- PHO Governance
 - May include representation from General Practice, Maori/Pacific and community and/or
 - Member representatives from communities of interest such as Wairoa, high decile/high needs populations etc

Questions

- Do you agree with the suggested change to a new Single PHO governance structure? If not, what would a new governance structure for this entity consist of?
- If you do not do you have an alternative model?

Option Two: A Joint Integrated Governance Arrangement with the District Health Board

This option proposes the establishment of a primary care division within Hawke's Bay DHB. The following structure will comprise of:

A Joint Governance Structure

It is important that primary care is able to continue to maintain a significant degree of control and influence over key decisions that impact on the future of primary care. To achieve this, a governance body that is made up of six to eight sector nominees and two DHB board members may provide some confidence to the primary care sector of the level of influence intended. To reflect a district wide approach and ensure that local communities are not lost, representatives from communities of interest would be members of this shared governance structure. These communities of interest may be structured according to geography such as Wairoa, Central Hawke's Bay, socio economic profile such as high decile/high needs or ethnicity such as Maori/Pacific.

Integrated budget arrangements

The key opportunity will be for Primary Care to have direct influence and control over a significantly broader range of services such as District Nursing, Public Health Nursing, Community Pharmacy and Rural services. This will enable Primary Care to have greater access to resources of at least \$105m compared to the current level of funding which is approximately \$27m. **The existing PHO resources will be ring-fenced for use within primary care.** The \$105m is an initial allocation which is made up of:

Existing P&P Primary Care Portfolio

Community Pharmaceuticals	42.0m
Maori Providers	7.2m
Community Laboratory Testing	7.0m
Adolescent Dental	1.3m
Chronic Disease Management	1.0m
Immunisation	1.0m
Palliative Care	2.6m
	\$62.1m

Existing PHO Management Service Development Services

Capitation	19.0m
Care Plus	1.3m
Services to Improve Access	2.0m
PHO Performance Programme	1.2m
Management Fee	1.2m
GMS	1.0m
Immunisation/Health Promotion/rural	1.7m
	\$27.4m

Existing HS Operational Services

Rural services (incl Health Centres)	7.5m
Community Services e.g. community physiotherapy and district nursing	3.5m
Public Health Nursing	2.6m
Smokefree Team	0.5m
School Dental	1.9m
	\$16.0m
Total	\$105.5m

A range of other resources will be considered for later inclusion, such as Options HB, Sexual Health Services and Community Radiology.

Integrated Management Arrangements

This Division will be led by a Chief Operating Officer Primary Care who will be a member of the Executive Management Team of the DHB. Key aims of the Primary Care Division will be to:

- Allow a more integrated approach through joint planning and decision making
- Support the devolution of secondary care services
- Enable a more coordinated approach of all primary, secondary and community funded activities.
- Streamline administrative processes through accessibility to existing DHB finance, contract management and human resource services.
- Promote the development of clinical governance systems in primary care

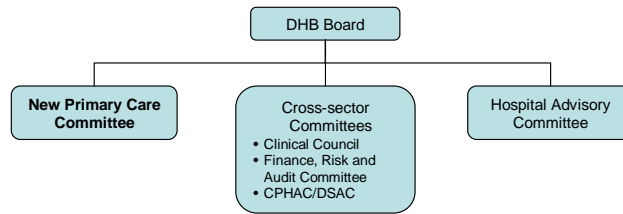
Integrated Service Delivery Arrangements

At a local level the Primary Care Division and the primary care sector will have greater influence over a wide range of resources/services. The range of resources will include existing PHO ring fenced funding, District Nursing, Public Health Nursing, Community Pharmacy and Rural services. The Primary Care Division will work with key stakeholders and communities of interest to:

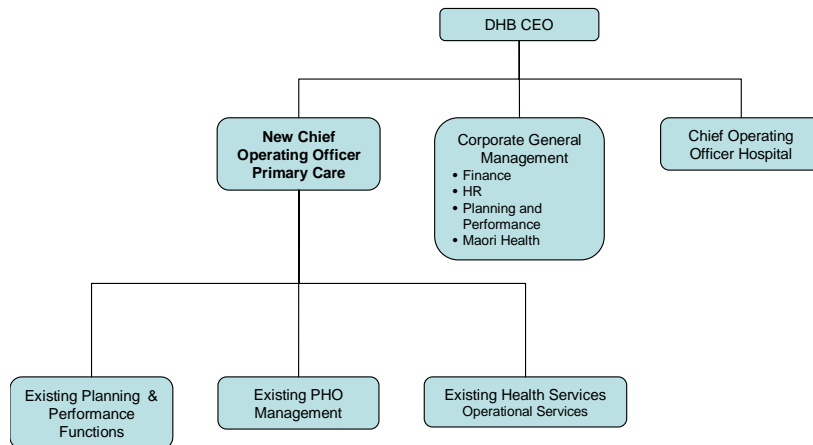
- Strengthen and support Provider relationships
- Provide a regional framework in which to develop Clinical networks
- Assist and support the development of Integrated Family Health Centres
- Provide and assist program management
- Assist with planning for local communities
- Support and assist service level performance
- Allocate discretionary budgets to local communities
- Assist with Provider development and service coordination

A DHB Primary Care Division Structure

Governance

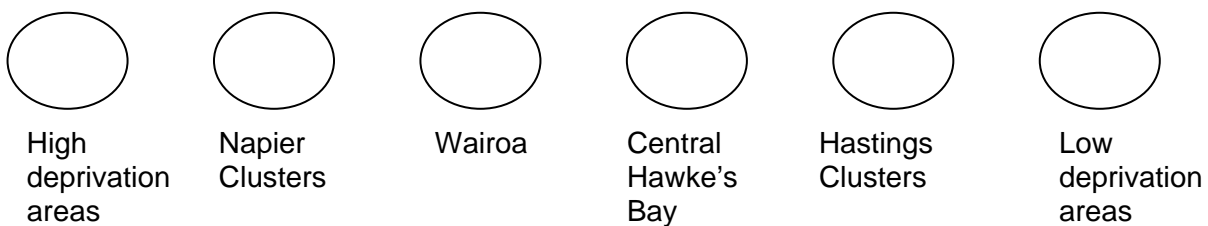


Management



Delivery System

Around six to eight local delivery systems constructed around communities of interest (to be determined in consultation) and based on practice populations will bring together the resources described above. An example may be:



Questions:

- **Are there any ways that this model can be improved?**
- **Which option do you support:**
 - **Option 1 a single PHO**
 - **Option 2 a shared governance arrangement with the DHB?**
- **If neither, what would your alternative proposal be?**

LEADING THE CHANGE: MAKING IT HAPPEN

A joint decision making process has been identified to assist with the smooth transition to the new structure. There are obvious advantages in following a similar process that have been assumed by other DHBs in relation to the consolidation. Any process adopted in Hawke's Bay must ensure that the primary care sector can participate fully as equal partners in achieving a desired change. In this regard, consideration should be given to the recent commentary on the South Canterbury DHB process and statement made by Executive Director of the Association of Salaried Medical Specialists:

"This decision arises out of active engagement with a range of affected organisations including South Canterbury general practitioners. If it had been imposed it would have risked going down like a lead balloon. But the decision was developed through 'bottom up' consultation making it more likely to be supported and robust."

To achieve this level of ownership, engagement and support from the primary care sector, an Oversight Group has been formed. The role of this Group is to:

- Agree the consultation document
- Agree the consultation process
- Receive the consultation responses
- Make a recommendation to the DHB in light of the outcome of the consultation process
- Oversee the planning and implementation of the recommended structure.

The Oversight Group comprises of the following representatives

- Chair
 - Barbara Arnott Hawke's Bay DHB Deputy Commissioner
- PHO Representatives
 - Hamish Kynoch – Hawke's Bay PHO Chair
 - Mark Peterson – Taradale GP and Hawke's Bay PHO Board member
 - Aramanu Ropiha – Hawke's Bay PHO Board member
 - John Newland – Tu Meke PHO Chair
 - Howard Dickson – Totara Practice Director and Tu Meke Board member
 - Ian Redshaw – Wairoa PHO Chair
 - Ron Janes – Wairoa GP and Wairoa PHO Board member

- DHB Representatives
 - Dr Kevin Snee – CEO
 - Helen Francis – Board Member and Primary Care Nurse
 - Warrick Frater – COO
 - John Gommans - Interim Chief Medical Officer

- Maori Provider representatives
 - David Tipene-Leach – Te Taiwhenua O Heretaunga GP
 - Rangi Manuel – Director of Kahungunu Executive

TIMELINE AND NEXT STEPS

Milestone	Date
Discussion document distributed	8 June 2010
Submissions received	29 June 2010
Summary of submissions prepared and distributed to Oversight Group	2 July 2010
Oversight Group meets	8 July 2010
Board paper prepared	14 July 2010
HBDHB consider recommendations	21 July 2010
Development of an implementation plan for approved Option	August 2010
Preparation for implementation	September – December 2010
Implementation of the approved Option	1 January 2011