

Our health and disability system

Health New Zealand

District Health Boards (DHBs) have served New Zealand well for a number of years, but over time the system has become too complex and fragmented. Health New Zealand will be a new organisation to run the health system for all of New Zealand, with appropriate functions delivered at local, district, regional and national levels.

What's changing?

These reforms will disestablish the 20 existing DHBs and merge their functions into Health NZ – a new single entity to lead day-to-day running of the system for the whole country. It will also inherit the operational functions of the Ministry of Health, such as managing national contracts.

Health NZ will manage all health services, including hospital and specialist services, and primary and community care. Hospital and specialist services will be planned nationally and delivered more consistently across the country. Primary and community services will be commissioned through four regional divisions, each of which will network with a range of district offices (Population Health and Wellbeing Networks) who will develop and implement locality plans to improve the health and wellbeing of communities.

Health NZ will be responsible for improving services and outcomes across the health system. Working in partnership with the Māori Health Authority, it will develop a New Zealand Health Plan – a blueprint for what the health system will deliver over years to come.

The transition will be planned, staged, and managed to minimise disruption to services. DHB employees will transfer to Health NZ with existing terms and conditions. The formal date to transfer to the new structure is likely to be around 1 July 2022, after legislation is passed.

Why?

Who you are or where you live should not determine the range and quality of services you receive. These reforms are about giving all people access to the consistent quality care when they need it, to help people live longer in good health and have the best quality of life.

DHBs were set up 20 years ago to give communities a greater say in decision making, but they have also created some artificial barriers between areas, and perverse incentives. Over time, this has led to a focus on individual districts and not on what is best for New Zealand as a whole – creating variation and inequity between areas and populations. It has also led to complexity and duplication, with DHBs replicating functions such as procurement, IT systems and asset management that could be done more efficiently either nationally or regionally.

Our health system has become too complicated for a small nation. It has meant that decisions which impact everyone, like where we invest in new hospitals or services, are not taken nationally. Too much time is spent enforcing boundaries between districts and professions, and not enough emphasis on how we can collectively work for the benefit of five million New Zealanders.

While there is much excellent practice in our system, it is hard to find and spread innovation across so many organisations, meaning opportunities to improve are missed. Although DHBs were intended to bring care closer to people, in practice communities and consumers still have little involvement or voice in many key decisions.

What will it look like in future?

For those working in health services in DHBs, not too much will change in the short-term. Health NZ's regional divisions and district offices will ensure continuity of services in the health system. As Health NZ establishes its new role and functions, the way services are planned and commissioned will change, with a focus on consistency and quality, and on strengthening national and regional networks.

Primary and community care will be better tailored to the needs of communities, and consumers will have more opportunities for their voice to be heard on services and how they're delivered. Over time, this will lead to more innovative services which better reflect community priorities and needs, including more accessible digital and virtual care.

Hospital and specialist services will be far more consistent, with more equity of access across New Zealand. People will have access the right care at the right time regardless of where they live. Shifting emphasis towards primary and community care will also allow more people to be cared for close to home, and take a greater role in their own care. Patients and employees will be able to move between areas to access care and work where needed.

What's next?

The detailed design work over coming months will include engagement with the health sector and with consumers, whānau, and communities. An interim Health NZ organisation will be established in late 2021, before legislation is passed to establish the formal organisation.

Want to know more?

Further information about the work and progress of the health reforms is available on the DPMC website under the work of the Transition Unit:

www.dPMC.govt.nz/our-business-units/transition-unit.