Towards a sustainable and fit-for-purpose health system

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Towards a sustainable and fit-for-purpose health system

Lessons from the ongoing New Zealand health system reforms

Towards a sustainable and fit-for-purpose health system

- Health care in New Zealand in 2012.
- Challenges that the New Zealand health system faces both in 2012 and in meeting the demand for health care over the next decade.
- The way in which these challenges are being met.

Health care in NZ in 2012

- New Zealand has a high quality and very well-rated health system.
- Most New Zealanders with a health problem receive appropriate and timely care, and most outcomes meet societal expectations.
- Almost 10% of the national GDP is spent on health care; this includes 20% of all Government spending.

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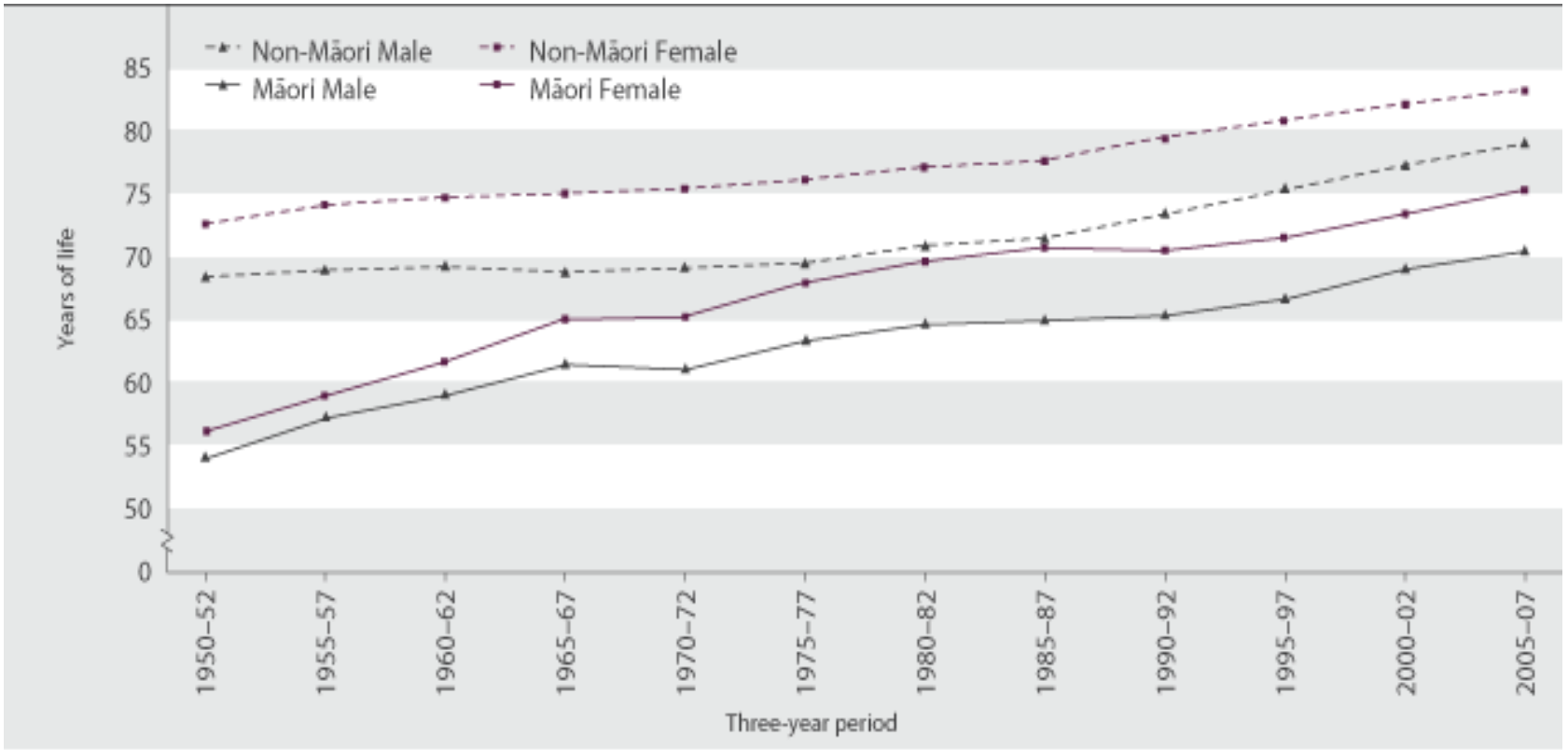
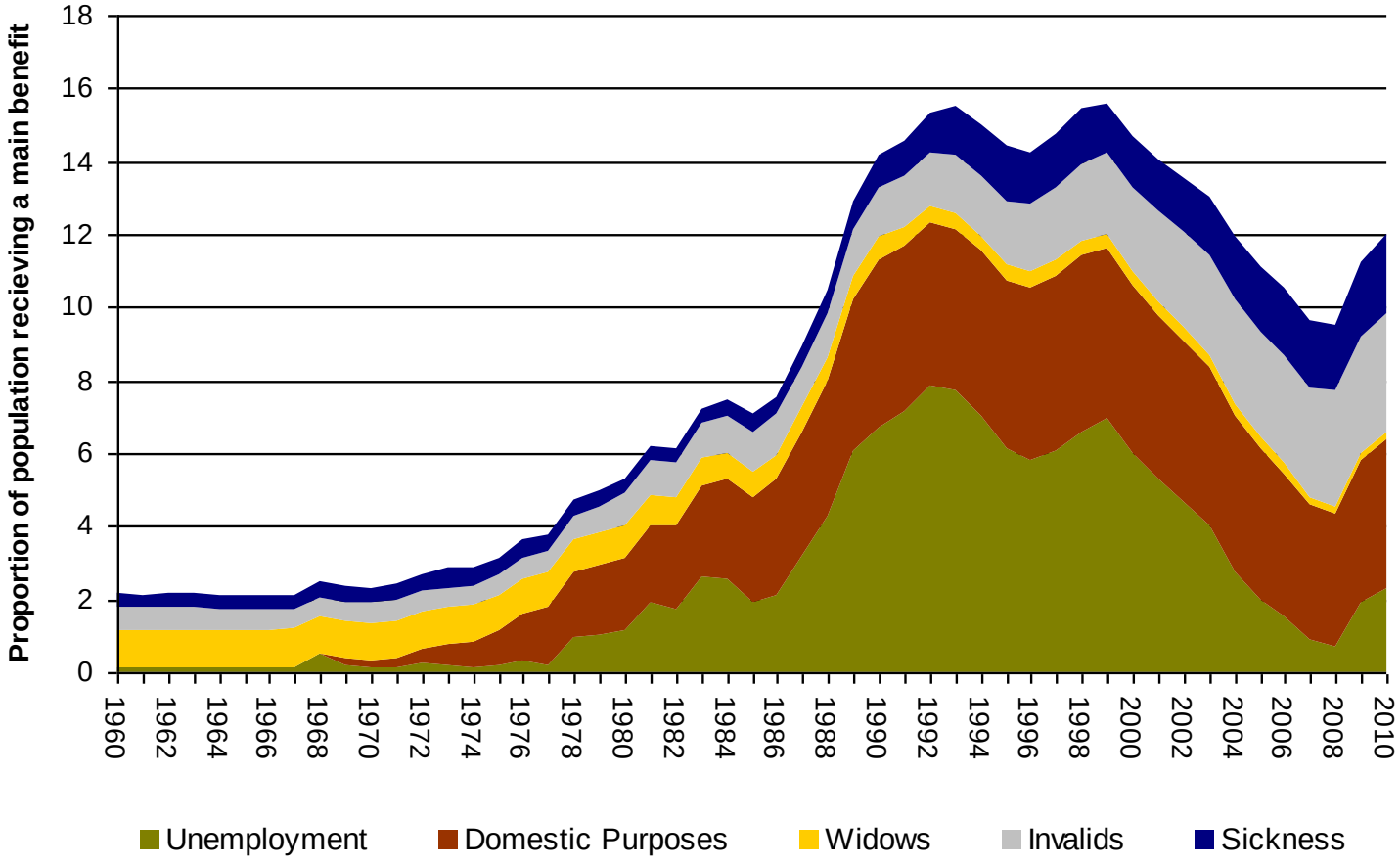
Health care in NZ in 2012

- Challenges:
  - Focal deficiencies and shortfalls;
  - Falling productivity;
  - Unsustainable reliance on immigrant health workers;
  - Costs of health care growing faster than national wealth;

- Challenges:
  - Ageing of the community and growing demand for health care; and
  - Ageing of the community and retirement of the 'baby-boomer' generation of health care providers.


Non-Māori Male
Non-Māori Female
Māori Male
Māori Female
Years of life
85
80
75
70
65
60
55
50
0
1950–52
1955–57
1960–62
1965–67
1970–72
1975–77
1980–82
1985–87
1990–92
1995–97
2000–02
2005–07
Three-year period

Proportion of the working age population receiving different main benefits, 1960-2010



Source: MSD Statistical Reports

Note: Population 18-64 years. The count of benefits excludes individuals receiving a benefit as a partner

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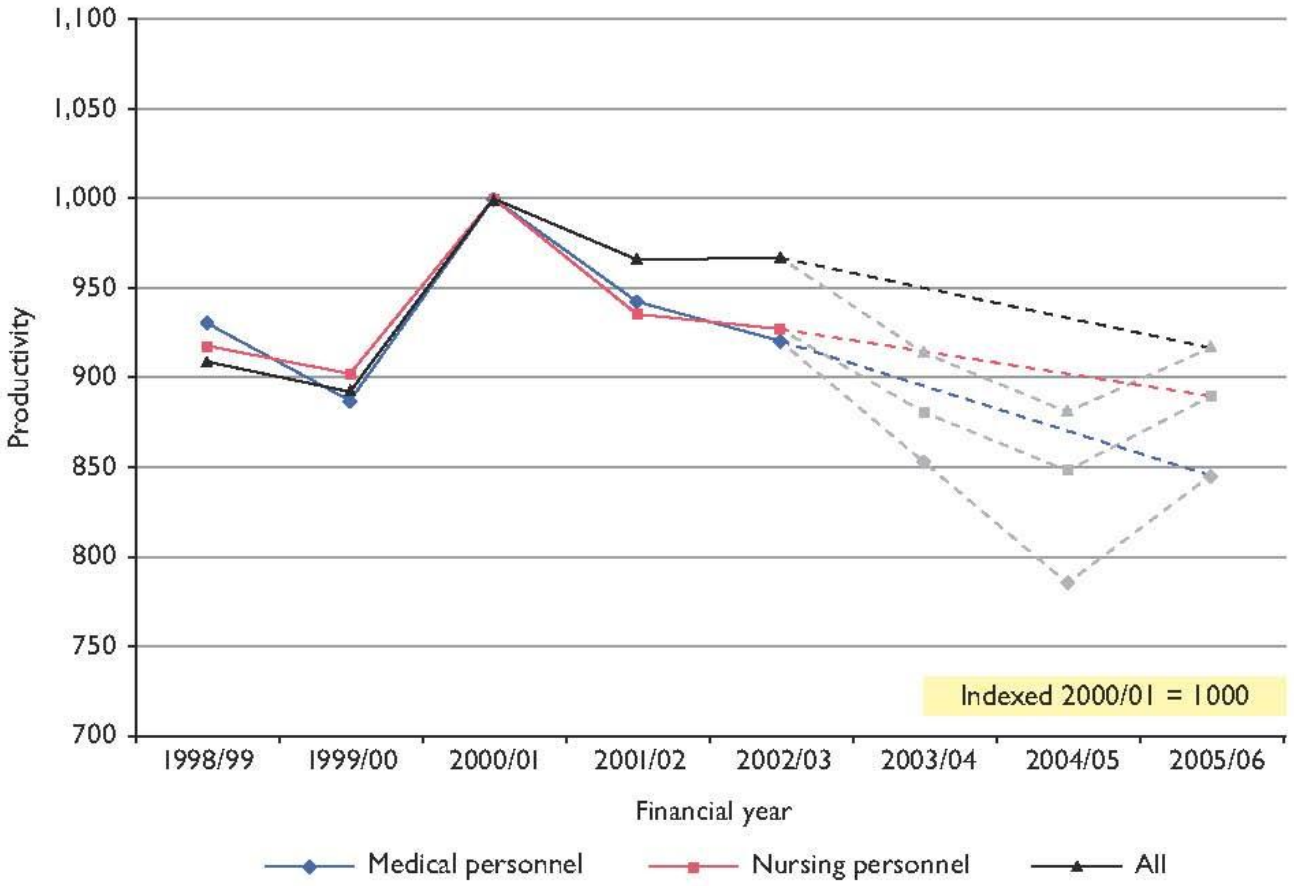
Mani Maniparathy, New Zealand Business Roundtable 2008

Figure 3: Productivity (volume per head) of public hospitals (indexed 2000/01 = 1000), 1998/99 to 2005/06



Health care in NZ in 2012

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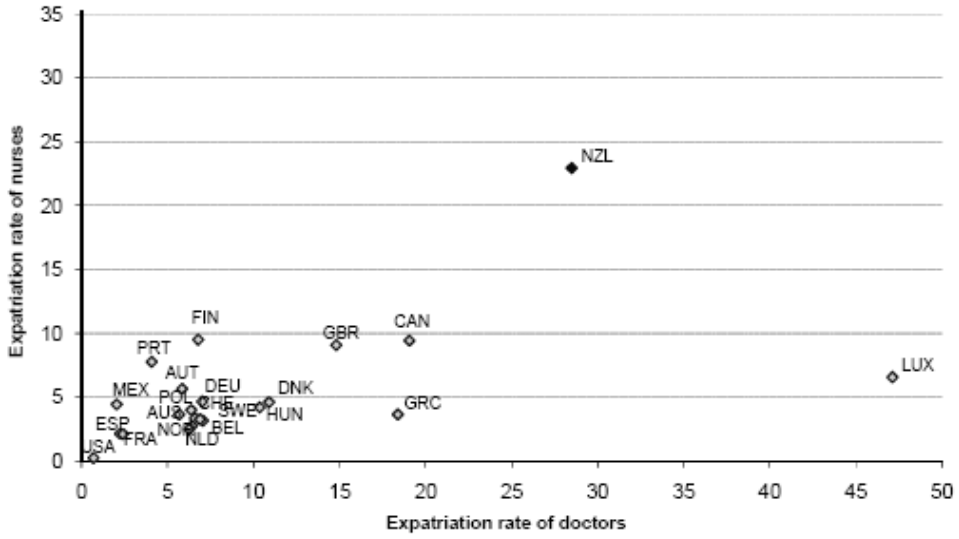
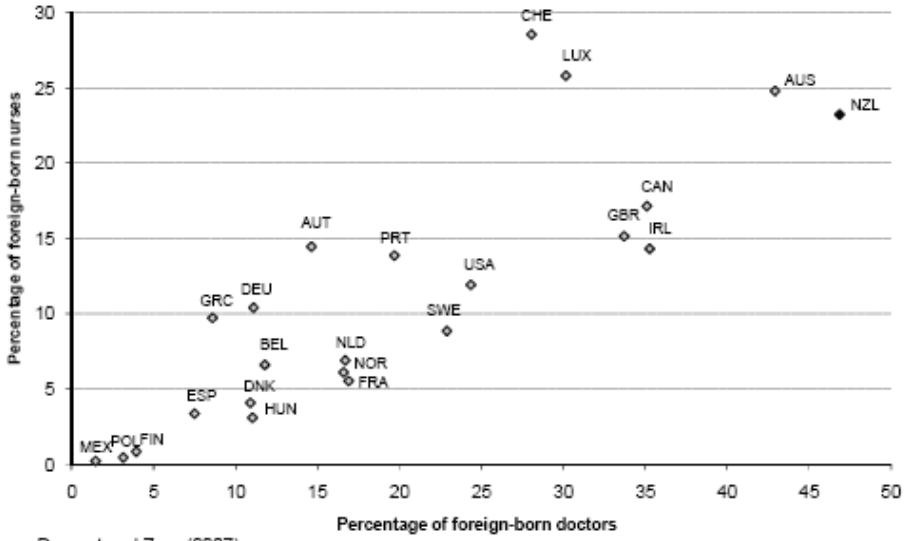
Chart 7. Expatriation rates and percentages of foreign-born doctors and nurses, selected OECD countries, circa 2000



Source: Dumont and Zurn (2007)



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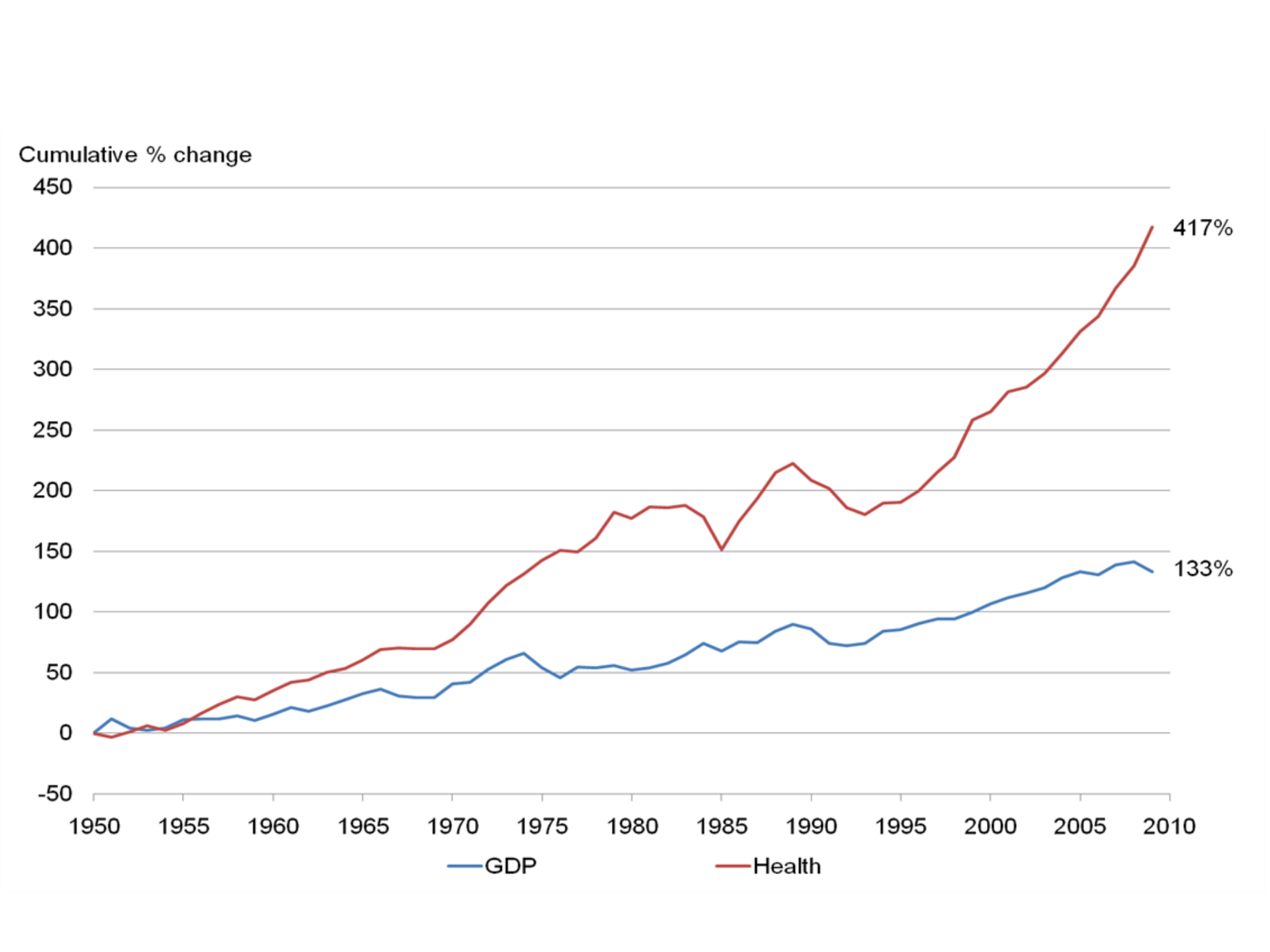
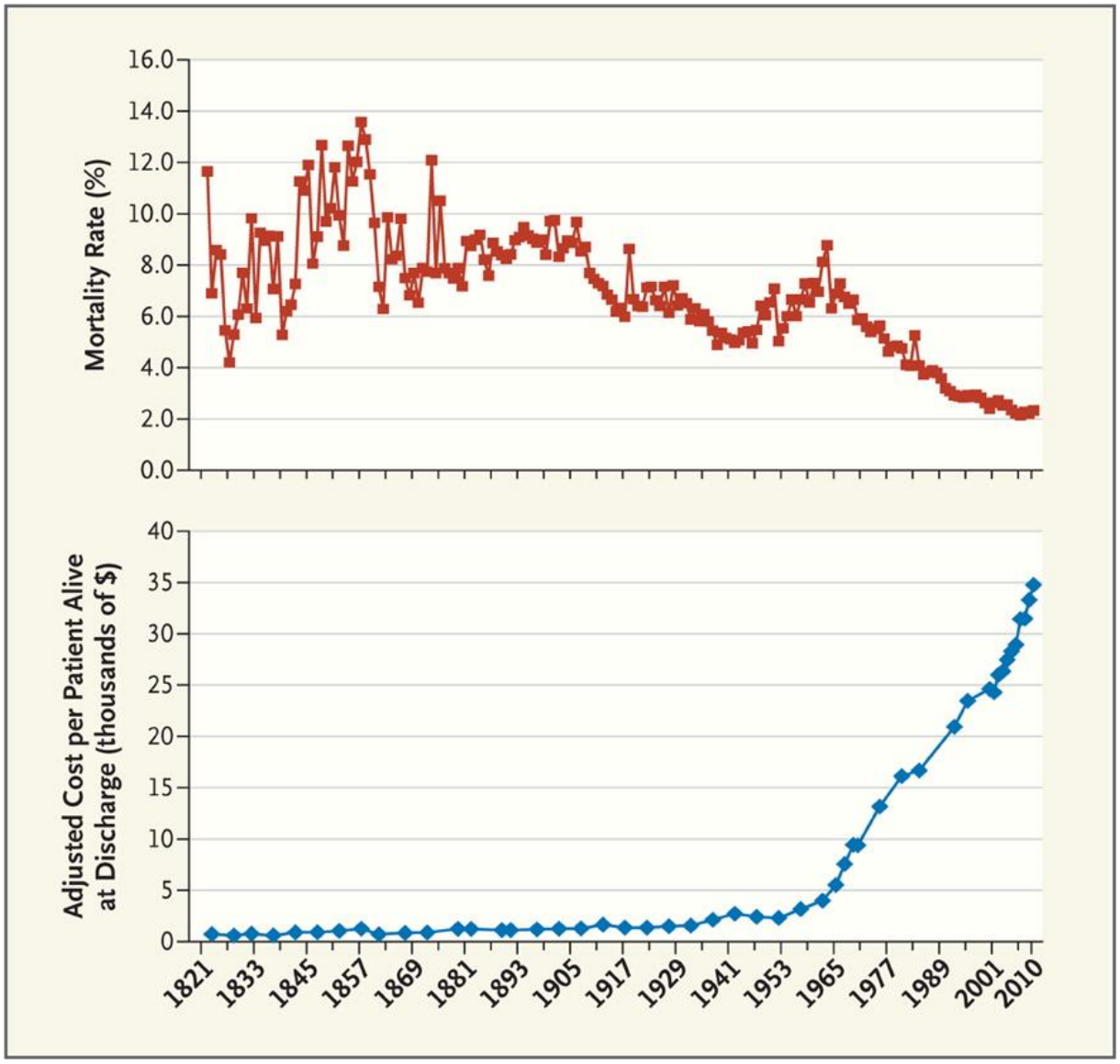

Cumulative % change
450
400
350
300
250
200
150
100
50
0
-50
1950
1955
1960
1965
1970
1975
1980
1985
1990
1995
2000
2005
2010
417%
133%
GDP
Health


Mortality Rate (%)
16.0
14.0
12.0
10.0
8.0
6.0
4.0
2.0
0.0
Adjusted Cost per Patient Alive at Discharge (thousands of $)
40
35
30
25
20
15
10
5
0
1821
1833
1845
1857
1869
1881
1893
1905
1917
1929
1941
1953
1965
1977
1989
2001
2010

Health care in NZ in 2012

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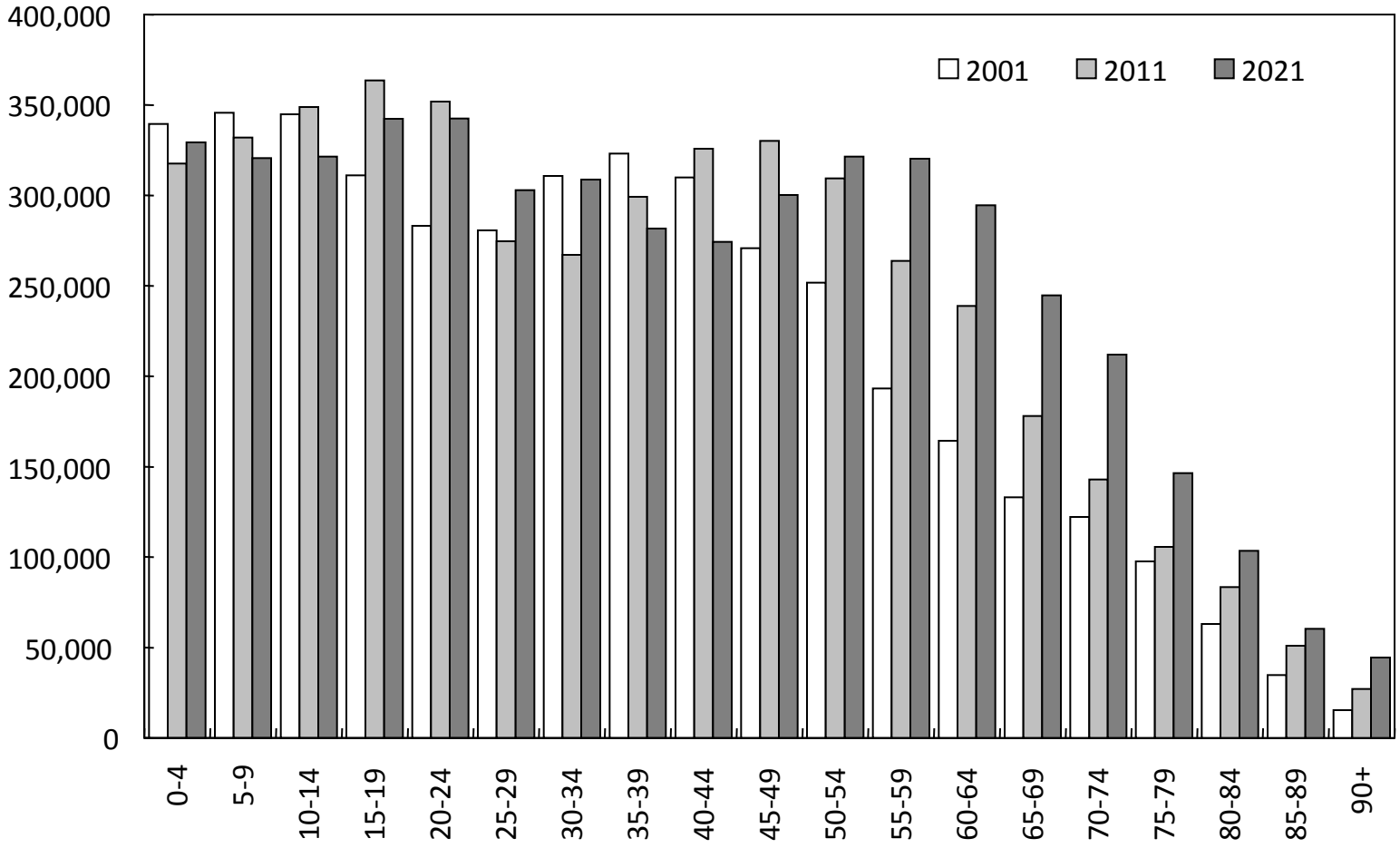
NZIER (2005)

NZ Population Projections by Age Cohort
(Assuming medium population growth)



Health care in NZ in 2012

- An informed, but conservative guess of the growth in demand for health services is for a doubling between now and 2022.
- At best, it may be possible to increase the health workforce by about 40% over this period.
- If increases in health funding are to be linked to growth in GDP, then the likely increase in health funding will also be about 40%.

Towards a sustainable and fit-for-purpose health system

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- The way in which these challenges are being met.

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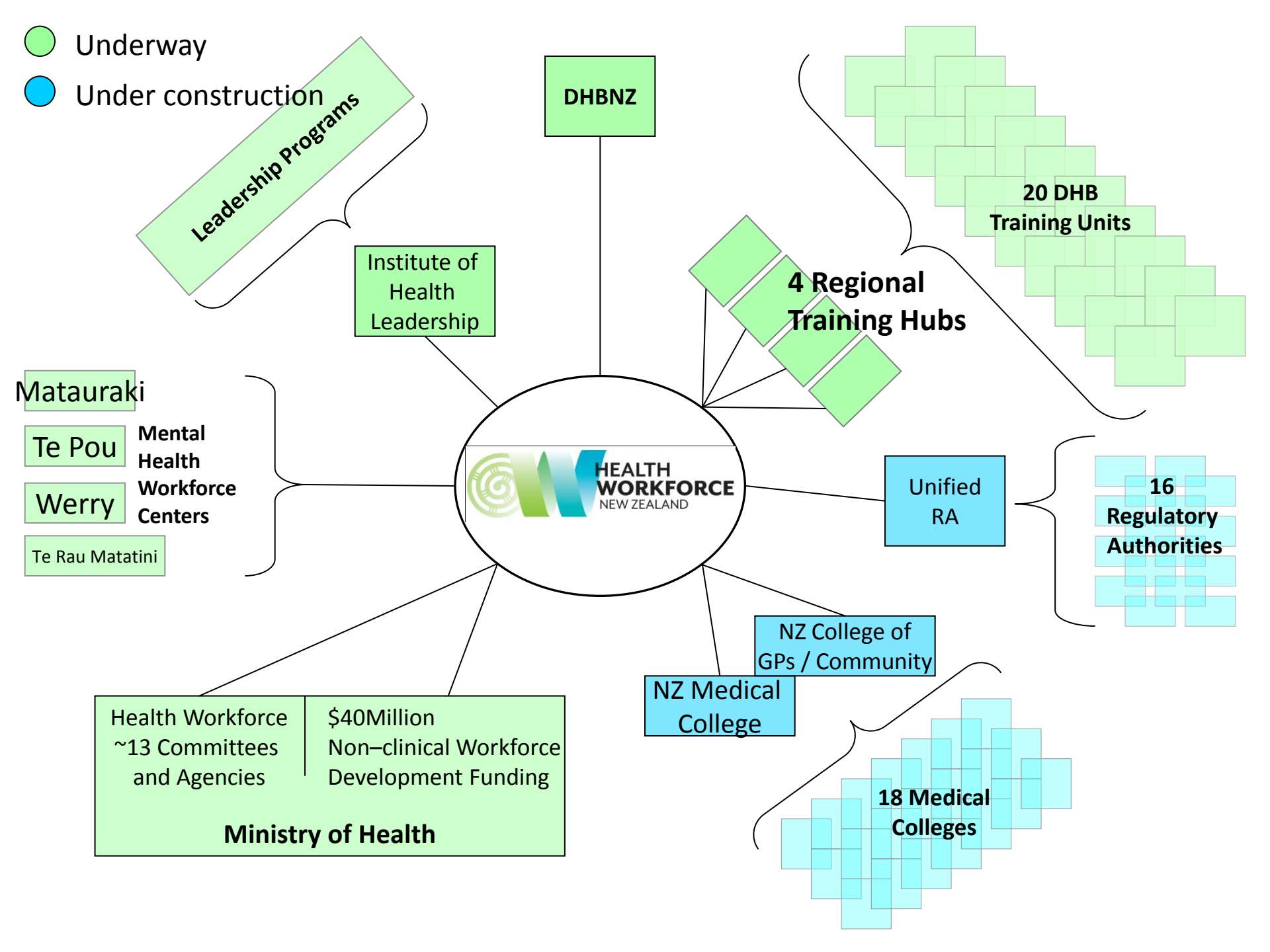
- Short term responses:
  - 'Buying time' so that the health system can meet demand while longer term responses are implemented.
- Long term responses:
  - Quality improvement and lifting productivity;
  - Reducing demand; and
  - Lowering costs in the context of central philosophies of 'doing things instead of and not as well as' and of 'value for funding'.

Towards a sustainable and fit-for-purpose health system

- Short term responses:
  - 'Buying time' so that the health system can meet demand while longer term responses are implemented.
- Community and sector engagement through effective communication and partnerships.

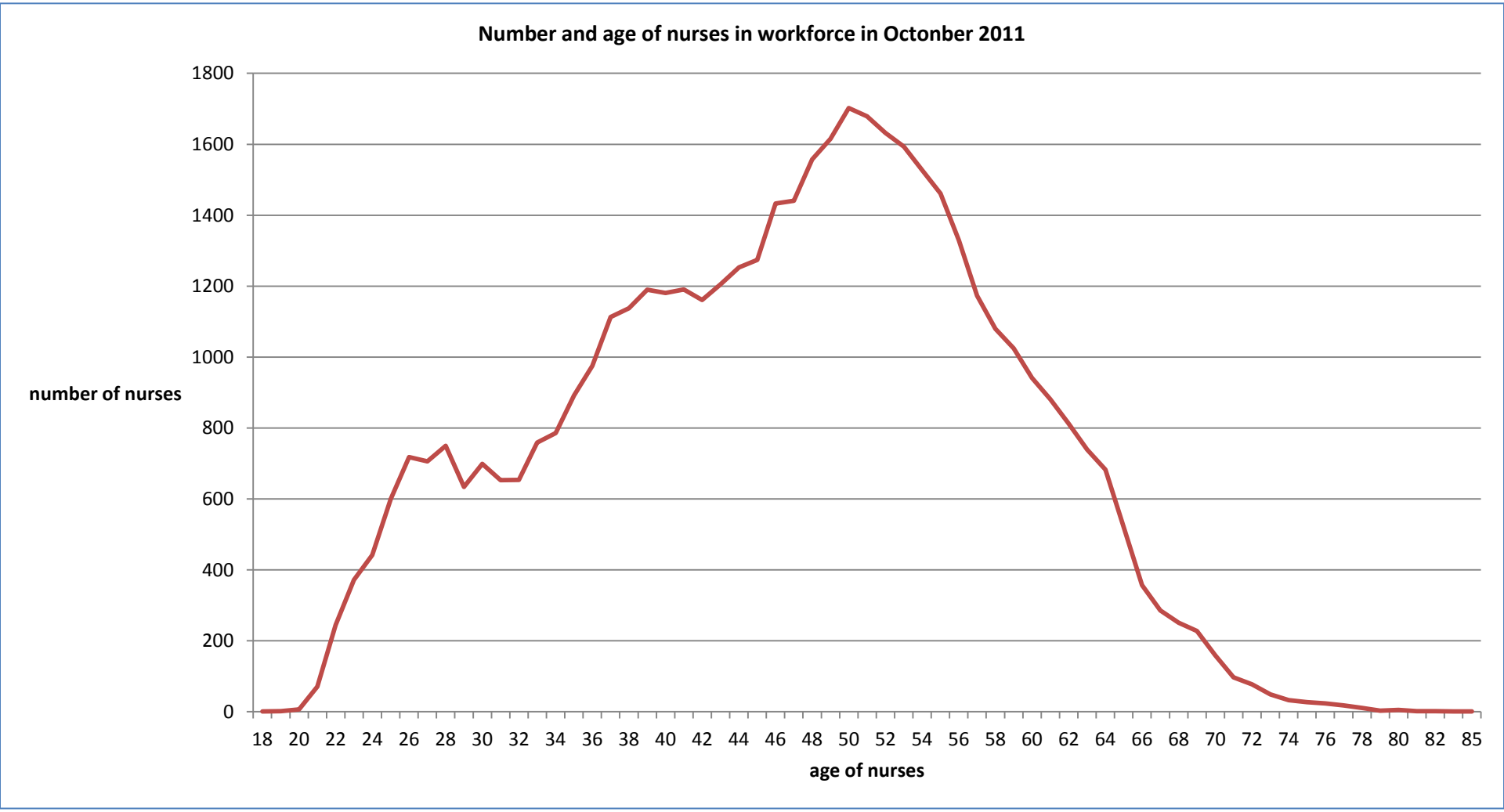
Towards a sustainable and fit-for-purpose health system

- Short term responses:
  - 'Buying time' so that the health system can meet demand while longer term responses are implemented.
- Recruitment of health workforce to reform agenda.
  - The challenge of clinician leadership.
- Rationalisation of health bureaucracies and 'shifting resources' to the 'front line'.


Underway
Under construction
Leadership Programs
DHBNZ
20 DHB Training Units
Institute of Health Leadership
4 Regional Training Hubs
Matauraki
Te Pou
Werry
Mental Health Workforce Centers
Te Rau Matatini
HEALTH WORKFORCE NEW ZEALAND
Unified RA
16 Regulatory Authorities
NZ College of GPs / Community
NZ Medical College
Health Workforce ~13 Committees and Agencies
$40Million Non–clinical Workforce Development Funding
Ministry of Health
18 Medical Colleges

Towards a sustainable and fit-for-purpose health system

- Short term responses:
  - 'Buying time' so that the health system can meet demand while longer term responses are implemented.
- Regional training hubs and recruitment and retention initiatives.
  - Voluntary bonding scheme and advanced trainee scholarships.
  - The global financial crisis and the health workforce.
  - Third age initiatives.


Number and age of nurses in workforce in Octonber 2011
number of nurses
1800
1600
1400
1200
1000
800
600
400
200
0
18 20 22 24 26 28 30 32 34 36 38 40 42 44 46 48 50 52 54 56 58 60 62 64 66 68 70 72 74 76 78 80 82 85
age of nurses

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- Short term responses:
  - 'Buying time' so that the health system can meet demand while longer term responses are implemented.
- Lifting productivity in elective and acute settings through specific health targets (e.g. elective surgical separations, ED and cancer treatment waiting times) and PPP (e.g. private oncology services).

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- Short term responses:
  - 'Buying time' so that the health system can meet demand while longer term responses are implemented.
- Liberating workforces with 'spare' capacity:
  - Physiotherapists (orthopaedic OPD);
  - Pharmacists (Warfarin dose management and influenza vaccination);
  - Anaesthesia technicians;
  - Optometrists (glaucoma and retinal disease);

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  - 'Buying time' so that the health system can meet demand while longer term responses are implemented.
- Liberating workforces with 'spare' capacity:
  - Psychologists and podiatrists (prescribing roles through reform of Medicines Act); and
  - Nurses (diabetes prescribers, endoscopy, aged care, surgical first-assist etc.)

Towards a sustainable and fit-for-purpose health system

- Long term responses:
  - Quality improvement and lifting productivity;
  - Reducing demand; and
  - Lowering costs in the context of central philosophies of 'doing things instead of and not as well as' and of 'value for funding'.
- Adopt robust processes that account for the inherent uncertainty of future health milieu.
  - A whole of sector health intelligence and the role of RA amalgamation.
  - The need for a flexible and re-deployable health workforce (e.g. rehabilitation workers).

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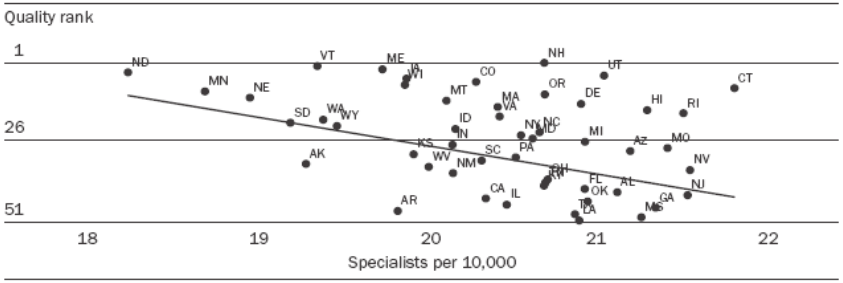
- Adopt robust processes that account for the inherent uncertainty of future health milieu.
  - The dual case for general scopes of practice for 'slow to train' and 'expensive' health workers.
  - "Working at the top end of a licence".

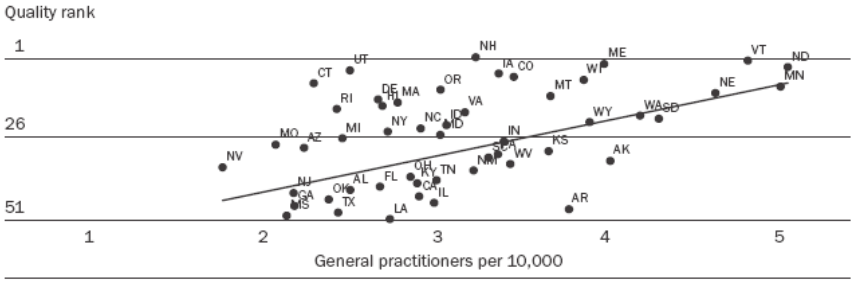
The dual case for general scopes of practice

EXHIBIT 6
Relationship Between Provider Workforce And Quality: Specialists Per 10,000 And Quality Rank In 2000



SOURCES: Medicare claims data; and Area Resource File, 2003.
NOTES: For quality ranking, smaller values equal higher quality. Total physicians held constant.

EXHIBIT 8
Relationship Between Provider Workforce And Quality: General Practitioners Per 10,000 And Quality Rank In 2000



SOURCES: Medicare claims data; and Area Resource File, 2003.
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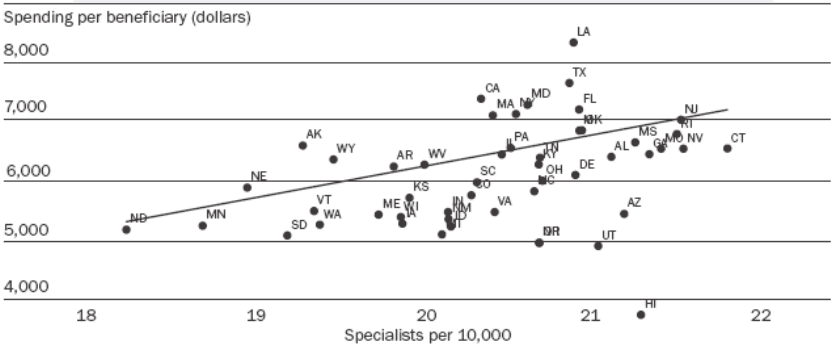
EXHIBIT 7
Relationship Between Provider Workforce And Medicare Spending: Specialists Per 10,000 And Spending Per Beneficiary In 2000



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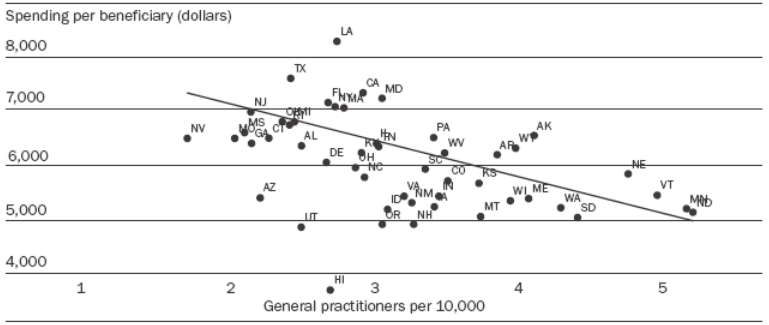

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- Adopt robust processes that account for the inherent uncertainty of future health milieu.
  - Health champion coalitions and the iterative development of future service scenarios through ‘idealised patient journeys’.

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- Adopt robust processes that account for the inherent uncertainty of future health milieu.
  - Disruptive innovations and the 'Trojan Horse' approach.
  - The implementation challenge.

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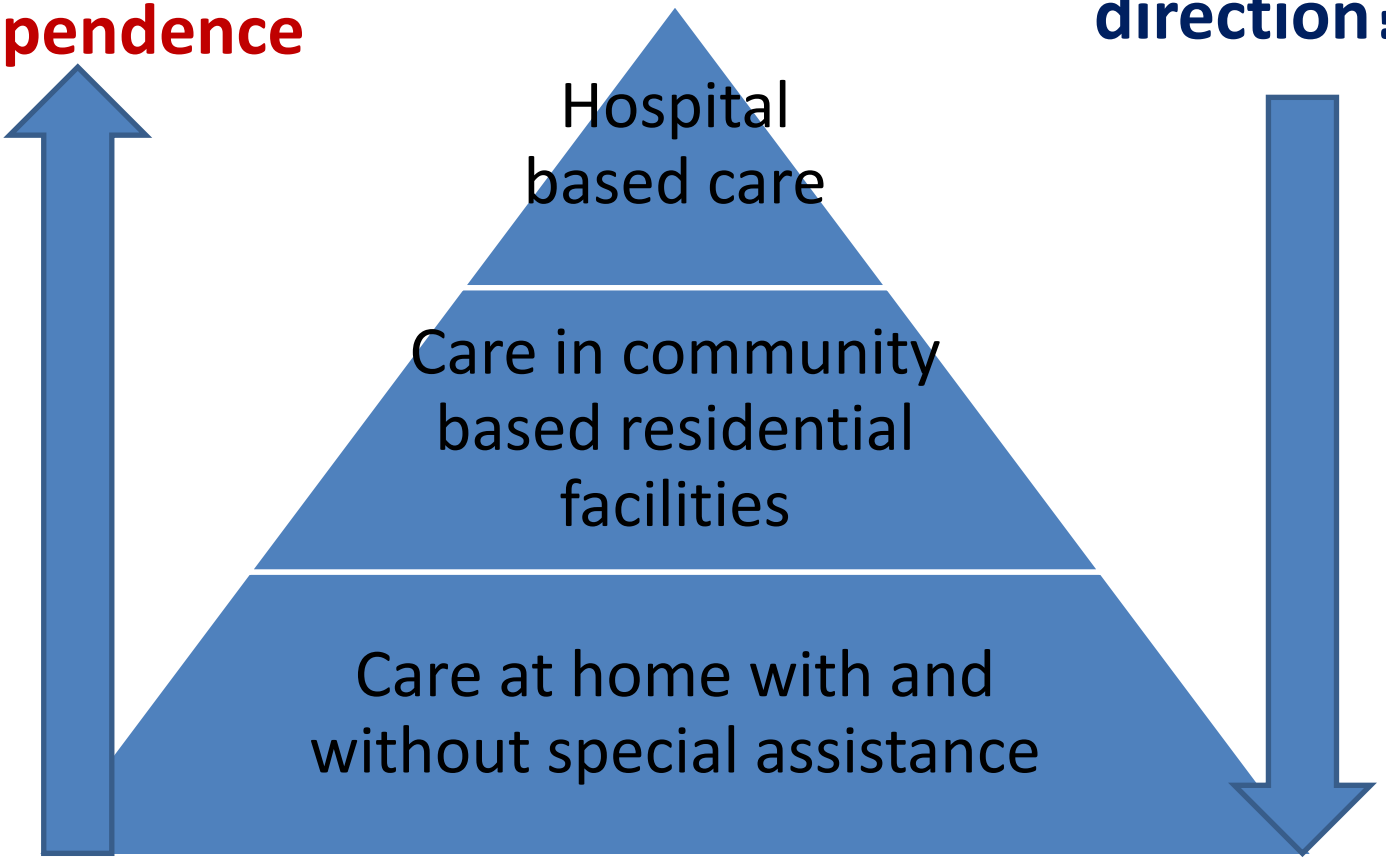
- Auntie's story and the need to slow down the rate of building, equipping and staffing new hospitals.

Increased cost and reduced independence

What is necessary to shift care in this direction?



Towards a sustainable and fit-for-purpose health system

- A shared care record.
- A new way of funding services and of rewarding providers and consumers.
- A diversified and fit for purpose community based health workforce that works as much as is possible at the “top end of their licence.”
- Genuine patient-directed and centred care.

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