



Proactive Release

The following documents have been proactively released by the Department of the Prime Minister and Cabinet (DPMC), on behalf of Hon Andrew Little, Minister of Health:

Health and Disability System Reform Briefings February – June 2022

The following documents have been included in this release:

Title of paper: Policy Decisions for Pae Ora Bill Departmental Report: Talking Points

Title of paper: Health Reforms: Quality Functions in the Future System

Title of paper: Progress on Health System Functions Transfer

Title of paper: Health Reforms: Policy Critical Path to Day 1

Title of paper: Health Reforms: Key Policy Decisions and Delegation

Title of paper: Implementing the Intervention Framework for the Reformed Health System

Title of paper: Health Research in the Future System

Title of paper: Progress Update on Public Health Transformation Programme

Title of paper: Pae Ora Legislation Committee Report

Title of paper: Supplementary Order Paper for Pae Ora (Healthy Futures) Bill

Title of paper: Update on the Transfer of Functions from Ministry of Health to New Entities

Title of paper: Appendices to the Interim Government Policy Statement

Title of paper: Health Reforms: Role of Localities in the Reformed System

Some parts of this information release would not be appropriate to release and, if requested, would be withheld under the Official Information Act 1982 (the Act). Where this is the case, the relevant section of the Act that would apply has been identified. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Key to redaction codes:

- Section 9(2)(a), to protect the privacy of individuals;
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- Section 9(2)(g)(i), to maintain the effective conduct of public affairs through the free and frank expression of opinion; and
- Section 9(2)(h), to maintain legal professional privilege.



Briefing

HEALTH REFORMS: POLICY CRITICAL PATH TO DAY 1

To Hon Andrew Little, Minister of Health; Hon Andrew Little, Minister of Health; Hon Peeni Henare, Associate Minister of Health

Date	4/03/2022	Priority	Routine
Deadline	10/03/2022	Briefing Number	DPMC-2021/22-1581


Purpose

This paper sets out the key policy milestones required to bring the health system reforms into effect on 1 July 2022, and outlines the process requirements to confirm appointments to statutory boards and committees, for your feedback.

Recommendations

- a. **Note** that implementation of the health reforms on 1 July 2022 requires a number of milestones to be delivered for key policy, legislative, budget and design decisions in the coming months.
- b. **Note** that confirming appointments to the boards of the new entities and to the interim Hauora Māori Advisory Committee will also be advisable in advance of 1 July 2022.
- c. **Discuss** the critical path to 1 July 2022 and the proposed steps for making appointments in the officials' meeting on Tuesday 8 March.

YES / NO


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Stephen McKernan Director, Health Transition Unit
04/03/2022

Hon Andrew Little Minister of Health
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Hon Peeni Henare Associate Minister of Health
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Minister's office comments:

- Noted
- Seen
- Approved
- Needs change
- Withdrawn
- Not seen by Minister
- Overtaken by events
- Referred to

HEALTH REFORMS: POLICY CRITICAL PATH TO DAY 1

Context

1. There are now less than four months until the health system reforms are due to come into effect, on 1 July 2022. While many of the elements of the reforms, and their anticipated benefits, are expected to take substantially longer to realise, there remain a number of critical policy, legislative and budget milestones that must be met to bring the new entities and system into being in their initial state.
2. We remain on track to deliver the reforms as intended on 1 July – and a more detailed progress report is being drafted for you to present to Cabinet later this month. To support the final stages of policy development in advance of Day 1, this paper:
 - a. describes the critical path of key policy actions and milestones which are required to give effect to the reformed health system on 1 July 2022; and
 - b. outlines a process to confirm the necessary appointments to be made in advance of Day 1, and seeks your view on taking forward this work.

Policy critical path to Day 1

3. There are a number of ongoing parallel workstreams which cover the necessary policy, legislation, budget and system design priorities to implement the reformed health system on Day 1. These are led across the Transition Unit, Ministry of Health and interim agencies, working in partnership and with shared governance arrangements.
4. The timeline attached at **Annex 1** maps the headline milestones across key workstreams and highlights critical interdependencies. This does not include all policy work, but draws out the most significant areas requiring Ministerial and Cabinet decisions, including the following:
 - a. Assurance of progress with implementation, which includes ongoing assessment by the Transition Unit and Assurance Group and two specific milestones for Cabinet reports – the latter of which will be a crucial decision to proceed, timed to be taken in advance of the Bill reaching the Committee of the Whole House.
 - b. The timetable for the Bill itself, with final stages anticipated in May and Royal Assent by early June. These milestones are not fully within our control, but are critical for finalising other major steps before Day 1. In particular, Royal Assent should take place before the interim Government Policy Statement (iGPS) is published, and before appointments can be made to the permanent entities.
 - c. Budget 2022, where Cabinet decisions are essential to confirm the final appropriations and budgets for the new entities and allocations with those. The communication of an early funding signal is important to support development of internal budgets; and the final Cabinet decision similarly drives completion of those budgets, the iGPS and the interim NZ Health Plan.
 - d. The process of organisational design and internal budgets for Health NZ and the Māori Health Authority, which includes a number of key design decisions relating

to structures and functions of the entities. The agreement of internal budgets for 2022/23 will depend on timely communication of Budget decisions.

- e. The related process of system planning, principally through the development of the interim NZ Health Plan (iNZHP) and statements of performance expectations for new entities. The iNZHP will not be published until after July 2022, but will need to be substantially prepared in advance and will rely on confirmation of Budget and the expectations in the iGPS.
 - f. The development of the system-level accountability settings which are to be in place from Day 1, including the iGPS and the initial monitoring approach for the reformed system. These elements will set a framework and planning parameters for the iNZHP and other system functions (e.g. Health NZ's approach to performance management).
 - g. Appointments to statutory bodies that should be confirmed for Day 1 – including the boards of Health NZ and the Māori Health Authority and the interim Hauora Māori Advisory Committee. These cannot formally take place until after the Bill receives Royal Assent, meaning a slim window in June 2022 to complete the necessary processes.
5. Collectively, the timeline demonstrates a critical path to Day 1 that is tight but achievable, and which relies on key decision points (e.g. Budget, Bill) being met. We would be happy to discuss any of the specific areas and assumptions with you.
 6. There is more to do to refine the milestones in the timeline and ensure that the most crucial interdependencies are identified. Moreover, it is highly likely that some elements and dates will change over the coming weeks. We intend to maintain the timeline as a live document, shared between the TU, Ministry and interim agencies, and will be happy to provide further updates to you through weekly reports or in additional briefings.
 7. We also intend to provide you with further advice in the coming week to summarise the specific policy and system design decisions that need to be made in advance of Day 1 to give effect to the structures and functions agreed by Cabinet. For each of these, it will be important to confirm authority for making those decisions, including where you will delegate decision-making to the boards of the interim agencies, and any conditions you may wish to set.

Process for making appointments to Day 1 entities and committees

8. As indicated in the critical path timeline, to support the reforms it will be necessary to agree appointments to key statutory bodies. While it is not essential for all appointments to be in place on Day 1, it will create substantial risk if there is any significant period of time in which entities are not subject to robust governance. It is therefore preferable for all key appointments to have been confirmed before Day 1.
9. Appointments can be made once the Bill receives Royal Assent, and before commencement on 1 July, using the provisions of the Legislation Act allowing exercise of powers before commencement. This provides a small practical window during June 2022 to undertake the necessary formal steps and secure approvals to appointments. Confirming appointments in this window will require planning and preparation in a number of areas, as outlined below.

Interim Hauora Māori Advisory Committee

10. The Bill will provide a power for you to appoint an interim Hauora Māori Advisory Committee. This will be in place for up to two years, until the formal Committee is established based on nominations from iwi-Māori partnership boards and hauora Māori organisations (it may be appointed earlier if all IMPBs are in place and organisations identified). Since the purpose of this Committee is to advise the Minister on the exercise of relevant powers in relation to the Māori Health Authority, including the power to appoint board members, it follows that the interim Committee will need to be established and consulted prior to making board appointments.
11. In order to put the interim Committee in place and consult with Committee members to inform your recommended appointments to the MHA Board, we recommend the following steps:
 - a. By end March: consider nominations of members to the Committee. You may wish to seek advice in particular from the former membership of the Steering Group which you consulted on the appointments to the board of the interim MHA last year. We would be happy to provide further advice on this.
 - b. By end April: appoint members to a Hauora Māori Steering Group. The interim Hauora Māori Committee cannot be formally appointed until after the Pae Ora Bill receives Royal Assent; in the interim this mechanism will allow for a formal procedure to establish a group to consider candidates and will avoid the need to seek APH agreement twice.
 - c. Over May: consult the Steering Group on appointments to the MHA Board (and any other relevant matters you may wish to consider, for instance including appointments to the Health NZ Board). We will further advice to support this engagement in due course.
 - d. Early June (after Royal Assent): secure APH agreement to appoint the members of the Steering Group as the interim Hauora Māori Advisory Committee, within the meaning of the Pae Ora Act.
12. We would welcome your views on the steps above.

Boards of Health New Zealand and the Māori Health Authority

13. As above, appointments to the boards of both entities can be made after Royal Assent, but before commencement, and will be subject to you consulting with the interim Hauora Māori Advisory Committee for the MHA Board. We expect that you may wish to seek wider perspectives on board appointments over the coming weeks, and would be keen to discuss your expectations.
14. Once boards have been appointed formally, they will similarly need to confirm the chief executives of their respective permanent entities. Chief executives of the interim entities have been appointed on the assumption that both will hold the same role for the permanent entities; however, there will need to be a rapid process to confirm these before Day 1.
15. In order to secure these agreements before Day 1, we expect that it will be necessary to submit proposals to APH for appointments to the boards in early/mid-June. This will

require necessary engagement to have taken place over April/May to support decision-making.

Other statutory committees

16. The Pae Ora Bill requires that one additional committee be established – the Public Health Advisory Committee. This should be established soon after commencement but would not be able to be established before since the committee is not essential to bring the Act into operation. The existing Ministerial advisory committees established under the NZPHD Act will continue as if established under the new Act.

Next steps

17. We recommend discussing the critical path and approach to appointments at our officials' meeting on Tuesday 8 March. Subject to your steers, we will deliver on the agreed processes to ensure delivery for Day 1.

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