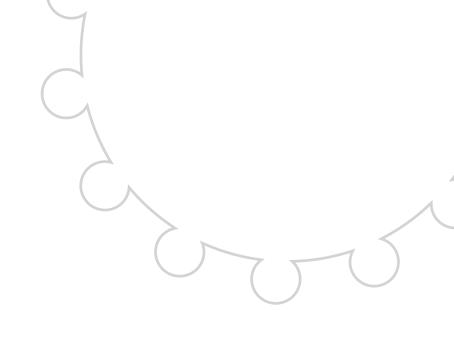
Sectors

# Health







The success of New Zealand's COVID-19 response has been the envy of many globally. This crisis has repositioned the role of the health sector as vital to the economic rebuild of New Zealand. With very few deaths and a go hard and go early strategy that resulted in the meeting the goals of the lockdown period to 'stamp it out and keep it out'. This has not come without substantial economic impact which will be continue for some time, with the risk of further waves once the borders are open. But through our collective actions, and a sustained COVID-19 response, we have saved lives in New Zealand and we can back to rebuilding the economy ahead of many other countries.

## **Current position**

Despite the successes in our health response in New Zealand, COVID-19 has highlighted areas where there were pre-existing challenges that will not go away. Interim solutions have been found to overcome the immediate issues.

Multifactorial issues combined to hamper the ability of the Ministry of Health to be agile in what was already a very challenging time. This involved mobilising at pace an overly complex and fragmented health sector with an under resourced public health infrastructure, disparate systems and a complex stewardship and system leader role with the sector.

The Health and Disability Review published recently raised a number of these issues with recommendations for action. A lot will depend upon the appetite for change and the pace at which the Government will want to move. Whatever is decided, a longer term focus is required to plan and build our future health system in NZ to better meet our future needs.

# Significant COVID-19 health impacts as electives and other services had to be paused

A significant COVID-19 impact is that whilst the response had been a priority, other health services have been paused, elective surgeries have been deferred, people may have deferred going to their GP, the Ministry of Health and other government agencies have paused projects and business as usual had largely stopped during lockdown. This has impacted on wait times, undiagnosed health problems and there's a pile of already pressing work waiting to be done.

Budget 2020 provided catch-up funding for an extra 153,000 procedures. This is a huge challenge to catch up in an already stretched system. A lot of creativity is required to manage this capacity and potential unmet need.

#### Future health sector reform

The long-awaited Heather Simpson report on the Health and Disability Sector has been published following a delay whilst the COVID-19 response was dealt with as a priority, but the challenges don't go away. There is an overly fragmented and complex system that isn't set up to optimally meet the needs of New Zealand with a population of five million.

A structural change won't happen overnight and will be very disruptive to the system. Key to the success of the system change with be putting the patient at the centre of change. Simply changing the structure again won't lead to the improvements in health outcomes needed for citizens. Key recommendations include consolidation of DHBs, a new Māori Health entity, a new national health entity to oversee national operational delivery and a streamlined Ministry of Health focused on Health Strategy, policy and population health. Additional pathways to primary and community health care are recommended to help increase the scope and access to primary health services so that services are provider closer to home and not in a hospital setting, where possible.

The Health and Disability Review provided recommendations and opportunities for change but was not overly ambitious or visionary and did not consider the whole system holistically by excluding key components such as the private sector which has a large part to play and partners at all levels from telehealth, primary and hospital care levels.

What we will hopefully see will be an accelerated move to a single electronic health record system, a shared financial and procurement system and a closely defined leadership role for the Ministry of Health. Value for money opportunities to help alleviate cost pressures, consistency of health care quality to address the postcode lottery and greater collaboration across the DHBs will be key benefits to achieve better and more equitable health outcomes as the end game, regardless of the structure put in place.

# **Future opportunities**

Budget 2020 was sympathetic to the healthcare investment needs including those highlighted by the COVID-19 response. The key areas are:

Health Infrastructure: To kick start the economy, there is investment in Health and Hospital infrastructure and upgrade with a redesign to meet future needs. The new Health Infrastructure Unit is leading this supported by local consultation and DHB involvement to meet their population needs. Collaboration across agencies, the private sector and with other jurisdictions will be key to optimising design considerations and to consider designing the hospitals of the future, not for now.

Mental health and addiction: There's still a lot of work to do to address the recommendations of the Mental Health Inquiry. The set-up of the Mental Health Commission will help to hold the Ministry to account. A lot of funding has been allocated and needs to spent to deliver defined outcomes which is a huge delivery challenge.

## **FADES** analysis

This is a great opportunity to start on the journey of refusal to return and to reset the health sector for the future

Digital enablement of the future models of care: Gains has been made in weeks that would under normal circumstances have taken years. There has been excellent progress made along the journey to digital enablement of future models of care, especially in primary care consults and expansion of telehealth to name but two. Let's not lose that momentum gained. More private sector collaboration maybe needed to fill the gap with new and emerging players in the market.

A major overhaul of the existing contracting models for health providers will also be needed to encourage continuance of digital enablement and recent innovations to uplift performance and better meet the needs of the New Zealand population with equitable outcomes to reach those in greatest need.



Cancer screening and care: Keeping up with the increasing cancer care needs of New Zealand is a challenge for the health sector. The newly formed Cancer Control Agency to develop the cancer care plan and the recently completed bowel cancer screening programme roll out is evidence that New Zealand is working hard on this challenge. This is a step in the right direction, as screening participation rates and health outcomes vary greatly amongst ethnic groups and performance against the cancer care plan will need greater transparency to compete for the many demands of the health dollar.

Preventative health care: At the heart of the health sector strategy is enabling good self-care of our health, to keep us well and for early intervention to avoid the need for expensive hospital treatment for long term and preventable health conditions such as type 2 diabetes and obesity, which are still increasing. There are exponential uses of wearables and technology within our reach. Access to your vital health information, connected to your health practitioner using a single electronic health record for diagnosis, accessible by all our health providers is utopia. Connectivity, privacy and access to medical records are roadblocks to be overcome, but are surmountable with collaboration and investment.

Workforce of the future: The aging population is of significant concern to the health sector. Healthy aging continues to be a significant focus and good self-care is key to that. The health workforce is aging too and we need young people to train to succeed the aging health workforce. This was a pre-COVID-19 challenge and is only exacerbated by the closed border situation and the lack of international students. Better self-care to reduce hospital level care needed, the use of technology and different models of care to create efficiencies may be part of the answer as will extending the scope of what can be performed in the primary sector will part of the ongoing work programme.

Heightened focus on immunisation: National immunisation programmes will have greater focus such that once available, the COVID-19 vaccine can be administered to those in greatest need as quickly as possible so we keep safe and our borders can open. The sector will need to be geared up for that to be prioritised and to happen at pace. Elasticity of the workforce to perform this will be a key factor to meet the surge in demand. Key risks are the vulnerability of the supply chain and reliance New Zealand has on the cooperation of other countries to be able to source adequate vaccines at a palatable price.



#### Rachel Scott

Partner - Health

+64 4 816 4850 rachelscott@kpmg.co.nz





