

It is a busy time as we close in on the end of the financial year. In today's update we focus on the **DHB Procurement Strategy, National Oracle Solution** and **Food Services**. The Banking and Insurance slides as presented to DHB Chairs and Chief Executives last week are also available on the info site: [www.nzhealthpartnershipsprogrammes.co.nz](http://www.nzhealthpartnershipsprogrammes.co.nz).

Please note that NZ Health Partnerships will conduct its first ever stakeholder survey in July. Representatives of our appointed agency, Research First, will be in touch with many of you shortly to schedule one-on-one interviews or to seek your participation in an online survey over the course of the next month. We would greatly appreciate your participation.



## DHB PROCUREMENT STRATEGY

Following unanimous endorsement by all DHB CEOs and approval by the NZ Health Partnerships Board, the final DHB Procurement Strategy was published in May 2016. The strategy was also noted by the Board of PHARMAC.

Work is now underway to finalise the aligned 2016/17 Annual Procurement Plan. In mid-May 2016 DHB Procurement Leads and other sector representatives came together with PHARMAC, MBIE, healthAlliance (FPSC) Ltd and NZ Health Partnerships to collaboratively brainstorm the aligned 2016/17 Annual Procurement Plan. The workshop was an opportunity for DHBs to work together, share ideas and identify both issues and opportunities. The workshop was led by the Procurement Operations Advisory Group (POAG), with members facilitating small group sessions with the 47 attendees.

### The Aligned 2016/17 Annual Procurement Plan

At the workshop eight workstreams were identified to feed into the 2016/17 Plan. Each is being managed by a working party, led by a POAG member and supported by DHB volunteers and members from the other organisations involved. The POAG will prioritise the initiatives and actions identified by the groups. Once the 2016/17 Plan is completed, a series of more detailed 90-Day plans will be developed. The working parties are outlined in the table below.

The draft 2016/17 plan was developed at the POAG meeting on June 16 in anticipation of a final draft for release to the sector on 1 July 2016.

**To clarify: while the plan is in development there are no changes to the National Procurement Service provided by healthAlliance (FPSC) Ltd. It is business as usual and any changes will be clearly communicated.**

<b>PHARMAC</b> (extracting value from the work of PHARMAC)	<b>CONTRACT MANAGEMENT</b>	<b>COLLABORATIVE WORK PROGRAMME</b>	<b>DATA AND DECISION SUPPORT</b>
LEAD: Rosemary Chung	LEAD: Angela Morley	LEAD: Peter Kennedy	LEAD: Angela Morley
<b>MBIE</b> (extracting value from the work of MBIE)	<b>CAPABILITY BUILD</b>	<b>CAPITAL</b>	<b>CLINICAL INVOLVEMENT</b>
LEAD: John Osborne	LEAD: Peter Kennedy	LEAD: Ian Caird	LEAD: TBC

## Leadership and the Memorandum of Understanding (MOU)

Given the number of organisations involved, effective leadership and governance structures are key to the success of the DHB Procurement Strategy. In addition to the development of a MOU between the NZ Health Partnerships and PHARMAC Boards, the establishment of the Joint Procurement Authority (JPA) and the POAG have been a key focus.

As above, the POAG is up and running, while the first meeting of the interim Joint Procurement Authority (JPA) was held on 30 May.

The recent procurement workshop included a brainstorming session on the issues and questions about how PHARMAC and DHBs will work together. The aim is to ensure that these are addressed – either in the body of the MOU or elsewhere as relevant.

The results of this brainstorm, along with issues raised by the NZ Health Partnerships Board and PHARMAC, were discussed with DHB Chief Executives on 16 June.

Some of these issues are likely to be tested and addressed through PHARMAC's current wound care initiative that aims to provide savings for DHBs in key categories. The JPA will support PHARMAC's collaborative approach as it prepares for consultation on the proposed contracts in each of the categories.

## DHB Procurement Leads

Underpinning the communications and engagement model with DHBs are the roles of DHB Procurement Leads. These roles are the single point of contact in each DHB and are responsible for ensuring communications, activities and changes are coordinated and undertaken at a local level. The DHB Procurement Leads for each DHB can be found on the contact page of the info-site.

In addition to Procurement Leads, POAG member Judith Parkinson holds the role of CFO Liaison to help keep DHB CFOs up to date on POAG activity.

## Next Steps for the DHB Procurement Strategy

- 1 July 2016**
  - Draft aligned 2016/17 Annual Plan Available
  - Draft Jul - Sep (Q1) 90 Day Plan Published
  - Feedback sought through DHB Procurement Leads
- 14 July 2016**
  - POAG reflect feedback from DHBs and recommend changes to the JPA
- 19 July 2016**
  - JPA scheduled to sign off Annual and 90 Day Plan
- Early August 2016**
  - Workshop for DHB Procurement Leads



## NATIONAL ORACLE SOLUTION

The NOS programme remains on track and the build of the core solution itself is due to be completed in September 2016.

The Implementation for NOS is being structured around nine waves with wave one DHBs to begin transition in

January 2017 (BOP, Waikato, Canterbury and West Coast). Waves two to five have also been agreed, with waves six to nine proposed and due for review in 12 months' time.

The waves, their implementation month as well as when business cases are due are listed on the following page.

Confirmed Implementation Waves				Proposed Implementation Waves (review in 12 mths)			
#	Bus. Case Due	Imp. Date	DHBs / Orgs	#	Bus. Case Due	Imp. Date	DHBs / Orgs (Indicative Preferences)
1	Feb 16	Jan 17	<ul style="list-style-type: none"> <li>• Bay of Plenty</li> <li>• Waikato</li> </ul>				<ul style="list-style-type: none"> <li>• Canterbury</li> <li>• West Coast</li> </ul>
2	Jun 16	Jul 17	<ul style="list-style-type: none"> <li>• Waitemata + trusts</li> <li>• Taranaki + trusts</li> <li>• healthAlliance</li> </ul>				<ul style="list-style-type: none"> <li>• healthAlliance (FPSC)</li> <li>• NZ Health Partnerships</li> </ul>
3	Oct 16	Nov 17	<ul style="list-style-type: none"> <li>• Northland + trusts</li> <li>• Wairarapa + trusts</li> </ul>				<ul style="list-style-type: none"> <li>• Counties Manukau + trusts</li> <li>• Northern Regional Alliance</li> </ul>
4	Feb 17	Mar 18	<ul style="list-style-type: none"> <li>• Auckland + trusts</li> </ul>				<ul style="list-style-type: none"> <li>• Hutt Valley + trusts</li> </ul>
5	Jun 17	Jul 18	<ul style="list-style-type: none"> <li>• Southern + trusts</li> </ul>				<ul style="list-style-type: none"> <li>• Capital &amp; Coast + trusts</li> </ul>
				6	Oct 17	Nov 18	<ul style="list-style-type: none"> <li>• MidCentral</li> <li>• Whanganui</li> <li>• South Canterbury (TBC)</li> </ul>
				7	Feb 18	Mar 19	<ul style="list-style-type: none"> <li>• Lakes</li> </ul>
				8	Jun 18	Jul 19	<ul style="list-style-type: none"> <li>• Hauo ra Tairawhiti</li> </ul>
				9	TBC	TBC	<ul style="list-style-type: none"> <li>• Hawkes Bay</li> <li>• Nelson Marlborough</li> </ul>

#### NOS IMPLEMENTATION WAVES

## Data Hub migration

The Data Hub Service currently provided by healthAlliance (FPSC) is transferring to NZ Health Partnerships (NZHP) on 1 July 2016. The move is part of the preparation work for the NOS programme. Over time DHB data will be available through the new Oracle technology. The consolidation of the service within NZHP is the first step towards integrating with the Oracle platform and managed by the Oracle Administration Team.

### What is changing?

The service provided to DHBs will remain the same and DHB staff and suppliers who interact with the current Data Hub Service team have been updated with new contact information to use from 1 July.

With the move of the Data Hub Service to NZHP, some of the team DHB staff deal with are changing.

NZHP has retained a number of the existing Data Hub Team to ensure there is a smooth and effective transition. They will be relocating to the NZHP offices and will report to the National Oracle Solution Programme Manager.

To contact the new team, or for issues or questions please email: [dataservices@nzhealthpartnerships.co.nz](mailto:dataservices@nzhealthpartnerships.co.nz)

Questions or issues can also be direct to Peter Small (09 487 4908).

The format DHB staff supply and receive information is not changing and is still through Workflow Connect at this stage. We will be looking at a more cost-effective tool to receive and distribute data in the next few months.

The service offering will be aligned to the 2016-17 financial year procurement strategies as these are defined over the next two months.

### Oracle Administration Team

The Oracle Administration Team (OAT) will:

- manage and resolve any break issues with the system
- approve and prioritise minor enhancements
- review and provide recommendations around major enhancements and projects
- provide input into annual and strategic plans
- manage the release of changes into production.

Future sector updates will look at the OAT in more detail - including the governance model, their role and example scenarios.



# FOOD SERVICES

At the national forum in Wellington on 16 June, DHB Chief Executives agreed to provide clarity on their DHB's participation (or otherwise) in the Food Services Agreement by the end of September 2016.

They also supported NZ Health Partnerships commencing an investigation into the establishment of national nutritional standards and application of standardised performance reporting across the sector regardless of whether a DHB produces meals in house or outsources food services.

## Participation

The Food Services Agreement (FSA) includes a price uplift from August 31 if particular volumes are not achieved.

As the table below shows, six DHBs are current participants, collectively representing 42% of the sector by volume.

At the forum, it was agreed that the total volumes need to be understood in order to effectively negotiate with Compass Group around minimising the potential cost uplift. As a result those DHBs that are not yet participating have agreed to decide by 30 September whether they will remain out (but may choose to enter the agreement at a future date) or intend to proceed to staff consultation.

## Value-add activity

Amongst the key drivers for the original business case in 2014 were the ability to use the FSA to introduce national nutritional standards for meals, increasing the overall nutrition levels as well as improving consistency across the country. A standardised approach to performance management was also envisaged.

BY THE NUMBERS	Participation by DHB				
	DHB	Confirmed not participating in FSA	Not Active	Currently Rebaselining	Participating in FSA
6 DHBs signed FSA	Hawke's Bay DHB	●			
	Northland DHB	●			
	MidCentral DHB		●		
	Waikato DHB		●		
	Whanganui DHB		●		
	Bay of Plenty DHB			●	
42% Current volume in FSA	Canterbury DHB			●	
	Capital and Coast DHB			●	
	Hutt Valley DHB			●	
	Lakes DHB			●	
	Taranaki DHB			●	
	South Canterbury DHB			●	
	Wairarapa DHB			●	
	West Coast DHB			●	
	Auckland DHB				●
	Counties Manukau DHB				●
6 Finalising re baselining	Hauora Tairāwhiti				●
	Nelson Marlborough DHB				●
	Southern DHB				●
	Waitemata DHB				●
3 Early re baselining					●
					●
					●

JUNE 2016: FOOD SERVICES PARTICIPATION BY DHB

The current protracted activity on DHB participation has meant limited focus on these key qualitative benefits of the programme.

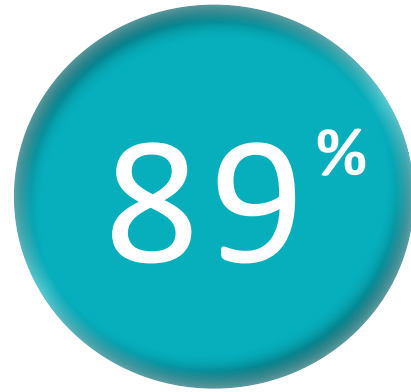
DHB Chief Executives agreed last week that NZ Health Partnerships should start progressing a consistent approach to the management and measurement of Food Services contracts (regardless of provider) and advancing the application of national food standards.

### Patient Satisfaction

The first round of KPI reports have been released to the operational DHBs. The KPI reporting covers a range of metrics including:

- Patient satisfaction
- Customer satisfaction (DHB staff)
- Menu substitution (due to unavailability)
- Meal tray accuracy
- Food and beverage safety
- Food safety plan
- Complaint register and dispute resolution.

In most areas Compass is meeting (or exceeding) the measures, although there is room for improvement. An area of particular interest is patient satisfaction, which while sitting below the expected average, at 89% is considerably higher than some recent media stories are portraying.



**Average Actual Patient Satisfaction  
Score for April 2016**

### Need More Information?

Visit our website:

[www.nzhealthpartnerships.co.nz](http://www.nzhealthpartnerships.co.nz)

Visit our programme and service info-site:

[www.nzhealthpartnershipsprogrammes.co.nz](http://www.nzhealthpartnershipsprogrammes.co.nz)

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