



## CORPORATE

### **New Chief Executive hits the ground running**

Permanent Chief Executive Megan Main, who formally joined NZ Health Partnerships on 21 March, has had a productive first month.

Keen to understand the issues facing our shareholders and the wider sector, Megan has met individually with 13 DHB CEOs and aims to complete the remaining one-on-ones in the coming two months.

Megan has also met with senior health officials, a number of Ministers and last week attended the two-day health symposium which saw the launch of the updated NZ Health Strategy.

Procurement was a key topic at the recent National DHB Chief Executive Forum on 14 April, where Megan presented the draft DHB Procurement Strategy alongside CEO Sponsor, Dr Nigel Murray. Those present unanimously endorsed the strategy including the underlying principles, governance model and next steps.

“NZ Health Partnerships would like to thank all those who contributed to the development of the draft strategy including workshop attendees and DHB Procurement Leads. Specific thanks too to Dr Nigel Murray who has been extremely generous with his time and expertise,” says Megan.

“Thank you too to all DHB Chief Executives and others who have been kind enough to share with me their insights into the issues and opportunities for NZ Health Partnerships and its shareholders.”

Read more about the DHB Procurement Strategy by visiting the info site:

<http://www.nzhealthpartnershipsprogrammes.co.nz/dps/>

For more information about Megan you can read her bio on our website:

<http://www.nzhealthpartnerships.co.nz>

### **New Performance and Planning Manager tackles Benefits**

In late February, NZ Health Partnerships welcomed Daniel Morton in the role of Performance and Planning Manager. Daniel brings a wealth of private and public-sector planning and reporting experience, as well as a background in financial management.

Daniel's role is to ensure NZ Health Partnerships' internal planning and performance processes are integrated with and aligned to those of its shareholders. Ensuring transparency is another way to look at Daniel's role.

A key priority for Daniel's role will be working with DHBs to embed a more robust benefits reporting framework and process. For those involved in benefits reporting, Daniel is looking forward to getting into contact with you to understand your issues and how best to close out benefits reporting for 2016.

Last month we asked for feedback around a draft Benefits Management Framework. Thank you to all who took the time to provide feedback. We have taken these comments on board and updated the approach accordingly.

The Framework will be discussed at the National CFO forum on Thursday 5 May.

If you would like to find out more about what is happening with benefits management, planning or performance reporting, please get in touch with Daniel direct:

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## DHB PROCUREMENT STRATEGY

The draft DHB Procurement Strategy was presented at the National Chief Executives' forum on 14 April – where it was unanimously endorsed. This is a significant milestone which demonstrates a shared commitment from all 20 DHBs to work together (and with other organisations) to implement a 'back to basics' procurement approach based on three key strategic goals:

1. Driving health outcomes by focussing on clinical imperatives such as quality, safety, standardisation and sustainability
2. Reducing overall procurement costs and increasing real return on DHB investment
3. Catalysing collaboration and cooperation in the health sector by working as one team for the national good.

This sets us in a direction that is based on strong and cohesive governance, collaboration where appropriate, and getting the basics right.

Following the presentation of the strategy to the NZ Health Partnerships and PHARMAC Boards at the end of April, the strategy will be published on this info-site and made available for wide circulation within DHBs.

To receive an email notification when the strategy is published, please use the "subscribe" option on the main procurement page.

An immediate focus is the establishment of a Joint Procurement Governance Group involving DHBs, PHARMAC, the Ministry of Business Innovation and Employment, and NZ Health Partnerships.

This group will guide the implementation work for the strategy, with support from a range of advisory groups. The Joint Procurement Governance Group will also focus on a coordinated procurement planning process for 2016/17.

A number of FAQs around the strategy have been uploaded to the info site:

<http://www.nzhealthpartnershipsprogrammes.co.nz/dps/>

If you have any questions not addressed by these FAQs, please use the form provided on the site to submit your query to the team for a response.



## NATIONAL ORACLE SOLUTION

The NOS programme continues to track within budget and project timelines. The build of the core solution itself is due to be completed in September 2016 and implementation is on track to get underway at the Waikato, Bay of Plenty, Canterbury and West Coast DHBs from January 2017.

### Middleware

The identification of a supplier for Oracle Fusion Middleware is progressing, with a Request for Proposal (RFP) issued and a preferred supplier identified. Middleware is effectively "software glue" enabling communication and sharing of data from one system to another.

We anticipate being able to confirm the supplier in next month's update.

### Data Hub migration planned

The National Data Hub is a central database of all the available spend data from DHBs – aggregated and aligned against agreed standards. As such the Data Hub is a vital intelligence tool and a key enabler for the DHB Procurement Strategy work. Currently managed by healthAlliance (FPSC) Ltd, a detailed plan is in development to transition this service onto an Oracle database, which would be managed under the governance of the NOS programme.



## NATIONAL INFRASTRUCTURE PLATFORM

A progress report was presented to all Chief Executives at the National CEO forum on 14 April. A recommended go-forward plan for the NIP is expected for consideration by the NZ Health Partnerships Board in late-May.

For more information on the NIP please visit the info site:

<http://www.nzhealthpartnershipsprogrammes.co.nz/nip/>



## FOOD SERVICES

Food Services is likely to be a key topic of conversation at the next DHB Chair and Chief Executives forum in Wellington.

NZ Health Partnerships and a range of DHB governance group representatives are working on the DHB participation strategy, exploring areas of contractual flexibility and finalising the monitoring and reporting of Compass Group's performance.

### Food Quality

You may have noticed some recent media coverage around patient dissatisfaction with meals in Southern DHB. This remains a key topic for discussion between NZ Health Partnerships, Compass Group and Southern DHB.

Compass Group are very aware of their customers' expectations around quality delivery. They have undertaken a number of steps to address quality issues with the food whether perceived or otherwise.

These include:

- Changes to menu items
- Changes to cooking processes to prevent the food drying out in trolleys (which have an additional heating to keep meals warm)
- Appointing additional resource into understanding patient feedback and rectifying issues immediately through their patient experience coordinator roles.

It is important to note however, that both Southern DHB and Compass Group are receiving a lot of patient feedback that the meals are being well received. Compass has also conducted a qualitative patient

satisfaction survey, and in response to the leading question, "what can we do to improve?", 75% were satisfied with or neutral about the meals. A more extensive patient satisfaction survey is planned over the coming month.

We invite you to read two Op-Eds which were placed in the Otago Daily Times this week by Southern DHB Chief Executive Carole Heatly and Compass Group. Both provide useful insight and context.

<http://www.odt.co.nz/opinion/opinion/381109/patients-and-families-anxiety-levels-being-raised-unnecessarily>

<http://www.odt.co.nz/opinion/opinion/381107/committed-providing-equal-if-not-better-service>

### Participation Update

Compass has extended the deadline for the application of the non-participation premium from May 31 to August 31. NZ Health Partnerships and DHB representatives remain in discussions with Compass to find further avenues for contractual flexibility.

Participation discussions continue with nine DHBs supported by a re-baselining exercise.

### KPI Measures and Reporting

Work is underway with Compass to develop the methodologies to be used for KPI measurement and reporting. These will be shared with DHBs for feedback and refinement in May 2016.



## BANKING & INSURANCE

### Banking

The banking tender is on hold pending the outcome of negotiations with Westpac re exercising the three-year right of renewal.

The re-benchmarking activity has been completed and year to date savings will be reported as at 31 March 2016.

All DHBs are now able to access All of Government Banking Sub Categories 2, 3 and 4. DHBs can make their own decisions as to which providers to use, however, please ensure you are able to exit any contract with one month's notice. This is to cover off the possibility of a sector wide deal being negotiated in the future.

### Insurance

The 2016/17 renewal process is underway, with terms expected from underwriters in mid-May.

The presentations to the London underwriters were made on 6 and 7 April 2016; and New Zealand / Australia underwriters on 22 April.

All DHBs have appointed NZ Health Partnerships as their agent to contract with a broker from the All of Government panel.

### 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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