

The Treasury

Budget 2013 Information Release

Release Document

July 2013

www.treasury.govt.nz/publications/informationreleases/budget/2013

Key to sections of the Official Information Act 1982 under which information has been withheld.

Certain information in this document has been withheld under one or more of the following sections of the Official Information Act, as applicable:

- [1] 6(a) - to prevent prejudice to the security or defence of New Zealand or the international relations of the government
- [2] 6(c) - to prevent prejudice to the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial
- [3] 9(2)(a) - to protect the privacy of natural persons, including deceased people
- [4] 9(2)(b)(ii) - to protect the commercial position of the person who supplied the information or who is the subject of the information
- [5] 9(2)(d) - to avoid prejudice to the substantial economic interests of New Zealand
- [6] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials
- [7] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
- [8] 9(2)(h) - to maintain legal professional privilege
- [9] 9(2)(i) - to enable the Crown to carry out commercial activities without disadvantage or prejudice
- [10] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice
- [11] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage
- [12] Not in scope
- [13] 7(b) - to prevent prejudice to relations between any of the Governments of New Zealand, the Cook Islands or Niue
- [14] 9(2)(ba)(i) - to prevent prejudice to the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied.

Where information has been withheld, a numbered reference to the applicable section of the Official Information Act has been made, as listed above. For example, an [4] appearing where information has been withheld in a release document refers to section 9(2)(b)(ii).

In preparing this Information Release, the Treasury has considered the public interest considerations in section 9(1) of the Official Information Act.



Ministry of Health Aide Memoire

Budget Sensitive – Free and Frank Advice

To: Hon Tony Ryall , Minister of Health
From: Michael McCarthy, Chief Financial Advisor
Date: 5 April 2013

Budget 2013 – Overview of new initiatives

Purpose

This aide memoire is to update you on the new Budget proposals subsequent to the 4 year plan that will be considered by Cabinet as part of the 2013 Budget.

Background

The Governments health budgets over the last 4 years have been focused on strengthening the viability of health services, and achieving gains through productivity improvements and filling the gaps where services were under resourced or poorly performing.

During the last 4 years the Government has concentrated in its fiscal administration of Health by:

- Reducing DHB deficits from an expected \$150 million to a net \$28 million in 2011/12, through funding increases and fiscally prudent management.
- Emphasis in wage and cost control.
- Identifying low spending priorities and reducing the administration components of programmes, such as co-ordinators for fruit in schools.
- Reducing the size and cost of the Ministry, and redeploying this funding to front- line services.
- A stronger focus on fewer key National Health Targets has been a powerful tool in lifting performance and public accountability in the health sector.
- Integrating services across the sector, to ensure services are provided by the appropriate service as close to home as possible.

Following a period of fiscal prudence, and efficiency gains, a more robust financial position now allows us to consider the next best investment in health service provision:

Budget 2013, whilst continuing to have an emphasis on maximising value from every health dollar spent, allows the Government to make significant announcements in “preventative” and other measures to address Diabetes and Aged care initiatives.

Funding for these programmes has been made possible by controlling deficits, and by prudent spending and savings decisions that have enabled health to have a balanced four year plan.

Budget 2013 provides a focus on preventative measures for aged care and diabetes through the following initiatives at a cost of \$66.6 million over four years.

Aged care and Dementia	2013/14	2014/15	2015/16	2016/17	Total	Outyears
InterRAI rollout – one-off training for training over 2000 nurses in InterRAI assessment tool	1.500	0.000	0.000	0.000	1.500	0.000
Dementia training sponsorships for care workers - level 2	0.500	0.500	0.200	0.000	1.200	0.000
Psychogeriatric Level Care-increase funding Increase (Includes dementia)	3.000	3.000	3.000	3.000	12.000	3.000
Dementia awareness programme/ Early detection	0.500	1.000	0.500		2.000	0.000
Home Based Support funding increase 1.9%	5.000	5.000	5.000	5.000	20.000	5.000
Total	10.500	9.500	8.700	8.000	36.700	8.000
Diabetes	2013/14	2014/15	2015/16	2016/17	Total	Outyears
Green prescriptions (diabetes response):						
Increasing funding to maintain original numbers	0.500	0.500	0.500	0.500	2.000	0.500
Increasing numbers by 7,692 adults in 2013/14, 30,679 extra places in year 4	0.500	0.800	1.400	2.000	4.700	2.000
Improving green prescription to address pre-diabetes. Spreading green prescription for diabetes best practice (e.g. BOP and Waikato models)	0.250	0.250			0.500	0.000
CVD and Diabetes Initiatives						
Diabetes care improvement packages	3.100	3.100	3.100	3.100	12.400	3.100
CVD/ Diabetes Target Achievement incentive (time-limited incentive funding for general practices – reduces as target achieved)	5.255	3.200	2.200	1.200	11.855	0.000
CVD/ Diabetes Target Achievement incentive (ongoing)	1.000	1.000	1.000	1.000	4.000	4.000
Total	10.605	8.850	8.200	7.800	35.455	9.600
Grand total	21.105	18.350	16.900	15.800	72.155	17.600

Aged Care and Dementia

A range of initiatives, aimed at supporting people in their own homes at a cost of \$36.7 million over four years, including increased funding and training for carers.

Green Prescriptions:

A doubling of green prescriptions over the next four years at a cost of \$7.2 million, to address a range of medical issues through exercise and healthy living options in particular, diabetes and pre-diabetes conditions.

Diabetes:

Budget 13 also provides funding of \$12.4 million over four years to progress the further development and roll out of Diabetes Care Improvement Packages.

Cardiovascular Disease:

Budget 2013, recommends funding of \$15.9 million over four years to incentivise the health sector to make significant gains in the CVD target, which requires assessments of all people within the target population every 5 years, to enable early detection and action for those at risk.

Contact person

Michael McCarthy
Chief Financial Advisor,
[3]. 000 000 000 000 000