

# The Treasury

## Budget 2017 Information Release

### Release Document July 2017

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[40]	Not in scope	

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Reference: T2016/2358 DH-1-2-3-2-4-2016

Date: 5 December 2016

To: Minister of Finance (Hon Bill English)

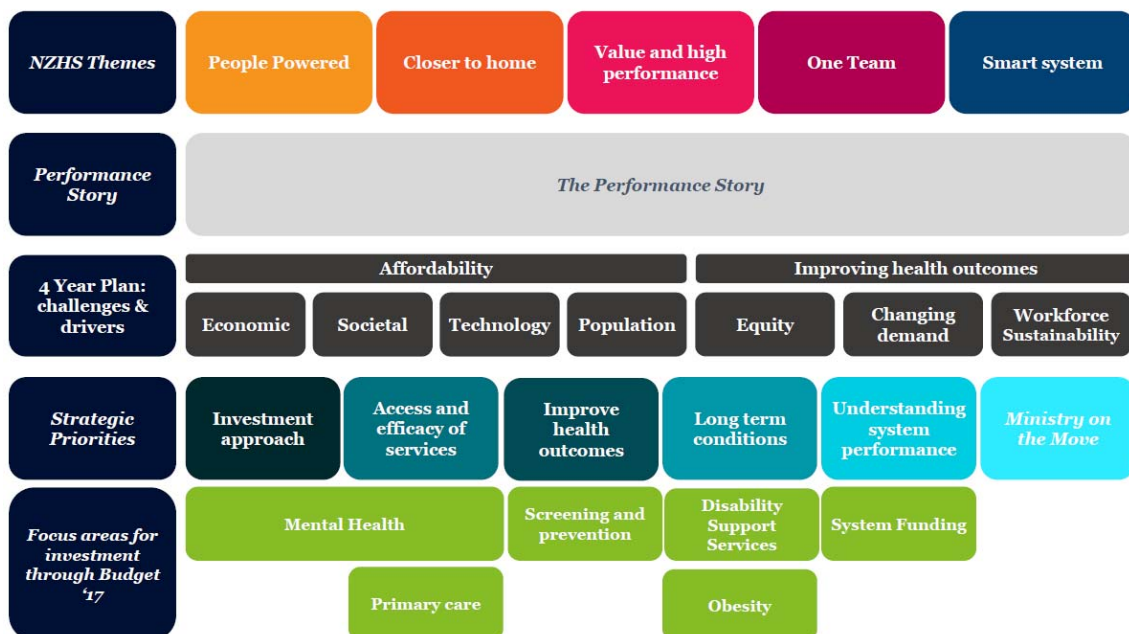
Deadline: 7 December 2016

## Aide Memoire: Vote Health Budget 2017 Ministerial Meeting

You are meeting with the Minister of Health on Wednesday, 7 December to continue your discussions on Vote Health in Budget 17. You previously met with Minister Coleman on 2 November (T2016/2043 refers) and agreed to have a follow up meeting focused on:

- The Minister demonstrating robust linkages and **alignment** between the NZ Health Strategy, the Performance Framework, the Four Year Plan and Budget bids
- The Minister confirming whether or not he intends sending a **funding signal** to DHBs this year
- An update on **mental health** including how Health is working with other social sector agencies such as Corrections, Police and Welfare.

### Strategic alignment



The Ministry has produced the above diagram which outlines how its Budget 2017 bids align with Health's strategic priorities, the Four Year Plan and the NZ Health Strategy. The performance story is a work in progress. The Ministry has developed a reasonable

plan for developing a new outcomes and performance framework over the next nine months. It will be led by Sam Kunowski, the recently appointed General Manager of the Funding and Performance team in the Service and Commissioning Group. We're not clear how much engagement it is planning to have with the sector, but we know there is strong interest from DHB CEs and other health sector leaders in the development of these frameworks. We think it's important that the Ministry engages with the sector at an early stage and throughout the process.

In the absence of a more comprehensive framework, the Ministry will be using its current set of system level measures, the health and BPS targets, and population level measures (e.g. health adjusted life expectancy) as its key metrics of system performance. We think this is appropriate as an interim step.

### ***Budget bids***

Health submitted [33] proposals for the **Track 1** scoping exercise being: [33] and long acting contraception. [33] . Track 1 bids are due at the end of January.

We are yet to see the detail on **Track 2** initiatives but we expect they will align with the priority areas outlined in the diagram above. There have been indications that the Ministry will also be seeking departmental and DHB capital funding. The deadline for submission of these bids was extended to 14 December as a result of the earthquakes.

[40]

### ***Funding signal***

As discussed at the previous meeting, there seems to be little value in giving DHBs a funding signal. We think Minister Coleman needs to be clear about whether he is planning to send any signal this year and if so what he plans to communicate.

[33]

[40]

### ***Key points to raise with Hon Coleman***

We suggest you raise the following points at your meeting:

- What engagement will you be having with the sector, and in particular with DHBs, in the development of the new performance and outcomes framework?
- What progress has been made on improving your understanding of pressures in the system, cost drivers and sector performance?
- Will you be sending a funding signal to DHBs this year and if so what will it be?
- What is the latest position on mental health and how are you ensuring there is an integrated approach across the social sector?

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**Ben McBride**, Manager, Health, Health, [23]