West Coast Primary Health Organisation
Concept Development Project Scope

October 2001
Purpose of the Scope

This scope has been written to meet the requirements of the Terms of Reference for the West Coast Primary Health Organisation Scoping Document (refer Appendix 1).
The purpose of this scope is to detail the framework for the development of the concept definition, design and an implementation plan to establish a West Coast Primary Health Organisation (PHO).

**Project Background**

The New Zealand Public Health and Disability Act 2000 provides the context for the development of integrated health care services. Section 22(1)(b) defines that an objective of District Health Boards (DHB) is to promote the integration of health services, especially primary and secondary health services. Each DHB must pursue its objectives in accordance with its district strategic plan, its annual plan, its statement of intent, and any directions or requirements given to it by the Minister.

The New Zealand Health Strategy provides a framework within which DHB's and other organisations across the health sector are to plan and operate. It identifies the priorities the Government considers most important to ensure that health services are directed at those areas that will ensure the highest benefit to the population. One of these areas is primary health care. Accordingly "...a key priority for DHB's is to ensure comprehensive primary care coverage and quality primary care services in both urban and rural areas" (Pg. 20. See Appendix 2).

The Primary Health Care Strategy was a key first step in realising the goals and objectives of the New Zealand Health Strategy for the primary sector. The purpose of the Primary Health Care Strategy is to guide DHB's in how to organise and fund the provision of services to meet local needs. The Primary Health Care Strategy emphasises that a strong primary health care system requires community involvement so that local people can have their voice heard in the planning and delivery of services.

The vision and new direction of the Primary Health Care Strategy involves moving to a system where services are organised around needs of a defined group of people and that a PHO is integral to achieving this. DHB's will therefore be expected to work through PHO's to achieve local health goals.

A PHO is a local structure through which DHB's implement the Primary Health Care Strategy. A PHO will be organised around the needs of a defined population and seek to directly enrol the members of this population. It will be contracted and funded by DHB's and may provide services directly by employing staff or through a network of affiliated members.

The key characteristics of a PHO as set out in the Primary Health Care Strategy are:

- A PHO will be funded by a DHB for the provision of a set of essential primary health care services to those people who are enrolled.

- At a minimum, PHO services will include approaches directed towards improving and maintaining the health of the population, as well as first-line services to restore people's health when they are unwell.
• A PHO will be expected to involve their communities in their governing processes. They must also be able to show that they are responsive to communities' priorities and needs.

• All providers and practitioners must be involved in the organisation's decision-making, rather than one group being dominant.

• A PHO will be a not-for-profit body and will be required to be fully and openly accountable for all public funds that they receive. They will be funded according to the enrolled populations they serve.

• While primary health care practitioners will be encouraged to join a PHO, membership will be voluntary\(^1\).

A key feature of the implementation process, crucial to ensuring all issues are considered in developing PHO's, is the involvement and collaboration of the primary health sector and the engagement of local communities. Also, while it is still under development, the Ministry of Health will develop 'minimum requirements' and 'implementation guidelines' will provide further detail to support the PHO development.

Government policy framework and Ministry of Health PHO guidelines define the framework, principles, expectations and boundaries of the PHO. Within this it is the responsibility of the West Coast community to define the local concept, its design and determine an effective implementation plan.

The West Coast Primary Health Organisation Concept Development scope aims to detail the project required to define the PHO concept, PHO design and implementation plan within the above New Zealand health policy framework.

**Project Objectives**

The West Coast DHB is committed to meeting its obligations within the New Zealand Public Health and Disability Act 2000 and achieving the intent of the New Zealand Health Strategy and Primary Health Care Strategy. The West Coast DHB is therefore committed to ensuring an, evolutionary and constructive development and transition to a West Coast PHO.

**Key Project Objective**

The key objective of the West Coast Primary Health Organisation Concept Development project is to (a) define the West Coast PHO concept, (b) design the functionality of a PHO and (c) develop an implementation plan. The definition of the concept, design and implementation plan should be made in the context of a single West Coast PHO that recognises and respects the autonomy of the respective West Coast districts.

The concept definition, PHO design and implementation plan should support a transition to the development of a single organisation that recognises the respective

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West Coast districts and communities while integrating primary health services to achieve the best overall health for the population covered by the West Coast DHB.

**Project Goals**

The goals of the PHO project are to:

1. Define the concept of the West Coast PHO. Including (but not limited to):
   - Engaging, informing, and collaborating with West Coast primary health providers in defining the PHO concept.
   - Involving and working together with local communities in defining the PHO concept.
   - Defining the range of PHO services and providers of those services necessary for the functional design and implementation of the PHO.

2. Design the PHO functionality. Including (but not limited to):
   - Engaging, informing, and collaborating with West Coast primary health providers in the PHO design.
   - Involving and working together with local communities in the PHO design.
   - Needs analysis.
   - Funding model design.
   - Enrolment process.
   - Legal structure.
   - Governance structure.
   - Information technology architecture design.

3. Develop a West Coast PHO implementation plan. Including (but not limited to):
   - Engaging, informing, and collaborating with West Coast primary health providers in the development of the implementation plan.
   - Involving and working together with local communities in the development of the implementation plan.

**Key Stakeholders and Roles**

Stakeholders are those people affected by the objective and outcome of the PHO Concept Development project. Both present and possible future stakeholders need to be considered. Stakeholders include individuals from communities within the DHB geographic boundary who receive, may receive, or who provide primary health or related services. Stakeholders include individuals who identify with a particular culture, group or geographic area. In addition, stakeholders also include organisations such as non-government organisations, Government departments and West Coast territorial authorities.

Key stakeholders and their role in the West Coast PHO Concept Development project are described in Table 1.
Table 1 - Key Stakeholders and their Role in West Coast PHO Project.

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individuals who receive services (e.g. an individual with diabetes).</td>
<td>It is hoped that, over time, that individuals who receive PHO services will voluntarily enrol. Individuals who currently receive services are expected to contribute their views on the scope and shape of the future PHO. Consultation will occur as part of the West Coast DHB strategic planning process.</td>
</tr>
<tr>
<td>Individuals who provide services (e.g. rural health nurses, independent general practitioners).</td>
<td>Some providers may not wish to operate as part of a PHO. Provider involvement is voluntary. It is important however, that a broad range of services covering a wide geographic area is brought together within the PHO. Because of this it will be necessary to engage, inform, involve and collaborate with West Coast providers of primary health services to involve them in the development. Individual primary health care providers have a role in leading commitment to the PHO in their local communities.</td>
</tr>
<tr>
<td>Māori.</td>
<td>It is important that Māori, are involved in the development and implementation of the PHO. The development and implementation of the PHO must recognise its obligations to meet the principles of the Treaty of Waitangi (i.e., partnership, participation and protection)². Māori are to be provided with the resources necessary to participate in planning. Māori are also to be supported with workforce development in context of Māori provider development. A key purpose of the PHO will be to reduce Māori health inequalities.</td>
</tr>
<tr>
<td>Groups that advocate for and support individuals whom receive primary care services (e.g. Diabetes New Zealand).</td>
<td>The New Zealand Health Strategy identifies a number of priority population health objectives that are directly linked to the PHO. Groups that advocate and support people who receive primary health care services have an important ongoing role in the delivery of primary health services.</td>
</tr>
<tr>
<td>Groups representing providers (e.g. NZ Rural Nurses Network, South Link Health).</td>
<td>Groups that represent providers play an important part in providing leadership to their members. These groups have a role in communicating their level of satisfaction or concern regarding the PHO initiative.</td>
</tr>
<tr>
<td>Groups that directly provide services (e.g. Plunket).</td>
<td>Groups that directly provide primary health care services will be directly involved in the establishment of the PHO. It is important that the PHO demonstrate that all providers and practitioners are able to influence the organisation's decision making, rather than one group being dominant.</td>
</tr>
</tbody>
</table>

## Stakeholder

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>Territorial Organisations (i.e. District Councils)</td>
<td>While not directly involved, territorial authorities have an interest in the provision of health services to their communities. They should, therefore, be informed of and involved in the PHO Concept Development project.</td>
</tr>
<tr>
<td>Government Organisations (e.g. local branch Housing New Zealand)</td>
<td>PHO's will be expected to work to highlight and help address intersectoral issues effecting the health of the community. Information sharing between local bodies, education, welfare, housing and transport will ensure acknowledgement of projects that are interdependent (e.g. strengthening families).</td>
</tr>
<tr>
<td>Local Member of Parliament.</td>
<td>The Local Member of Parliament should be informed of developments. A well-defined communication linkage should be established so that any concerns of the Member are understood and addressed.</td>
</tr>
<tr>
<td>Ministry of Health.</td>
<td>The Ministry of Health is the key government agency stakeholder. The role of the MoH is to support the development of the PHO by providing guidelines, 'toolkits', and training to facilitate PHO development. The MoH will also establish funding agreements and other accountability mechanisms - including performance measures relating to implementation of the PHO. The MoH may provide a representative for the project steering group. The MoH will contribute financial and human resources.</td>
</tr>
<tr>
<td>Specialist Health Services.</td>
<td>To best manage a range of health problems, primary care requires linkages with specialist health services. Because of the need for primary and secondary care co-ordination it will be necessary to obtain the views of West Coast secondary care providers.</td>
</tr>
<tr>
<td>West Coast DHB and its statutory committees.</td>
<td>The DHB is responsible for funding and facilitation of the West Coast PHO. The Board is accountable for reporting on progress made toward implementing the primary care strategy including: (a) communities and providers involved and (b) any new and proposed PHO. The Board Community and Public Health Advisory Committee will be involved with guiding the development of the initiative.</td>
</tr>
</tbody>
</table>

### Project Structure

The project structure is illustrated in Appendix 3. The structure aims to ensure a balance between the need for the West Coast DHB to manage to achieve the objectives of the PHO Concept Development project and the need for stakeholder engagement in defining the concept and development of the implementation plan. The structure also ensures adequate levels of accountability and satisfactory control to ensure the project has the best chance of achieving its objective.

Project activity descriptions shall be prepared for the (1) Project Sponsor, (2) Project Co-ordinator and (3) Project Team members. These descriptions shall clearly define the responsibilities and authorities of the role and shall be signed by the Project
Sponsor (with the exclusion of the Project Sponsor whose activity description will be signed by the Chief Executive). The project activity descriptions shall be retained as part of the project file. The roles of the Project Reference Group and Steering Committee will also be documented.

**Roles and Responsibilities**
The following provides a summary of the project personnel, responsibilities and accountabilities.

**Project Steering Group**
The Project Steering Group is the governance body responsible for ensuring the adequacy, timeliness and quality of the PHO Concept Development output.

Membership of the Steering Group will be determined through nomination at a meeting of those community members currently involved in primary care development. Those people currently involved have broad primary care knowledge and geographic coverage.

The Steering Group, at its first meeting, will elect the Steering Group Chairperson who will function as the ‘project champion’. The Steering Group reports through the Community and Public Health Advisory Committee to the Board.

In line with the project objective and the need for broad representation, the Steering Group will involve individuals who provide West Coast districts and broad service provider representation.

The Steering Group is a working group and includes:
- Healthcare provider representatives.
- Community and Public Health Advisory Committee representative.
- Māori representative(s).
- West Coast DHB senior manager representative.
- South Island Shared Service Agency staff member.
- Ministry of Health representative.
- Project Sponsor.

The Steering Group is accountable for:
- Defining the West Coast PHO concept.
- Determining the design of the PHO.
- Completing the West Coast PHO implementation plan.
- Approving activities necessary to achieve the concept definition, PHO design and implementation plan.
- Promoting stakeholder involvement opportunities.
- Public (including media) communication as well as stakeholder feedback into concept definition.
- Review of project management decision-making to ensure achievement of project milestones and progresses toward achieving the project objectives, goals and tasks.
- Resolution of project issues impacting on the project scope and implementation - includes the definition of project risks and approval of mitigation strategies.
- Approval of scope changes.
• Reporting progress and achievements of the project to the Community and Public Health Advisory Committee.

Project Sponsor
The Project Sponsor is a member of the Steering Committee. The Sponsor is a senior manager of the West Coast DHB and, in addition to Steering Committee responsibilities, has independent responsibility for ensuring the day to day operations of the project.

In addition to Steering Group responsibilities, the Project Sponsor is responsible for:
• Establishing the PHO Concept Development project.
• Appointment and performance management of the Project Co-ordinator.
• Approval of project related expenses.
• Approving the engagement of contractors.
• Day to day management of the project through the Project Co-ordinator.

Reference Group
The Reference Group is an advisory group to the project Steering Group. It brings to the project special interest advice and guidance as well as knowledge and expertise. The Reference Group is responsible for providing support, stakeholder feedback and knowledge input into the Steering Group and PHO concept definition and planning. Because of this the Reference Group needs to involve individuals who can bring geographic, community and service provider representation as well as people who have particular subject matter expertise.

The Reference Group includes:
• Health provider representative(s).
• Territorial authority representatives (one representative from each authority).
• Subject matter experts (experts are chosen because of the knowledge they bring to the project rather than who they represent).

Project Co-ordinator
The Project Co-ordinator is accountable to the Project Sponsor. The Project Co-ordinator also reports to the Steering Committee on matters relating to the delivery of the project objective. The Project Co-ordinator is accountable for all aspects of the project related to achieving the project time, cost and quality objectives. In particular the Project Co-ordinator is responsible for:
• Development and monitoring of the project plan:
  - Defining the project phases, activities, tasks and milestones.
  - Establishing required measures that demonstrate that the project is meeting its intended objectives.
• Project organisation and communication:
  - Organisation, leadership and management of the day-to-day activity of the project.
  - Implementing and managing control procedures.
  - Establishing change control procedures.
  - Effective communication to all members of the project and relevant others.
• Project Control:
  - Progress monitoring and reporting to the Project Sponsor and Project Team.
- Cost management.
- Effective resource usage.
- Identification of emerging risks, monitoring of risks and threats and minimising the impact of these.
- Prompt referral to the Project Sponsor of and issues that are a risk to the project objectives.
- Keeping accurate project records including record of any project scope changes.

Where the Project Co-ordinator is absent for a lengthy period an "Acting Project Co-ordinator" will be appointed by the Project Sponsor in consultation with the candidates manager.

Project Team

Project Team members are co-ordinated by the Project Co-ordinator and are responsible for carrying out agreed tasks under the guidance of the Project Co-ordinator and in accordance with the requirements of the Project Plan. Project Team member's role will be vary according to the skill required. The role requirements will be identified in the Project Plan.

The Project Team will be comprised of the following people:
- South Island Shared Service Agency Limited Service Manager.
- West Coast Support Officer.
- West Coast Senior Managers.
- External Specialist support.
- Others on an 'as-needed' basis.

Business Requirements

The New Zealand Public Health and Disability Act 2000, New Zealand Health Strategy and Primary Health Care Strategy identify the requirement on DHB's to support fund and eventually work through PHO's to achieve health goals locally. The development of a PHO is a necessary delivery mechanism for the realisation of the following health care strategies:
- Health of Older People Strategy.
- He Korowai Oranga Māori Health Strategy
- New Zealand Disability Strategy.
- New Zealand Health Care Strategy.
- New Zealand Palliative Care Strategy.
- Primary Health Care Strategy.
- Rural Health in the West Coast District Health Board stocktake (in development).
- South Island Regional Mental Health Strategic Plan.
- West Coast DHB Strategic Plan.

In addition, the Ministry of Health DHB Accountability Indicators\(^3\) places an obligation on DHB's to "Progress toward implementation of the key directions of the primary health care strategy..." (Pg. 36).

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\(^3\) Ministry of Health. 23 Mar 2001. *DHB Accountability Indicators 01/02 (interim)*. Ministry of Health, Wellington.
Further, the *West Coast District Health Board District Annual Plan 2001 - 2004*\(^4\) states that over the next 3 - 5 years the West Coast DHB will be guided by the New Zealand Health Strategy and Primary Health Care Strategy (pg. 62).

The objective of the Annual Plan is to:

> *Continue to work with the primary care section and the community in the formation of a West Coast wide primary health organisation...The requirements of the Plan are to reconfigure Reefton and Buller health services to strengthen primary service through the development of health centres as a base for primary health service delivery and the integration of local health services under a unified management structure.*” (Pg. 62).

The plan intention is to refocus primary and community services into a single division within the West Coast DHB (approximately 60 - 70% of primary care services currently owned by the West Coast DHB are expected to be brought together in the PHO).

The PHO therefore supports the requirements of the West Coast DHB to:

- Progress the New Zealand Health Strategy and supporting strategies (in particular, strategies oriented to population health and health gain and reducing disparities in health).
- Meet its legislative, strategic and performance accountability obligations to support the establishment of a PHO.
- Shift the balance between primary and secondary health services in certain areas.
- Reduce the cost of secondary care through better co-ordination of care in the community.
- Develop primary provider expertise including further development of the role of rural nurse practitioner.
- Integrate the work of practice nurses and public health nurses and district nurses.
- Improve efficiency of workforce recruitment through centralised recruitment approach.
- Support the development of an integrated primary care information infrastructure.
- Improve efficiency through 'bulk funding' and centralisation of the budget for community services.
- Create more effective primary health by assisting the development of a primary focused support service bureau.
- An overall reduction in cost - although cost reduction may be targeted to other continuous improvement initiatives.

**Project Success Measures**

The success measures for the PHO is a comprehensive concept definition, PHO functionality design and implementation plan that involves input from West Coast providers and communities. The ultimate success measures for the West Coast PHO are contained in the New Zealand Health Strategy, supporting strategies and West Coast DHB Annual Plan. Appendix 4 provides a matrix detailing alignment between the respective strategies and plan.

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\(^4\) West Coast District Health Board. 2001. *West Coast District Health Board District Annual Plan - 2nd Draft.*
The ultimate success measures of the project are:
1. Improved integration of primary health care services and secondary and tertiary care that is:
   - Equitable (removes inequality).
   - Accessible.
   - Appropriate.
   - Responsive.
   - Timely.
   - Effective.
   - Focused on population health and health gains.
2. Workforce enhancement:
   - Development.
   - Stability.
   - Recruitment.
   - Co-operation.
   - Co-ordination.
   - Collaboration.
3. Māori:
   - Reduce inequalities.
   - Increase in number and geographic coverage of Māori providers.
   - Involvement in planning.
   - Improved workforce cultural competence.
   - Whānau development and involvement.
   - Effective partnerships.
4. Community and stakeholders:
   - Understanding.
   - Participation in needs assessment, planning and governance.
   - Confidence.
   - Number enrolled.
5. Health information and management systems integration supports:
   - Effectiveness.
   - Harmonisation.
   - Monitoring.
   - Achievement of objectives.
   - Improved opportunities for use of information for improved quality and evidence based practice.
6. Delivery structure supports:
   - Flexibility and adaptability.
   - Quality.
   - Monitoring, audit and evaluation.
   - Primary care information infrastructure.
   - Meeting the requirements of the DHB Accountability Indicators.

Related Initiatives
The PHO Concept Development project relates to a number of local, regional and national projects and initiatives. Table 2 details the projects and initiatives.
Table 2 - Related Projects and Initiatives.

| Local Projects and Initiatives                     | 1. Development of digital medical records. |
|                                                    | 2. Disability Support Services development. |
|                                                    | 3. Development of rural community nursing plan. |
|                                                    | 4. Information Systems, Services and Technology management. |
|                                                    | 5. Investigation of establishment of Westport and Reefton health centres as base for integrated services. |
|                                                    | 7. Rural health in the West Coast district stocktake. |
|                                                    | 8. West Cost DHB annual and strategic plans. |
|                                                    | 9. Workforce development. |
| Regional Projects and Initiatives                  | 1. Healthline initiative. |
|                                                    | 2. Mobile health services. |
|                                                    | 3. Regional mental health strategic plan. |
|                                                    | 4. Rural health plan. |
|                                                    | 3. Community Services Card Review. |
|                                                    | 4. Information management. |
|                                                    | 5. Māori health strategy. |
|                                                    | 6. Mental health blueprint. |
|                                                    | 8. Palliative care strategy. |
|                                                    | 10. Workforce development. |

Implementation

Appendix 5 details the high-level project plan for this project. The plan will be further refined subsequent to approval to proceed with the project. The timeframe for this project is dependent on the need to have a concept definition agreed prior to the start of the West Coast DHB strategic planning and consultation process. The project implementation timeframe is also dependent on the date for approval to proceed by the West Coast DHB. The first Board meeting after the completion of the scope is the 30 November 2001.

Implementation of the West Coast PHO Concept Development project requires input from those people identified as 'Stakeholders' in this scope. The project structure supports stakeholder input. A role of the Reference Group and Steering Group, for example, is to ensure that stakeholder views are obtained and integrated into the concept definition, PHO design and implementation plan.

Stakeholder input will be obtained through discussion and other communication and feedback. The output of the PHO Concept Development project and implementation plan will be a key component of the West Coast DHB Strategic Plan. Because of this and the formal requirement to consult on the Strategic Plan, consultation on PHO concept and implementation plan will occur at that time.

Consultation on the West Coast DHB Strategic Plan is expected to occur in February 2002. To meet this time frame the PHO Concept Development project will begin in
December 2001. The high-level project plan (refer Appendix 5) provides an overview of the tasks, phases and milestones of this project.

In the first instance, the Project Sponsor will be to facilitate. A primary role of the Sponsor will be to establish the project structure. This will require identification and appointment of:

- Project Co-ordinator.
- Steering Group.
- Reference Group.

The Project Co-ordinator will be required, (in consultation with the Project Sponsor) to identify and appoint appropriate Project Team members. The project structure details the expected functions that each team member will contribute.

The Project Sponsor is also responsible for identifying and appointing Steering Group and Reference Group members. Because of the timeframe it may be necessary to prior identify some members. If this is deemed necessary, individuals contacted will be informed that participation on either the Steering or Reference groups will be conditional on West Coast DHB Board acceptance of this scope.

The Project Co-ordinator and Team will be responsible for drafting the concept and implementation plan. The Reference Group and Steering Committee will provide (as indicated in the role descriptions above) direction to the development, knowledge and community input.

The concept definition, PHO design and implementation plan must be completed by the 24 January 2002.

**Resource Requirements**

The project represents a significant long-term strategic change to the structure of West Coast primary health services. Because of the importance of the project will be necessary to ensure that it is adequately resourced.

**People**

The people required and estimate of effort is detailed in Table 3:
Table 3 - Resource Estimation Table.

<table>
<thead>
<tr>
<th>People*</th>
<th>Estimated Usage**</th>
<th>Estimated Total Time</th>
<th>External Resource Time</th>
<th>Estimated Cost Per Day (Total)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairperson Steering Committee</td>
<td>0.15 FTE</td>
<td>22 days</td>
<td>22 days</td>
<td>250 ($5,500)</td>
</tr>
<tr>
<td>Chairperson Reference Committee</td>
<td>0.15 FTE</td>
<td>22 days</td>
<td>22 days</td>
<td>250 ($5,500)</td>
</tr>
<tr>
<td>Steering Committee Members</td>
<td>0.10 FTE (each x 5)***</td>
<td>15 days (x 9)</td>
<td>75 days (5 x 15 days)</td>
<td>250 ($18,750)</td>
</tr>
<tr>
<td>Reference Committee Members</td>
<td>0.10 FTE (each x 8)</td>
<td>15 days (x 8)</td>
<td>90 days (6 x 15 days)</td>
<td>250 ($22,550)</td>
</tr>
<tr>
<td>West Coast Senior Manager(s)</td>
<td>0.25 FTE (1 @ 0.15 +1 @ 0.10)</td>
<td>35 days</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Project Co-ordinator</td>
<td>0.5 FTE</td>
<td>80 days</td>
<td>80</td>
<td>600 ($48,000)</td>
</tr>
<tr>
<td>SISSL Service Manager</td>
<td>0.25 FTE</td>
<td>40 days</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>West Coast Support (incl. communications)</td>
<td>0.25 FTE</td>
<td>40 days</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>External Specialist Support</td>
<td>0.20 FTE</td>
<td>28 days</td>
<td>28 days</td>
<td>$1,000 ($28,000)</td>
</tr>
</tbody>
</table>

**Estimated Total People Days**: 535

* Estimated Total People Days**: 339

$128,300

* Other than existing health sector staff (e.g., West Coast, SISSL) it is proposed that reasonable personal costs and expenses of all other people involved should be made.

** Resource usage may not be smoothed across the entire project (e.g., there will be periods when the SISSL Service Manager may work full time on the project and there will be times when the manager will be allocated to other work).

*** Excludes West Coast Senior Managers and SISSL staff.

Project Budget
The West Coast DHB and the MoH will provide the funding for this project. Funding will be allocated predominantly to people resources. An estimated total of 339 external people days will be funded. The cost will vary from individual to individual (e.g. external legal specialist support is expected to be high cost). It is estimated that, overall an average cost per external person is $378.00 per day. This is amount is also expected cover payment for time and disbursements such as travel and meals.

Miscellaneous expenses (e.g., cost of communications) are estimated at $15,000.

The total cost of the PHO project is estimated to be $143,300.

Funding for the project is proposed to be as follows:
- Ministry of Health will provide funding of $30,000.
• West Coast DHB will provide funding of $113,300.

**High Level Project Plan**

Appendix 5 details the high-level activities of the project.

The project plan is based on the following goals and assumptions and exclusions:

1. **Goals:**
   - To define the West Coast PHO concept definition.
   - To develop the design of the PHO.
   - To develop the implementation project plan.

2. **Assumptions:**
   The PHO project:
   - Includes both the concept definition, PHO design and the implementation plan.
   - Includes community input into the how the West Coast PHO concept would be configured in the first instance.
   - Is a single PHO, in the first instance.
   - Agreement is reached on the single PHO concept.
   - West Coast DHB approval to proceed with project.
   - Will have access to the required people and dedicated time.

3. **Exclusions:**
   - The key focus of the project is on defining the single PHO concept in the context of primary care - as opposed to a focus on primary care secondary care integration. Although note that the project will give consideration to primary and secondary (and tertiary) integration.
   - Consultation is excluded at this stage. Consultation will occur at the Strategic Planning round.

**Consultation Process**

An important fundamental principle of the New Zealand Health Strategy is the importance of community engagement and consultation over health services. Community engagement includes seeking the views of the community on a specific proposal or issue.

The New Zealand Public Health and Disability Act 2000 requires that DHB's consult over district strategic plans. The West Coast DHB is scheduled to consult on its strategic plan early in 2002.

The development of a PHO is a key health strategy for the West Coast DHB. Consequently linking the PHO and strategic plan consultation processes will provide the community with improved contextual understanding and more effective consultation co-ordination. The consultation process for the PHO will therefore occur in conjunction with the West Coast DHB strategic plan consultation.

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Consultation guidelines have been published. The procedure for consultation is as follows:

1. Put notice of the proposal before a meeting of the DHB.
2. Give public notice of the proposal, as the DHB considers appropriate.
3. Specify a period (from one to three months) in which interested persons may make submissions to the DHB, a community board or a committee of the DHB (or community board).
4. Give a reasonable opportunity for those making written submissions to be heard by the body to which the submissions are made.
5. The meeting must be public unless clause 32 of Schedule 3 (New Zealand Public Health and Disability Act 2000) indicates that the public may be excluded. Clause 33 outlines the requirements related to any such resolution.
6. Make all submissions publicly available (unless there is some good reason in law not to do so).
7. Make a final decision at the meeting of the DHB (subject to the Minister's consent) as set out in section 38(3)(c).

Further details on the process of consultation are contained in the document: Poutasi, K. Oct. 2001. Consultation Guidelines for the Ministry of Health and District Health Boards. To avoid any possible duplication in consultation the West Coast DHB should inform the Ministry of Health prior to engaging in consultation.

**Communication Plan**

The objective of the communication plan is to ensure staff, providers, the community and other key stakeholders are fully informed of the developments of the PHO project. The plan should aim to mitigate risks associated with poor communication.

The aim of the plan is to:

- Ensure the community is well informed about the PHO.
- Ensure stakeholders are favourably inclined towards the PHO development.
- Enable the facilitation of stakeholder feedback on the project.
- Generate higher levels of provider involvement and a commitment to the PHO initiative.
- Meet the PHO development obligations to the Treaty of Waitangi.
- Foster local identity with the PHO.

These key messages include:

- The PHO Concept Development project is in line with Government health strategies and the West Coast DHB Annual Plan.
- The PHO Concept Development project is concerned with improving the health of the West Coast DHB population.
- An evolutionary approach will be taken to the development of a PHO.
- A description of the PHO and how it differs from existing service structures.
- The purpose of the PHO.
- The intent of the PHO to build on gains already made in the health and disability sector.
- How the PHO project will involve a broad range of community members and health providers.

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• Communication will occur in a climate of transparency.
• The PHO acknowledges the principles of the Treaty of Waitangi.

The PHO project vision will need to be well articulated.

The plan will need to communicate the positive messages and address negative perceptions of the key stakeholders.

Positive Messages
• There will be involvement, improved working relationships and a removal of barriers due to services being integrated.
• Better integration of primary services will result in more responsive services.
• The PHO project will build on the willingness of providers to work together to provide local services.
• The level of community involvement will improve accountability to the community.
• The PHO project is aligned with Government’s policies.

Negative Perceptions
• Confusion or misunderstanding of the PHO concept.
• Concerns about service continuity and access.
• Concerns about the continuation of local services (e.g., Reefton, Buller secondary care).
• Concerns about the need for multi-provider integration.
• Concerns that funding allocation for PHO primary services is fair in relation to non-PHO services.
• Excessively high expectations about the benefits of the PHO.
• Regarded as yet another unnecessary health restructuring.
• Poor staff and community commitment to the status quo.
• Concern that the West Coast DHB is overly dominant.
• Concern that there is no opportunity for independent development of PHO.
• More bureaucracy.

Tools
Tools that would facilitate communication include:
• Communication included in periodic internal newsletter (which is also released to the local press).
• Newsletters to primary health care providers.
• Press releases.
• Staff and department meetings.
• Presentations to community groups and other stakeholders.
• Meetings with Māori representatives and more extensive Hui as appropriate.
• Formation of an accurate key stakeholder mailing list.

Risk Analysis
Indicative risks are defined in table 4. The Steering Group will have responsibility for the development and mitigation of risk strategy.
Table 4 - PHO Project Risk Mitigation Table

<table>
<thead>
<tr>
<th>Description of Risk</th>
<th>High</th>
<th>Medium</th>
<th>Low</th>
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<tbody>
<tr>
<td>Poor communication.</td>
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<tr>
<td>Community commitment.</td>
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<tr>
<td>Lack of commitment by community to enrolment.</td>
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<td>Lack of provider involvement.</td>
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<tr>
<td>General provider rejection of concept.</td>
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<td>Low level of Ministry commitment.</td>
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<td>Political disquiet.</td>
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<td>Conflict of scope and scale of PHO project.</td>
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<tr>
<td>Inadequate resources.</td>
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<td>Loss of key personnel.</td>
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<td>Timeliness of decisions.</td>
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<tr>
<td>Poorly defined PHO/DHB boundaries.</td>
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<tr>
<td>Poor secondary and tertiary integration.</td>
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<tr>
<td>Concept variation outside of the parameters acceptable to the Ministry of Health.</td>
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</tbody>
</table>

**Assessment of Project Priority**

The West Coast PHO Concept Development project will establish the foundation for the implementation of a West Coast PHO. The PHO definition and implementation initiative will support the following principles.
Effectiveness
Measures the extent to which the project will result in improvements in health status or prevent or reduce a decline in health status.
The purpose of PHO services is to (a) improve health, (b) maintain health and (c) restore health. The PHO will be required to engage in health promotion and healthy lifestyle activities. It will also be required to focus on appropriate screening, education and support health maintenance of people with ongoing health intervention needs. In addition, the PHO will be required to direct service to those groups of people with particular health problems.

Affordability
The economic cost of services, including overall health expenditure effects and achievement of maximum gain in health and independence status.
The PHO will be a not-for-profit entity. This will guard against funds being diverted from health gain to shareholder dividends. The Primary Health Care Strategy identifies that additional funding may be required for to support PHO development in remote areas.

Equity
Equity of outcome and equity of access.
Population based funding of the PHO will reduce inequalities by directing resources to communities with greatest health needs. PHO's will be required to identify and address those groups in their district that have poor health or are missing out on services. The PHO will also be required to understand the nature of its population and identify disadvantaged groups in order to address their needs.

Māori Health
Acknowledgement of the Treaty of Waitangi and the principles of equity, effectiveness and feasibility. Māori Health includes benefit from services, Māori use of services, reduction in disparities, and that the service is appropriate and acceptable to Māori.
The PHO will be required to show that it knows the ethnic mix in the population covered and addresses their needs in a way that is culturally competent and effective. The PHO will also be required to consider the need for specific services for Māori.

Feasibility
Feasibility includes capacity to develop new services within desired timeframe and acceptability of services to key stakeholders.
The progressive development of the PHO concept as defined in the Primary Health Care Strategy is a key Government health policy goal. The Government is therefore committed to facilitation of PHO developments that are aligned with the Primary Health Care Strategy. The evolutionary timeframe for the development is 5 to 10 years.

The approach taken to defining the PHO concept and implementation plan will provide stakeholders with an extensive opportunity to input into the final shape of the organisation.
Appendix 1 - Terms of Reference

Terms of Reference for West Coast Primary Health Organisation Scoping Document

1. Purpose
The purpose of this paper is to define the Terms of Reference for the proposed West Coast Primary Health Organisation (PHO) Scoping Document.

2. Background
The Primary Health Care Strategy\(^7\) outlines a new direction for the delivery of primary care in New Zealand. There is a greater emphasis on:

- population health;
- reducing inequalities;
- the role of the community;
- health promotion and preventative care;
- the need to involve a range of health professionals; and
- the advantages of funding based on population needs rather than fee for service arrangements.

PHO's are local structures through which District Health Boards (DHB's) will implement the Primary Health Care Strategy. PHO's will be not for profit provider organisations contracted and funded by DHB's to provide primary health care services for a given population. A PHO will provide services directly by employing staff or through a network of affiliated members. PHO's will recognise and respect the principles of the Treaty of Waitangi.

3. Purpose of the Scoping Document
The purpose of the scoping document is to detail:

- a framework for a project plan for the development of a PHO on the West Coast.

4. Deliverable’s
- The West Coast PHO Scoping Document will cover the following areas:
  - project concept;
  - project objectives;
  - key stakeholders and their role in the achievement of a successful outcome;
  - project structure;
  - business requirements;
  - organisation benefits;
  - project success measures;
  - related projects;
  - project boundaries and exclusions;
  - project implementation options;
  - resource requirements;

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\(^7\) Hon Annette King, Minister of Health: The Primary Health Care Strategy, February 2001
• high level project plan including milestones and timeline;
• project budget (all costs);
• outline of consultation and process with key stakeholders;
• communication plan;
• risk analysis.

It is expected that a draft scoping document will be presented to the West Coast DHB for discussion and comment prior to the final document being presented.

5. Stakeholders

The key stakeholders in this scoping document are:

• West Coast community;
• West Coast providers;
• West Coast DHB;
• Ministry of Health (MoH).

It is expected that as part of the development of the scoping document meetings will be held with the West Coast DHB, the South Island Shared Service Agency and the MoH.

6. Timeframe

Timeframe for completion of the scoping document is 31 October 2001. It is expected that the development of this scoping document will take 5 days to complete, though additional days may be negotiated.
Appendix 2 - New Zealand Health Care Strategy - Primary Health Care Proposals

The New Zealand Primary Health Care Strategy identified the following proposals for primary health care:

1. Primary health care should be recognised as an integral part of the country's health system.

2. District Health Boards will have agreements with Primary Health Organisations for a set of services to an affiliated population within a budget.

3. Primary Health Organisations will be not-for-profit, involve community and a range of providers and develop Māori health plans.

4. Primary Health Organisations must at a minimum supply health improvement, disease, prevention and general first contact services but may become more comprehensive in time.

5. Primary health care services by and for Māori people are important and need separate support and specific capacity building.

6. Quality and workforce development will be essential.

7. Transition to the proposed system will be evolutionary and voluntary, starting with willing organisations in high need areas, and building on existing agreements, relationships and initiatives.

8. Primary Health Organisations will need to demonstrate good working linkages with public health service providers, hospital services, and non-health sector agencies particularly with respect to their contribution to action on the key New Zealand Health Strategy priorities. It is vital for Primary Health Organisations to contribute to better co-ordinated programmes to improve the health of the communities they serve and contribute to reducing health inequalities for all New Zealanders, including Māori.
Appendix 3 - Project Structure

Reference Group

Steering Group

Project Co-ordinator (0.5 FTE)

Project Sponsor

District Health Board

Community & Public Health Advisory Committee

Project Team

- SISSAL Service Manager (0.5 FTE)
- West Coast Support Officer (0.25 FTE)
- West Coast Senior Manager Support (0.20 FTE)
- External Specialist Support (0.33 FTE)
## Appendix 4 - Strategic Plan Objectives

<table>
<thead>
<tr>
<th>Objectives</th>
<th>NZHS</th>
<th>PHS</th>
<th>MS</th>
<th>OPS</th>
<th>PHR</th>
<th>SMHS</th>
<th>WCAP</th>
<th>PCS</th>
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<td>Equitable and effective access to an appropriate range of responsive,</td>
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<td>accessible quality health care services delivered within acceptable travel</td>
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<td>co-operative, coordinated and collaborative (includes Māori workforce).</td>
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<td>Promote collaborative teamwork that: (a) involves collaborative participation</td>
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<td>in planning, and (b) is professionally fulfilling and socially sustainable.</td>
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<td>Support and increase the number and geographic scope of Māori providers and</td>
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<td>encourage non-Māori providers to improve and maintain the cultural competence</td>
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<td>Foster whānau development and health. Develop effective partnerships with</td>
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<td>iwi and Māori communities. Ensure accessible and appropriate services for</td>
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<td>Māori. Increase Māori involvement in planning.</td>
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<td>Reduced Māori and other health inequalities.</td>
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<td>Encourage the community and stakeholders to understand PHO's and participate</td>
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<td>in needs assessment, planning and governance.</td>
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<td>Enrol population.</td>
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<td>Improve health information to support effective service delivery,</td>
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<td>monitoring and achievement of health objectives.</td>
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<td>Planning and implementation structures to be sufficiently flexible and</td>
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<td>High performing system in which people have confidence.</td>
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<td>Existence of a systematic approach to monitoring, audit and evaluation of</td>
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<td>mental health and health quality.</td>
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NZHS = New Zealand Health Strategy
MS = He Korowai Oranga - Māori Health Strategy
PHR = Primary Health Care Strategy in Rural New Zealand
WCAP = West Coast Annual Plan

PHS = Primary Health Care Strategy
OPS = Health of Older People Strategy
SMHS = South Island Regional Mental Health Strategic Plan
PCS = New Zealand Palliative Care Strategy
Appendix 5 - High Level Project Plan
Appendix 6 - Reference Documents


