



Health Service Decision Making Procedure

Procedure Number

DRAFT

Version Nos:

1

1. Purpose

This Procedure outlines the process by which the West Coast District Health Board (WCDHB) will make transparent, principled and reasonable decisions on the funding and provision of publicly funded health and disability services. These decisions will be based on the Board's prioritisation and rationing principles.

2. Application

This Procedure is to be followed by the Board and all staff throughout the WCDHB, and covers all planning, funding and provision decisions made by the Board and staff.

3. Definitions

For the purposes of this Procedure:

Setting Priorities and Rationing is the process of assessing the relative importance or value of health and disability service interventions and programmes against the agreed principles and criteria and according to the agreed processes.

4. Responsibilities

For the purposes of this Procedure:

The ***Government*** decides the funding available to spend on health and disability services on the West Coast.

The ***Board*** has responsibility in both its funding and provision roles, to determine those health and disability service areas which will take priority for public spending.

5. Resources Required

This Procedure requires no specific resources.

6. Process

- 1.00 The opportunity to improve health and disability support will always exceed what will be achievable within the funding allocated by Government.
- 1.01 The Board is therefore required to determine those health and disability service areas that will take priority for public spending.
- 1.02 These decisions must be based on principles which are consistent with community values. The prioritising and rationing processes must be transparent and have community input. The decisions need to be open to scrutiny and challenge. These processes must also support the achievement of Maori health gain.
- 1.03 The prioritising and rationing framework will continue to evolve over time.
- 1.04 When making decisions on the diagnosis treatment or rehabilitation of individuals clinical staff are expected to recognise the intent and spirit of this document.



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- 1.05 Listed below are the principles which are to be used to guide decision making by the WCDHB:
- i. resources will be allocated to those services which will reduce inequalities in health (i.e. improve the health of those with the poorest health status) – the principle of equity of outcome.
 - ii. resources will be used to achieve the greatest good for the greatest number of people with the greatest health need – the principle of best utilisation.
 - iii. resources are allocated to those services which are clinically achievable over time – the principle of sustainability.
 - iv. resources are allocated to those services which can be financially supported over time – the principle of affordability.
 - v. decision making criteria and processes are available for scrutiny and open to challenge – the principle of transparency.
 - vi. resources are allocated on the basis of greatest need in conjunction with the highest likelihood of best outcome – the principle of ability to benefit.
 - vii. funding will be allocated to services which are shown to achieve the desired outcome – the principle of effectiveness.
 - viii. the decisions are consistent with the values and expectations of the community – the principle of acceptability.
 - ix. decision makers will have regard to the views of the recipient – principle of sensitivity for individuals.
- 1.06 Priority are to be given to those services which:
- i. are consistent with the rationing principles and therefore community values and expectations.
 - ii. contribute to the Board's priorities and therefore Government priorities.
 - iii. reduce inequalities
 - iv. prevent illness or injury
 - v. increase co-operation and collaboration
 - vi. decrease administrative costs and efforts
 - vii. use resources in an innovative way to reduce cost or increase benefits.
- 1.07 Resources are to be allocated following objective assessment, such as:
- i. good cost-benefit ratio – good balance between money which will be spent and the benefits that the health programme will realize; and/or
 - ii. good cost-effectiveness ratio – money spent treating a particular condition produces an outcome as good as or better than that produced by spending the same amount of money on some other condition; and/or
 - iii. good cost-utility analysis; and/or
 - iv. continuing use of epidemiological data..
- 1.08 The Board would like to make all decisions based on good epidemiological data and evidence on outcomes. However, the Board recognises that this information, although improving, is limited. Therefore, in the absence of a simple empirical basis for resource allocation the Board recognises that decisions will need to be made through administrative or political (e.g. direction from the Minister) processes. In this situation the Board commits to ensuring fair and accurate representation of need and benefit and reasonableness in the judgement of relative importance or value.



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- 1.09 The Board will follow this process with regard to Health Service decision making:
- 1) Board Committee considers service proposal.
 - 2) Service is assessed using principles, decision-making criteria and decision tools if possible.
 - 3) Committee makes recommendation to the Board to accept or decline proposal.
 - 4) Board accepts or declines recommendation.
 - 5) Proposals accepted by the Board that require new funding are placed in a “project pool” and ranked against the others in the “project pool” in terms of priority of implementation.
- 1.10 If however the proposal will make a significant contribution towards achievement of the Annual Plan and has robust evidence of direct savings of sufficient magnitude to cover the cost of the proposal, it may be accepted for immediate implementation.

7. Precautions And Considerations

- ➔ As the opportunity to improve health and disability support will always exceed what will be achievable, the Board is therefore required to determine those health and disability service areas that will take priority for public spending
- ➔ The Board’s decision –making process must be based on principles which are consistent with community values. The prioritising and rationing process must be transparent and have community input. The decisions need to be open to scrutiny and challenge. These processes must also support the achievement of Maori health gain.

8. References

Operational Policy Framework

9. Related Documents

WCDHB Annual Plan

WCDHB Strategic Plan

WCDHB Statement of Intent

Revision History	Version:	1
	Developed By:	
	Authorised By:	
	Date Authorised:	
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