



17 DEC 2018

Chair

 E-MAILED  
-18/12-

Dear

## DHB Performance 2018/19

Following my meeting with all DHB Chairs on 13 December 2018, this letter reiterates the key expectations for DHB performance that I discussed with you. It should be read in conjunction with my Letter of Expectations to DHBs for 2019/20.

I want to reiterate the message I have conveyed in my meetings with you both individually and collectively over the past year about my sincere appreciation for all your hard work this year. I acknowledge the importance and complexity of the work that you do and I thank you for the public service that you provide.

As I have discussed with you individually and collectively as a group, this Government is strongly focussed on both the financial and non-financial performance of DHBs. In your role as Chair, along with the board, you are accountable for the performance of your DHB. It is also important that you hold management strongly to account for financial and non-financial performance.

### *Financial performance*

As you are aware, my expectation for the total DHB sector financial position was that it was an improvement on 2017/18. We are now halfway through the financial year and, based on current evidence from DHB annual plans, this expectation is unlikely to be met. This is very disappointing as in 2018 the Government provided DHBs with the highest increase in funding in ten years. We recognise that improving the financial sustainability of the sector cannot be done all in one year but it is important that DHBs are doing all they can locally to manage in a financially prudent way. While I will be approving some DHBs' plans shortly, I would like all DHBs to continue to focus on opportunities for improving financial results. There are also several DHBs that have signalled they are likely to require equity support in 2018/19 to address working capital pressures. The available funding for equity support is limited, so I will need to be certain that those DHBs requesting this support have plans in place to reach a more sustainable financial position. I have therefore been considering additional measures and reporting for those DHBs that require equity support.

### *System performance*

There are some areas of DHB performance that I have particular concerns about and would like to see improvements across the sector. I am expecting all DHBs to place an increased focus on meeting waiting times for first specialist assessment, Planned Care (elective) treatment, and radiology services. There has been a deterioration in the number of people waiting beyond expected timeframes and I am looking for you to lead meaningful, sustainable improvement so that you consistently meet commitments to patients. This will require good planning by DHBs to manage capacity, workforce and investment, and strong engagement across clinical and operational teams.

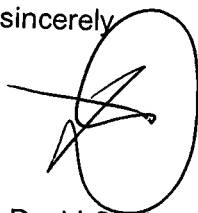
I do want to acknowledge the significant improvement in the number of people waiting beyond clinically appropriate timeframes for an ophthalmology follow-up appointment nationally. While some DHBs have made limited progress, most have developed and successfully implemented a recovery plan. This has reduced the number of long-waiting patients and, in turn, reduced the risk of harm to patients. Maintaining progress is important and I ask that you continue to focus on sustained improvements. I was particularly pleased to hear of the close engagement between clinical and operational leaders from across the eye health system, which has enabled the development of new guidelines for the management of Age-Related Macular Degeneration and Glaucoma Referral, spanning various workforce groups and settings.

### *Conclusion*

It is vital that the health sector continues to deliver timely and effective services so that we can provide high quality and equitable outcomes for New Zealanders. I will be monitoring the performance of all DHBs closely for the remainder of the financial year and will consider a range of governance options to strengthen and improve performance if necessary.

I again thank you for your leadership of your local DHB and strongly encourage you to drive both financial and non-financial performance improvement.

Yours sincerely

A handwritten signature in black ink, consisting of a large, stylized 'D' and 'C' that are intertwined. The signature is written over a faint circular outline.

Hon Dr David Clark  
**Minister of Health**