Aide-memoire

Health New Zealand
Te Whatu Ora

Delivery of the Electives Boost

Due to MO:	3 April 2025	**Reference**	HNZ00083886
To:	Hon Simeon Brown, Minister of Health		
From:	Dr Dale Bramley, Interim Chief Executive		
Copy to:			
Security level:	In Confidence	**Priority**	Routine
Consulted			

Contact for further discussion (if required)

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Attachments

Appendix 1:	Planned Care Programme delivery structure
Appendix 2:	High-level Electives Boost actions

Purpose

1. This aide-memoire provides you with an overview of how we will deliver the Electives Boost, as per your Letter of Expectations (LoE), with the quarterly implementation plan, governance and regular monitoring that will be in place. It also outlines how Health NZ is including the response to the August 2022 Planned Care Taskforce Reset and Restore Plan in the plan.

Background

Our work to improve planned care stems from the Reset and Restore Plan 2022

2. Planned care activity sits across three key components: First Specialist Assessments (FSA) following referral from primary care, diagnostics to inform whether and what intervention is necessary, followed by elective treatment.
3. Health Targets are focussed on ensuring that 95% of patients wait less than four months for an FSA or elective treatment. We have internal performance targets for diagnostic wait times (based on the diagnostic procedure and patients' clinical priority).
4. In 2022, the Planned Care Taskforce completed its Reset and Restore Plan to reduce wait times for planned care. The Reset and Restore Plan contained 101 recommendations. We subsequently developed a programme of work to implement these.
5. With the establishment of Health NZ regions, we developed 90-day plans to improve performance against the FSA and elective treatment targets in Quarters 3 and 4 2024/25. A summary of these plans was provided to the former Minister of Health in January 2025. Again, high-impact actions from Reset and Restore were carried over to these 90-day plans.

Outsourcing additional elective treatment to the private sector

6. In mid-March, we advised you that we had begun outsourcing additional elective treatments to the private sector, in line with your expectation that we deliver an Electives Boost (HNZ00079260 refers):
    a) Outsourcing an additional 10,579 elective treatments by 30 June 2025, an additional 5,273 treatments by 31 August 2025, and an additional 15,756 treatments by 30 June 2026 (a total of 31,608 additional treatments).
    b) Additional delivery for the period March to August 2025 constitutes an 18.7% increase on actual delivery during the same period in 2024, additional delivery for the period September 2025 to June 2026 constitutes a 19.2% increase on actual delivery during the same period in 2024.
    c) The increase in delivery will cost an estimated $66 million to 30 June 2025, and an additional $179 million over FY2025/26.
7. You receive updates via the Weekly Report on our progress against the Electives Boost.

Electives Boost Delivery

8. The Electives Boost will be achieved through a combination of:

a) Increased outsourcing of elective treatment to the private sector.

b) Increased insourcing of elective treatment at the Totara Haumaru (Auckland), Burwood Hospital (Christchurch), and Counties Manukau Health Park (Auckland) sites.

c) Improvement initiatives to increase internal efficiency and production of planned treatments.

d) Robust waitlist management and the harmonisation of clinical prioritisation.

Electives Boost Delivery Structure

9. Appendix 1 provides the Delivery Structure for the Electives Boost. This structure identifies the SROs, the actions required under each aspect of the programme, the meeting cadence, and internal monitoring. In summary this delivery structure is:

    a) Programme Leadership and Accountability with a twice weekly SRO forum.

    b) Regional Delivery with a Weekly Executive Forum.

    c) Programme Structure Resourced and Established with Daily Action Monitoring.

    d) Engagement with Senior Clinicians with Fortnightly Clinical Governance.

10. The Executive Senior Responsible Officer for the Elective Services Boost is Cath Cronin, Regional Deputy CE, and the Clinical SRO is Dr Richard Sullivan.

Implementation Plan for Electives Boost

11. Appendix 2 provides an overview of the actions to deliver the Electives Boost, specifically:

    a) Increase delivery in the private sector – using panel agreements and establishing longer term agreements for service delivery with the private sector.

    b) Increase elective treatment delivery – delivering required treatment volumes and ensuring theatre lists are fully utilised.

    c) Optimise internal capacity – improve theatre productivity and capacity within public hospitals.

    d) Robust waitlist management – ensure waitlists are managed according to operational standards including that waitlist validation.

    e) Clinical Harmonisation – ensure consistency in clinical prioritisation for surgery for all New Zealanders.

    f) Fairness in Service Access – across all areas of elective surgery with patients at the centre.

12. Appendix 3 outlines how these actions will be implemented by quarter and notes their relationship to Reset and Restore recommendations.

An Integrated Planned Care Programme

You requested three plans to improve our planned care performance

13. You requested that we develop plans to improve our planned care performance for:
    a) FSA, and we delivered an FSA recovery plan to you (HNZ00080273).
    b) Elective treatment, with an implementation plan to increase delivery (i.e., the 'Electives Boost')
    c) Diagnostics, with advice for improving access due to you in May.
14. You also requested that we develop long-term contracting arrangements with the private sector to improve the cost-effectiveness of outsourced planned care. The Principles Agreement with the private sector is being developed, and we will provide you with further advice in April. We meet with the major private sector providers weekly.
15. You also requested regional production plans. We will report back to you on this in May, in advance of Budget 2025.
16. Together, these all contribute to our capacity and capability to deliver the Electives Boost.

We are developing an overarching programme for planned care improvement that incorporates all the plans above

17. Performance in one planned care domain impacts performance in the others (e.g., increased FSA delivery makes achieving the treatment Health Target more challenging). Implementing interventions to improve planned care performance therefore requires balance – especially of resources (given the same workforce services all components of planned care).
18. Therefore, we are establishing an overarching Planned Care Programme (PCP) focussed on FSA, diagnostics, and elective treatment. This includes building longer term relationships for private provision of these services. The PCP will bring together the plans under a single focused governance structure. Doing so will provide regions with clarity as to their focus and support accountability for delivery.

As well as the activity plan for delivering planned care in FY 2025/26

19. We are finalising our activity plan for FY 2025/26. The activity plan sets out the number of FSAs and elective treatments each region needs to deliver to reach our performance milestones (67% against the FSA Health Target, 70% against the treatment Health Target).
20. The figures contained in our FY 2025/26 activity plan will be incorporated into separate advice we are jointly preparing for you with the Ministry of Health on proposed volumes-based Health Targets for planned care. This advice is due to your office in April.
21. Regions are required to produce production plans by 1 July 2025. These production plans will set out how regions intend to deliver requisite volumes of FSA and elective treatments, and at what cost.

There are also risks we need to manage to deliver the Electives Boost

22. Successfully delivering the Electives Boost, relies on:

    a) Capacity of the private sector to absorb the volumes in each region.

    b) Health NZ having suitable mechanisms in place to undertake the outsourcing activity in each region, including longer term contracts.

    c) Clinical support for appropriate prioritisation and allocation of patients.

    d) Appropriate and effective monitoring and tracking of patient outcomes.

    e) Retaining focus on delivering acute and sub-acute surgery in a timely way.

    f) No unforeseen problems to normal production planning.

    g) Negotiating acceptable pricing with private partners.

23. Any risks to these dependencies will be monitored and mitigated via the PCP governance structure, with significant risks escalated to ELT, and reported to you, as required.

Next steps

24. We are progressing the implementation plan, and the delivery structure is in establishment. We will integrate any feedback from you and the Ministry in the programme of delivery. Officials are available to discuss direction with you in advance.

Appendix 1: Delivery Structure – Electives Boost

Attached separately.

Appendix 2: Overview of actions and impacts to deliver Electives Boost

Attached separately.

Appendix One Delivery Structure – Electives Boost

	Responsibility	Action	Internal Monitoring
1. Programme Leadership and Accountability	**Planned Care SRO: Cath Cronin** **Programme Director: Jason Power** **Programme Lead: Rachel Haggerty**	• Provide the accountability for nationwide delivery of the programme of work. • Ensuring national and regional decision making cadence delivers the change programme necessary to embed high performing systems and practises across Health NZ • Financial reconciliation and oversight	• Weekly Programme Update
	Clinical SRO: Richard Sullivan **Clinical Governance Chair: TBC**	• Ensure strong clinical engagement across the first 10 specialties, and ultimately the 43 specialities providing planned care to New Zealanders. • Support professional clinical training requirements across a public • Engage with the primary care, allied health and nursing professionals to support greater efficiency and productivity of delivery models.	• Fortnightly Clinical Programme Update
	Procurement SRO: Andy Windsor	• Provide end to end procurement advice • Provider Stakeholder and contract management oversight	• Weekly Private Provider CE engagement and output information.
2. Regional Delivery	**Regional Deputy CEs** **Regional Planned Care Leads** **Regional Clinical Leadership** **Regional Professional Leaders**	• Private sector clinical relationships • Internal resource allocation and delivery. • Regional production and patient flow systems etc, digital systems • Daily, weekly and monthly targets for services across the full calendar year	• Weekly Delivery Monitoring
3. Programme Structure Resourced and Established	**Programme Director: Jason Power** **Programme Lead: Rachel Haggerty**	• Project structures are in place with clear milestones and deliverables for the five workstreams are in place. 1. Increase elective treatment delivery 2. Ensure robust elective treatment waitlist management 3. Boost delivery in the private sector 4. Optimise Internal Capacity 5. Harmonise Clinical Prioritisation for Treatments 6. Fairness in Service Access	• Fortnightly Programme Milestone Update
4. Engagement with Senior Clinicians	**Clinical SRO: Richard Sullivan** **Clinical Governance Chair: TBC**	• Engaging Clinical Networks to lead harmonisation and Clinical Prioritisation • Engage the Clinical leadership structure to enable safe clinical delivery objectives and health outcomes are managed with the patent at the centres.	• Weekly engagement with Clinical networks. • Clinical concerns, risks and issues are managed through registers. And raised through clinical governance constructs.

Appendix 2: Overview of actions to deliver Electives Boost – p1

	Focus	Action	How Impact will be Monitored
1. Increase elective treatment delivery	**(a)** Deliver required treatment volumes.	• Create local production plans to ensure that **elective treatment volumes set out in the 2025/26 activity schedule are delivered**.	• Completion of required elective treatment volumes each week, month, and quarter.
	(b) Ensure theatre lists are fully booked.	• Provide **visibility of underutilised elective theatre list capacity** via the Rapid National Application. • Implement a **+1 programme**, where services that do not fully utilise elective theatre sessions are required to add an additional patient to every theatre list.	• Elective theatre utilisation %. • Increase in elective discharge delivery.
2. Ensure robust elective treatment waitlist management	**(a)** Ensure waitlists are managed according to operational standards.	• Institute robust processes to ensure that patients are **booked for elective treatment in order of clinical priority and time spent waiting.**	• Increase in booking of routine patients waiting >120 days • Reduction in >120 day elective treatment waitlist. • Turn rates >1 for both the total WL and >120 day long waiters.
	(b) Ensure that elective treatment waitlists are validated.	• Develop national guidance on patient removal from waitlists, and ensure that elective treatment waitlists are routinely subject to **technical, administrative and clinical validation**	• Monitor rates of removal from waitlists for reasons other than having received treatment. • Reduction in overall size of waitlist.
3. Boost delivery in the private sector	**(a)** Employ consistent regional pricing through panel agreements	• **Streamline existing contracting arrangements, and negotiating as a single national entity** for indicative volumes over the period enables providers to negotiate more efficient pricing and higher volumes.	• Panel agreements are operational from February 2025
	(b) Boost use of outsourcing and insourcing capacity within the private sector	• **Deliver 10,578 additional elective discharges** through in- and outsourcing to meet FY 2024/25 milestone of 63% compliance. • **Deliver and additional 21,029 elective discharges** through in- and outsourcing to meet FY 2025/26 milestone of 70% compliance. To total of 31,608 through the elective boost	• Weekly monitoring of outsourced delivery volumes and volumes sent to private (i.e. forward load). • Reduction in the elective treatment waitlist.
4. Optimise Internal Capacity	**(a)** Improve theatre productivity within public hospitals	• Increase elective **theatre utilisation to consistently exceed 85%** across all regions. • Reduce **late starts >60 minutes and early finishes >60 mins** to consistently below 15%. • Reduce **hospital-initiated day of surgery cancellations** to fewer than 3% of cases.	• Elective theatre utilisation % • Lates starts and early finish % • Cancellation %
	(b) Increase theatre capacity for planned care	• **Increase the utlisation of the Totara Haumaru** site on the North Shore Hospital campus. • **Expand Burwood Hospital as a cold elective site**, and utilise this for additional insourcing. • Commission the **Counties Manukau Health Park** (CMHP) continues with 10 additional theatres from August 2025.	• Weekly reporting of Totara Haumaru, Burwood and CMHP delivery
5. Harmonise clinical prioritisation for surgery	**(a)** Ensure consistency clinical prioritisation for surgery for all New Zealanders.	• Develop **nationally consistent clinical prioritisation for Orthopaedic and ORL surgery**, which currently constitute around 30% of our ESPI 5 waitlist. • Institute robust processes to ensure **consistent application of clinical urgency codes** (CUCs) within specialities and across regions.	• Reduction in waitlist for ORL surgery • Reduction in waitlist for Orthopaedic surgery
6. Fairness in service access	**(a)** Ensure fairness across all areas of elective surgery with patients at the centre -– right people, right time, right service	• All elective treatment programmes will be monitored to ensure they reduce variation in how people access treatment. • This will include consideration of those living in smaller urban centres, those living rurally, those with lower incomes and those with very complex health needs.	• Reduced variation across geographic locations and populations measured by rates of access and standardised interventions rates for specialties and conditions.

Appendix 2: Overview of actions to deliver Electives Boost – p2

Focus Area	Focus Area Project	Alignment to Reset and Restore	Quarter 4 24/25 (30 June 2025)	Quarter 1 25/26 (30 Sept 2025)	Quarter 2 25/26 (31 December 2025)	Quarter 3 25/26 (31 March 26)	Performance Impact
1. Increase elective treatment delivery	Deliver required treatment volumes	RR17 RR80	Production Plan prepared for new financial year	Delivery Achieved	Delivery Achieved - BAU	Delivery Achieved - BAU	100% of Activity Plan Achieved
	Theatre lists are fully booked	RR69 RR70 RR77 RR93	Theatre utilisation improves, +1 model enacted	Theatre utilisation improves, +1 model enacted	Ongoing delivery	Ongoing delivery	Elective treatment turn rate is maintained ≥1.1
2. Ensure robust elective treatment waitlist management	Waitlists are managed to national standards	RR52 RR74 RR96	Booking management systems are in place	Major waitlists managed to national standards	All waitlists managed to national standards	Ongoing Delivery - BAU	60% of patients are booked in order
	Validated Waitlists	RR53 RR54 RR64 RR84	Waitlist Validation Systems in Place	All Validation Complete	Validation Embedded in Routine Processes	Ongoing Delivery - BAU	One-time 3% reduction in overall size of elective treatment waitlist
3. Increase delivery in the private sector (Boost)	Panel agreements	RR65 RR92 RR94	Panel agreements operational	Delivery Achieved - BAU	Delivery Achieved - BAU	Delivery Achieved - BAU	Panel agreements live and cover FY25/26
	Increase outsourcing (Boost)	RR65 RR66 RR69 RR70	Deliver additional **10,579** outsourced electives	Deliver additional **5,273** outsourced electives + cumulative from previous Q FY25/26	Deliver additional **~7,878** outsourced electives+ cumulative from previous Q FY25/26	Deliver additional **~7,878** outsourced electives + cumulative from previous Q FY25/26	**~31,608** additional outsourced procedures delivered
4. Optimise internal capacity	Theatre productivity	RR75 RR76 RR78 RR79	Implementation of district theatre productivity programmes	Late starts and early finishes reduce	Theatre utlisation improves	Ongoing delivery - BAU	Theatre utlisation >85% Late stars/ early finishes >60 mins <15% Hospital-initiated cancellations <3%
	Theatre capacity	RR66 RR69 RR70 RR77 RR100	Increase Totara Haumaru and Burwood delivery	Commission Counties Manukau Health Park additional theatres	Optimised utilisation of additional capacity as BAU	Optimised utilisation of additional capacity as BAU	10 additional theatres open at CMHP
5. Harmonise clinical prioritisation for surgery	Clinical prioritisation	RR23 RR24 RR51	Nationwide Clinical Policy and Decision-Making Process Developed	Programme for all Specialties developed	ORL and Orthopaedic Criteria Complete	Ophthalmology and Gynaecology Criteria Complete	Nationwide consistency in access as measured by the Fairness Framework
	Consistent Application of Clinical Urgency Categories	RR29 RR51	Assessment of Existing and Required Capability	Programme Implementation Commences	Programme Implementation Phase Two	CUC Implementation Complete in All Regions	
6. Fairness in Service Access	Fairness in FSA Access for all New Zealanders	RR7 RR11 RR15 RR48 RR97	Fairness Framework Developed	Monitoring of Fairness and Corrective Actions Identified	Improvement Programme Commences	Improvement Programme Phase two	