

Coleman: NZ Home Health Association Conference

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Speech: New Zealand Government

Jonathan Coleman

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New Zealand Home Health Association Conference

Thank you for the invitation to open your conference today. I hope you have a productive two days and I would like open by acknowledging that you provide a vital service which thousands of people depend on.

Opening your conference provides me, as Associate Minister of Health, with the chance to speak to you about the challenges and opportunities for the home support sector in the context of the Government's fiscal position and the work the Government is doing in the sector.

I would like to acknowledge the New Zealand Home Health Association executive, and its chair Trish Neal, and also the NZHAA CEC Julie Haggie.

How the Government will manage overall expenditure

All over the world governments are facing significant financial pressures in health and this will only increase. People are living longer and whatever our age, we all expect better services, modern technologies and new medicines.

To provide some context on the economic environment we're operating in, we are just emerging from the worst global financial crisis in 70 years.

New Zealand used to have large Government surpluses but this week we borrowed \$240 million and next week we will borrow another \$240 million. We'll do the same every week after that for the next four years - just to keep public services like Health ticking over. Due to economic constraints, new spending across Government across has decreased or been curtailed in some many areas.

This Government has taken the deliberate decision to take a long term view of our country's economic challenge, but we are not cutting back on health investment. We are putting in more funding.

Despite tough economic times, the Government is investing more of the country's resources in Health than ever before. The coming year will see the highest percentage of GDP invested in the public health service in our history.

Last year Vote Health got half of all new government spending. In Budget 2010, an additional \$2.1 billion was allocated to Vote Health for investment in health priorities over the next four years - including an extra \$512 million of new spending in 2010/11. That means

Vote Health has kept pace with inflation and population change and the Government will spend \$13.5 billion on Health in 2010/11.

Health spending is now \$1.4 billion a year more than when we came into government. The public health service will, however, need to ensure a strong and ongoing focus on value for money, with resources moving from administrative overhead and low priority spending into more important frontline services. And this applies equally to services whether they are being delivered in the hospital or the home.

An ageing population

The increasing demand for your services due to an ageing population is obviously one of the biggest issues your sector faces over the next 10 - 20 years.

We will however have a window to prepare for the effects of population ageing on the health sector, as it is primarily people over 80 who use services intensely.

At present 580,000 New Zealanders are aged 65 or older (13 percent of the population). By 2030, this is projected to rise to over 1 million - an increase of over 85 percent. As you will all know older people have an increased likelihood of ill health and disability. As the number of older people increases in absolute terms and as a proportion of the population, resources will need to shift to support the needs of this group.

When looking at the health needs of older people, there is a continued objective to improve community-based care services and the continuum of care for older people as part of a vision of high quality and sustainable services into the future.

Better Sooner More Convenient

One of the Government's goals is to provide New Zealanders with better access to a wider range of services closer to home.

A major driver of this is the Government's *Better Sooner, More Convenient* primary care initiative which is seeing Primary Health Organisations and District Health Boards work together to enhance care for their communities.

They are developing new ways of working across a broader range of services and include a focus on the frail elderly.

Improved primary care is likely to reduce some of the triggers for entry into acute hospital and/or residential care. This is part of a prudent strategy to begin developing health system capacity for the future demographic and to reduce financial pressures on the health system.

Two issues I know you are interested in are pay rates for support workers and mandatory minimum standards for the industry. The New Zealand Home Health Association notes home support workers are a low-paid workforce and there are concerns around training and adequate compensation for travel costs.

In recent years there have been Government interventions to help improve the home support workforce. The Ministry of Health's home support prices, which have been geared towards

improving support worker wages and conditions, have grown by about 30 percent in the past five years. The Ministry is also investing around \$4 million in 2010/11 - up from \$2.2 million in 2009/10 - in workforce development initiatives.

Two of the key initiatives are:

- Training grants over three years for all disability support service workers who wish to study towards approved basic training national certificates and qualifications;
- A fund which aims to support training of disability support service workers and families and carers to better manage their own services and resources.

The NZHHA is also seeking a single mandated standard for the sector to protect clients from substandard care.

Although home support services do not fall under the legislative framework of the Health and Disability Services (Safety) Act 2001, the sector has developed a voluntary standard and compliance with the Standard is required in ACC and Ministry of Health contracts, and a number of DHB contracts. Effectively it should mean the majority of providers are required to meet the Standard.

However, it is in everyone's interests to ensure people are getting a good level of care and support so the New Zealand Home Health Association, Standards New Zealand, ACC, and the Ministry of Health have established a joint initiative to undertake a review. This recognises that over the past seven years there have been significant changes to models of service delivery and in the particular services being provided.

Home Support Expenditure

The care of elderly people, and specifically their level of home support, has received a lot of media coverage over the past few months. It's been reported that DHBs are cutting the level of home support for the elderly when it's important to note that across all DHBs the number of older people receiving DHB funded home support had continued to increase in recent years and overall DHBs are budgeting to spend more on home care in 2010/11 than in 2009/10.

DHB expenditure on home support services has grown from about \$110 million in 2004/05 to about \$230 million in 2009/10.

This year, around 75,000 mostly older people have received home support. In 2004/05 there were approximately 58,000 older people receiving home support services.

Some DHBs are reviewing their home support services using a method that was introduced by the previous government.

The Health Minister has sought assurance from DHB chairs that people who really need domestic support get it and DHBs have been meeting with all providers and people involved to explain the review changes and what they would mean for elderly with exceptional circumstances. DHB chairs have given him that assurance.

We are committed to spending money on the people who have been assessed as having the greatest need.

New Model of funding disability support for younger people

The Ministry is also developing a new model for supporting disabled people who receive Ministry funded support. There will be significant implications over time for providers and services.

Key characteristics of the new model - which are to be tested later this year include:

- improving access to information and personal assistance through introducing Local Area Coordination
- moving towards allocating indicative dollar values of support rather than allocating particular types of service
- introducing Individualised Funding which gives more choice and control for people over the support they purchase through making funding available to most people and for most supports and making contracted supports and services more flexible and focused on outcomes
- broadening accountability arrangements from the present focus on providers to also cover the responsibilities of the Ministry of Health and disabled people and their families, and have a stronger focus, through quality monitoring, on whether people are living an everyday/good life.

I am sure that you will have many robust conversations on the challenges and opportunities for the home support sector over the course of this conference.

There are a diverse range of speakers from across the industry covering many topical issues which will provide thought-provoking sessions over the next two days.

Thank you.