

6 October 2006

Chief Executive Officer
Non Government Organisation

Confirmation of policy settings concerning Non-Government Organisation (NGO) providers of primary and population health services and Primary Health Organisations (PHOs)

Hon Pete Hodgson, Minister of Health, has confirmed key policy planks concerning NGOs and PHOs so that policy settings are clearer, particularly with regard to NGO contracts for primary and population health services. The following policy planks are listed in the enclosed report entitled *Best fit for Non-Government Organisations in Primary Health Care*.

- In order for the Primary Health Care Strategy's vision of better population health outcomes and reduced health inequalities to be fully realised:
 - all key stakeholders, including PHOs and NGO service providers, need to be fully engaged, working collaboratively and 'fit for purpose'
 - the Ministry of Health and DHBs need to ensure that their strategic approach promotes collaboration among key stakeholders to realise the vision, rather than competition for resources.
- NGO service providers will be encouraged to affiliate and contract with PHOs, however this remains voluntary for NGOs, as is the case for health practitioners.
- PHOs are expected to work with other providers within their regions to ensure that services are co-ordinated around the needs of their enrolled populations and services are more joined up. However, this does not necessarily require a contractual relationship between PHOs and other service providers.
- If NGO service providers are to agree to their service contract being transferred to a PHO, mutual benefits for PHOs and NGOs will need to be identified.
- NGO service providers can be reassured that there is no national policy for funding for all community services to be distributed through PHOs.
- Given the diversity of NGO service providers and PHOs, and the relationships between them and local needs, a flexible approach is required – a one-size-fits-all approach will not work.
- With the exception of national NGO service providers, NGO–PHO engagement will be locally rather than centrally driven.

- Because national NGO service providers face a different set of issues in relation to devolving primary health care funding, any decisions about their contracts will be made following service reviews.

Best fit for Non-Government Organisations in Primary Health Care reports on the results of sector meetings, held in July 2006, to hear the views of NGO providers of primary and population health services, PHOs and DHBs on how NGOs can best fit within the primary health care setting. The report advises how key messages heard at the July sector meetings, and also feedback from the Health and Disability NGO Working Group received in August 2006, will be incorporated into the Primary Health Care Strategy Implementation Work Programme. Some of these messages will be applicable at local DHB level.

Further work on NGO issues and opportunities and their best fit within the primary health care context will be incorporated within the service development workstream of the Primary Health Care Strategy Implementation Work Programme. The co-sponsors of the service development workstream (Sarah Turner and Dr Allan Moffitt) agree that a focus on NGO providers and their relationships with PHOs will form part of the business models project. In addition, NGO expertise will be sought, where required, for the capabilities project and the service delivery project areas of the service development workstream..

I trust you will bring the report *Best fit for Non-Government Organisations in Primary Health Care* (available on the Ministry's website www.moh.govt.nz/primaryhealthcare) to the attention of those working at the NGO/PHO interface.

Yours sincerely

A handwritten signature in black ink that reads "Jim Primrose". The signature is written in a cursive style with a long, sweeping underline.

Dr Jim Primrose
Acting Deputy-Director
Clinical Services Directorate