

# Canterbury District Health Board

**Canterbury**  
District Health Board  
Te Pōari Hauora o Waitaha

## Creating a Proactive Management Culture Centred on Patient Care Across Multiple Hospitals (and Laboratories)

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General Manager, Hospital Support and Laboratories



**For Many Reasons –**  
*We have a local perspective*



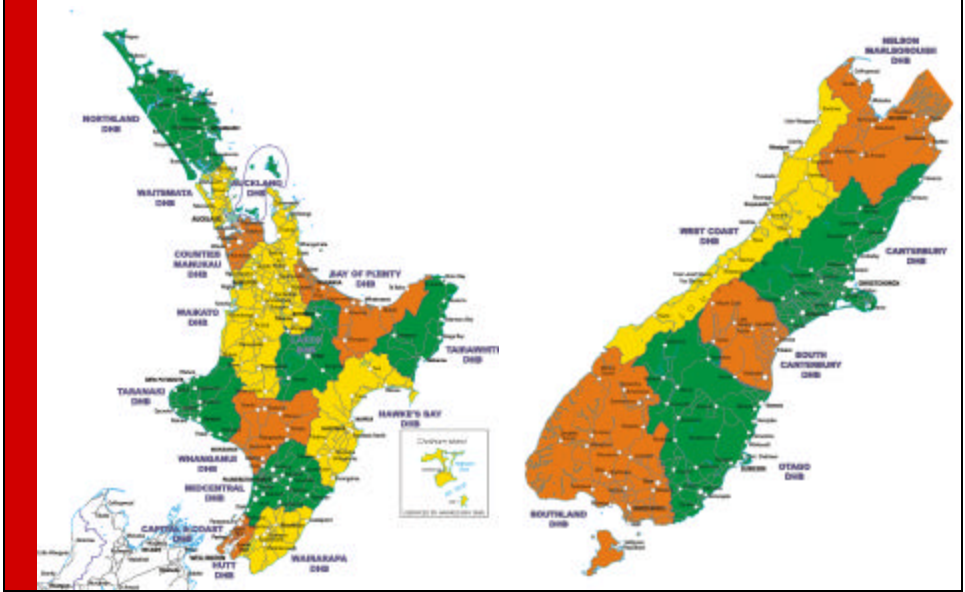
- Remote
- Small population and market
- High expectations
- Distributed public health system with low levels of funding

**The NZ Health Environment**



# NZ District Health Boards

21 different ways of delivering health??



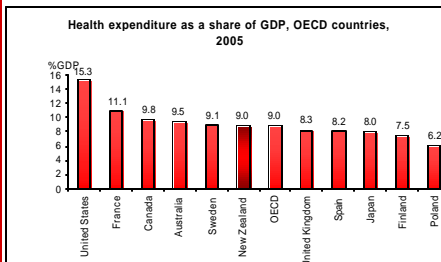
# NZ District Health Boards

- 21 DHBs with a wide range in size and capacity
  - Base funding ranges from \$48m to \$870m
- Devolved funding system - 2001
- Cost \$12b
  - \$2b distributed by MoH Well Child, Maternity, <65 disability, NSU, Ambulance
- Funding Hospital focused
  - \$2b to GP visits - >18m visits p.a.
  - \$8b to Hospitals - 700,000 discharges annually
- Research funding is relatively low
  - \$10 per head in NZ
  - \$35 per head in Australia

DHB	Population (000s)
Northland	154
Waitemata	516
Auckland	439
Counties Manukau	468
Waikato	355
Bay of Plenty	204
Lakes	102
Tairāwhiti	45
Taranaki	107
Hawke's Bay	153
MidCentral	165
Whanganui	63
Hutt	141
Capital & Coast	282
Wairarapa	39
Nelson Marlborough	135
West Coast	32
Canterbury	491
South Canterbury	55
Otago	185
Southland	110

Source: Statistics NZ population projections, Sep 2007.

## How Does NZ Compare?

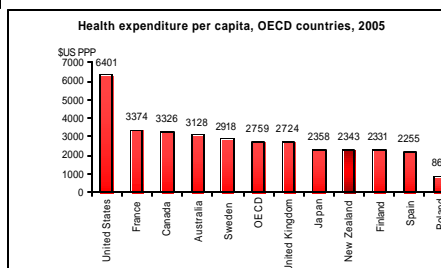


NZ spending level is ok:

- Spend at OECD average given GDP – 9%
- Per capita spend is modest

NZ spending level:

- A lot less than our nearest neighbour
- Challenged by the size and capacity of the population
- Low personal spending on health



## Health Expenditure Growth

*We have the same drivers!*

- Demand side
  - Population health: rising obesity/chronic disease; disability?
  - Demographics: ageing and ethnicity factors; pop. growth
  - Expectations: rising age of median voter; technology fuels demand; rising incomes
- Supply side
  - Technology: keeps expanding beneficial scope of system
  - Workforce: highly skilled; global; English-speaking market
  - Models of care: determine hospital admission rates
  - Productivity: how to beat Baumol's cost disease?



# Christchurch Hospital



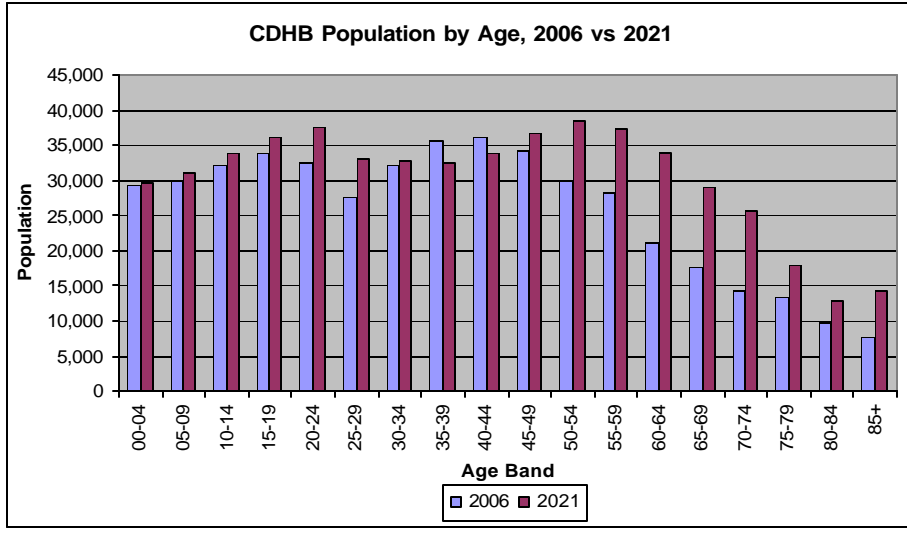
# Canterbury District Health Board

- **Staff**
  - 8500
  - 800 Doctors
  - 4000 Nurses
- **Hospitals**
  - 14 (1700 beds)
- **Patients**
  - 400,000 outpatient events p.a.
  - 86,000 inpatients p.a.
  - average length of stay 3.5 days
  - 75,000 ED visits p.a. (50 % admitted)
- **Activity - every year**
  - 5500 births
  - 900 people get new hips or knees
  - 330 have major heart surgery
  - GP visits
- **Funding**
  - \$1.4b total

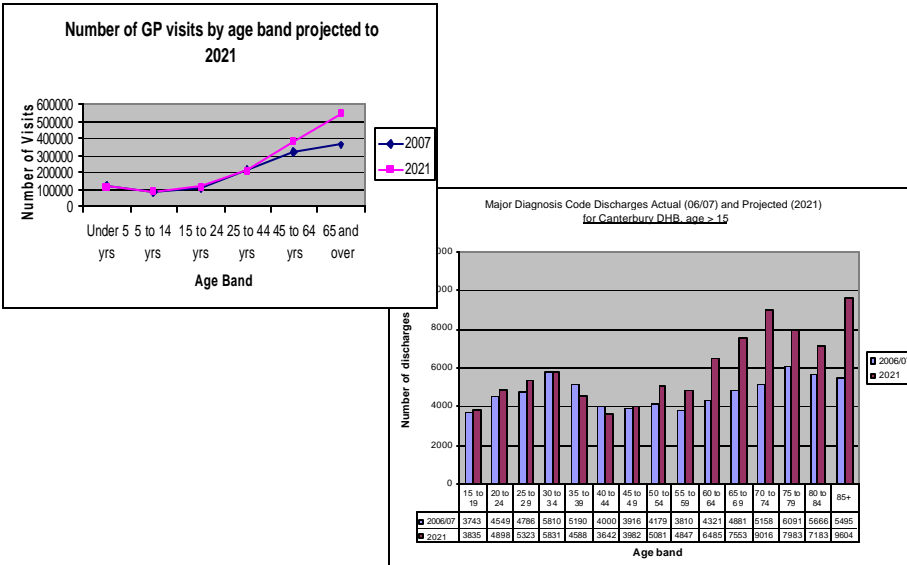


# Population Profile - Growth By Age Band

The health dollar is under pressure



# The Impact Will be on all of Health



## The Problem – Change is Coming

- Funding model changed by the Government (2004)  
*Now they expect results*
- Hospital & Specialist Services is growing and demanding more
- Emergency Department in public crisis for overcrowding
- The community sector is under pressure
- Demand across the sector continues to outstrip resources and this is expected to get worse

## CHL

# Canterbury Health Laboratories

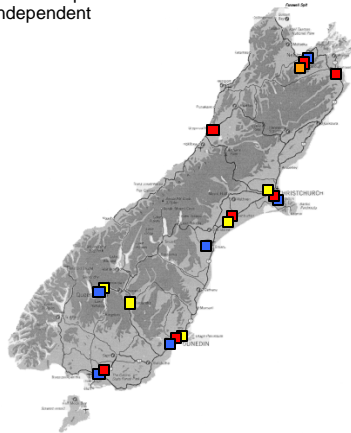


## NZ Pathology Funding Changes

9 Lab providers to 4 overnight!

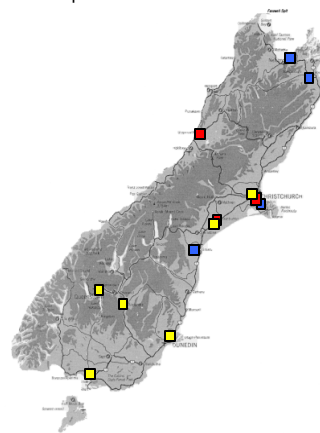
✗ DHB Laboratory  
✗ Sonic Healthcare  
✗ NZ Diagnostic Group  
✗ Pathology Associates  
✗ Abano Healthcare  
✗ Healthscope/Labtests  
✗ Independent

### South Island Pre 2007



✗ DHB Laboratory  
✗ Sonic Healthcare  
✗ Healthscope  
✗ Pathology Associates  
✗ Abano Healthcare  
✗ Independent

### South Island 2007



## Our Chief Executive's View on NZ Health

- We punch above our weight internationally
- Improvement is occurring – it's evolutionary (slow)
- Risks abound. The health workforce and NZ lifestyles need to be addressed urgently
- The next likely leaps forward
  - Fewer hospitals
  - Stronger primary and GP systems
  - Addressing non communicable disease
  - System wide coherence
  - Improved quality and reduced waste in variation