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Anthony Andrews

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Ref: H201700220

Dear Mr Andrews

## Response to your request for official information

Thank you for your request for official information received by the Ministry of Health on 25 January 2017. You requested "1. I would like to know what analytical or mathematical method's is used by the Ministry of Health to calculate efficiency/inefficiency of DHB's. If there is an in-house method, please provide with the details of method (guidelines or previous report on efficiency will be great). 2. I am particularly interested in knowing how MOH accounts for the resources/inputs (labour and capital) that each DHB uses in their efficiency analysis."

The Ministry uses The Nationwide Service Framework Library (NSFL) as a collection of definitions, processes and guidelines that provide a nationwide consistent approach to the funding, monitoring and analysis of services expected from DHBs.

This is supported by a letter of expectations from the Minister of Health that includes a requirement to live within their financial means.

As DHBs are funded to provide health services to their population and they develop their Annual Plans, DHBs will manage how they will achieve both expectations. They will consider what changes they need to make to the delivery of services given changes in technology, demand for services, and availability of resources. This in turn may lead to the need to find efficiencies to solve conflicting objectives. These efficiencies will be particular to each DHB and the Ministry will monitor the achievement of these through its Monitoring and Intervention Framework (MIF)

Yours sincerely

Jill Lane Director

Service Commissioning

The Bowell