

3 April 2019

Marie Daly  
By email: [fyi-request-9686-c6a7ea08@requests.fyi.org.nz](mailto:fyi-request-9686-c6a7ea08@requests.fyi.org.nz)

Ref: H201900984

Dear Ms Daly

### Response to your request for official information

I refer to your request of 27 February 2019 under the Official Information Act 1982 (the Act) for:

*"1. Since the Review Of The Rural And Tertiary Adjusters, Sapere Research Group 2015:*

- What actions has the Ministry of Health taken to inform DHBs about the aims, modelling method and financial impacts of the rural adjuster?*
- What actions has the Ministry of Health planned for the next two years to inform DHBs about the aims, modelling method and financial impacts of the rural adjuster?*

*2. For each of the past three years list the accountability, reporting and monitoring requirements DHBs are required to meet in relation to their allocation of each of the components of the Rural Adjuster for the three years ending June 2016, 2017 and 2018*

*Rural Adjuster Components:*

- Small hospital facilities*
- Community services*
- Offshore Islands*
- Travel and Accommodation*
- Inter hospital transfers*
- Governance*
- Rural GP/PHO payments*

*3. Please provide BOTH the percentage AND The monetary value of each of the 20 DHBs allocation of the Rural Adjuster for the three years ending June 2016, 2017, 2018."*

Under New Zealand's devolved funding system, District Health Boards (DHBs) are bulk funded for the provision of services to their resident populations. DHBs bulk funding is allocated using the Population Based Funding Formula (PBFF), which aims to give each DHB a similar opportunity, in terms of health resources, to respond to the health needs of its population. The PBFF does not determine the overall level of funding DHBs receive, set service level expectations or require boards to expend specific amounts in any service area.

The PBFF takes each DHB's resident population and factors in age, ethnicity, and deprivation to determine each DHB's share of funding. There are three adjusters that are factored into the PBFF model, one of which is the rural adjuster which is designed to compensate for the extra costs of providing services to small or dispersed communities. With regard to the specific questions you asked our answers are as follows

1. *Since the Review Of The Rural And Tertiary Adjusters, Sapere Research Group 2015:*

- *What actions has the Ministry of Health taken to inform DHBs about the aims, modelling method and financial impacts of the rural adjuster?*
- *What actions has the Ministry of Health planned for the next two years to inform DHBs about the aims, modelling method and financial impacts of the rural adjuster?*

The last PBFF review in 2015 involved representatives from various DHBs specifically and at the conclusion of that review a detailed technical report was made available to all DHBs and published on the Ministry's website as follows:

[www.health.govt.nz/publication/population-based-funding-formula-review-2015-technical-report](http://www.health.govt.nz/publication/population-based-funding-formula-review-2015-technical-report)

The Ministry has no actions planned for the next two years to inform the DHBs about the aims, modelling method and financial impacts of the rural adjuster as these will not change until the next PBFF review is undertaken.

2. *For each of the past three years list the accountability, reporting and monitoring requirements DHBs are required to meet in relation to their allocation of each of the components of the Rural Adjuster for the three years ending June 2016, 2017 and 2018*

*Rural Adjuster Components:*

- *Small hospital facilities*
- *Community services*
- *Offshore Islands*
- *Travel and Accommodation*
- *Inter hospital transfers*
- *Governance*
- *Rural GP/PHO payments*

The Rural Adjuster is a component of the PBFF allocation model and not a specific funding allocation, either at a total level or at the individual element level of the adjuster as you have listed. DHBs are bulk funded and are responsible for allocating their funding to meet their healthcare needs of their resident population. As such there are no specific accountability, reporting or monitoring requirements placed upon DHBs in regard to the rural adjuster.

Therefore I have decided to refuse your request under section 18(e) of the Official Information Act 1982 because the information requested does not exist.

3. *Please provide BOTH the percentage AND The monetary value of each of the 20 DHBs allocation of the Rural Adjuster for the three years ending June 2016, 2017, 2018."*

As the PBFF model is used to derive each DHB's total share of available funding and not the actual amount of funding, percentage and monetary values for the rural adjuster within that model for each DHB are not available.

Therefore I have decided to refuse your request under section 18(e) of the Official Information Act 1982 because the information requested does not exist.

You have the right, under section 28 of the Act, to ask the Ombudsman to review my response to your request for information.

Yours sincerely



Michelle Arrowsmith  
**Deputy Director-General**  
**DHB Performance Support**  
**and Infrastructure**

