



27 March 2019

Marie Daly
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Dear Marie

Official Information Act Request

I write further to my letter of 12 March 2019.

Northland DHB's response to your questions is set out below.

- 1. For each of the past three years ending June 2016, June 2017 and June 2018 what was the DHBs Rural Adjuster funding component of the PBFF funding pool?*

Transferred to Ministry of Health

- 2. Does the DHB fund and provide rural hospital services?
If Yes, continue to answer questions 2.1, 2.2 and 2.3. If no, go to question 3*

Yes

- 2.1 Provide the following information about the rural hospitals in your DHB.
If there are none, please report this.*

- Name or location of hospital*

Northland DHB's rural hospitals are Bay of Islands/Kawakawa, Dargaville and Kaitaia hospitals. Hokianga Health Enterprise Trust (HHET) operates a hospital at Rawene.

- List of services the hospital provides*

Information on the services at Northland DHB's facilities is publicly available and can be found at the following website <https://www.northlanddhb.org.nz/our-services/our-hospitals/>

Rawene Hospital services are listed on HHET's website www.hokiangahealth.org.nz.

- The business structure of the hospital eg DHB owned and operated / NGO or Iwi owned and operated*

Dargaville Hospital is owned by the Kaipara Joint Venture (52% DHB/48% Kaipara Community Health Trust) and is operated by Northland DHB. Bay of Islands Hospital and Kaitaia Hospital are owned and operated by Northland DHB. Rawene Hospital is owned and operated by Hokianga Health Enterprise Trust.

- *Annual Budget*

2.2 How is the annual budget for each of the rural hospitals listed in the table in 2.1 set?

Budgets for Kaitaia, Bay of Islands and Dargaville hospitals are set using a methodology similar to the rest of our services. This process is informed by previous year's expenditure, plus any changes, including additional services or capacity increases expected in the coming year.

Budgeted expenditure for 2018/19 are as follows:

Dargaville Hospital - \$8.113m
 Bay of Islands Hospital - \$17.02m
 Kaitaia Hospital - \$19.6m

Northland DHB does not hold information on how Rawene Hospital sets its annual budget for Rawene Hospital.

2.3 How does the DHB apply the annual rural adjuster funding to the benefit of each of the rural hospitals listed in the table in question 2.1?

Northland DHB applies the funding in line with the policy intent of the rural adjuster. It is a funding allocation from the Ministry of Health to district health boards for the unavoidable extra costs associated with providing health services to rural communities. The funding comprises the following components:

- hospital facilities – at Role Delineation Model (RDM) level 3, comprising provincial base hospitals such as Whangarei Hospital. Whangarei Hospital is level three for most services but has a level 4 emergency department and significantly higher volumes than other level 3 hospitals;
- community services – including small rural hospitals at RDM level 2 or lower, with the facilities at Kaitaia, Dargaville, Bay of Islands being examples; inter-hospital transfers; travel and accommodation; rural GP/PHO payments; and contracts for services to offshore islands.

3. Does the DHB fund and provide rural community services?

If yes, continue to answer questions 3.1, 3.2 and 3.3. If no, go to question 3

Yes

3.1 Provide the following information about the rural community services in your DHB.

If there are none, please report this.

- *Location of services*
- *List of Community services in each location*
- *The business structure of the service provider eg DHB owned and operated / NGO or Iwi owned and operated*
- *Annual Budget*

All primary care practices outside of the Whangarei urban area and that are defined by the Rural Service Level Alliance Team as rural, are considered to be in a rural location. Community services are not defined by rural or urban descriptors.

Northland DHB purchases a range of services that enhance primary care support to a remote, rural, high health need community from Whangaroa Health Services Trust and Hokianga Health Enterprises Trust. Both of these organisations are providers of core primary health care services as defined in the PHO agreement they hold with Te Tai Tokerau PHO.

Northland DHB does not hold annual budget information on these providers but notes that Manaia and Te Tai Tokerau PHOs and Hokianga Health Enterprise Trust publish annual reports which include financial information.

3.2 How is the annual budget for the community services listed in the table in 3.1 set?

Northland DHB holds no information.

3.3 How does the DHB apply the annual rural adjuster funding to the benefit of each of the rural community listed in the table in question 3.1?

Northland DHB applies the funding in line with the policy intent of the rural adjuster. It is a funding allocation from the Ministry of Health to district health boards for the unavoidable extra costs associated with providing health services to rural communities. The funding comprises the following components:

- hospital facilities – at Role Delineation Model (RDM) level 3, comprising provincial base hospitals such as Whangarei Hospital;
- community services – including small rural hospitals at RDM level 2 or lower, with the facilities at Kaitaia, Dargaville, Bay of Islands being examples; inter-hospital transfers; travel and accommodation; rural GP/PHO payments; and contracts for services to offshore islands.

4. For each of the past three years, under each of the components of the Rural Adjuster, quantify the allocation of Rural Adjuster funding through the DHBs contracts with its contracted providers or Service Level Alliance Teams.

- *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 Population Based Funding Formula. It is not allocated to district health boards as a specific line item of funding. We cannot quantify and/or itemise the specific component of the rural adjuster funding by line item or provider.

5. i. Does the DHB include reporting requirements specific to the use of rural adjuster funding in its contracts with service providers whose contract includes rural adjuster funding.

ii. If yes, provide a list of the reporting requirements included in the DHB contracts with these providers.

No

If you have any questions regarding Northland DHB's response to your information request please contact me.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Nick Chamberlain', written in a cursive style.

Dr Nick Chamberlain
Chief Executive