



28 March 2019

Marie Daly  
NZ Rural Hospital Network Executive Committee  
[fyi-request-9711-1e671cde@requests.fyi.org.nz](mailto:fyi-request-9711-1e671cde@requests.fyi.org.nz)

Dear Marie

### Official Information Act request

Thank you for your request for information dated 28 February 2019 for:

*“The New Zealand Rural Hospital Network wants to clearly understand each DHB’s process for allocating, monitoring and reporting the annual DHB Rural Adjuster Fund.*

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?*

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*

*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*
- *List of services the hospital provides*
- *The business structure of the hospital eg DHB owned and operated / NGO or Iwi owned and operated*
- *Annual Budget*

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

*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?*

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*

*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.*

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

*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?*



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
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.”

The responses to your questions are below.

1. **For each of the past three years ending June 2016, June 2017 and June 2018 can you please confirm what the DHBs Rural Adjuster funding component of the PBFF funding pool is?**  
 As previously advised this question has been transferred to the Ministry of Health to answer.

2. **Does the DHB fund and provide rural hospital services?**  
 Yes

**2.1. Provide the following information about the rural hospitals in your DHB**

<b>Hospital</b>	<b>Location</b>	<b>Services</b>
Pohlen Hospital	Matamata	Maternity services Observation beds
Thames Hospital	Thames	Secondary care Emergency care Medical wards Maternity services Laboratory services Radiology services
Taumarunui Hospital	Taumarunui	Secondary care Emergency care Medical wards Maternity services Laboratory services Radiology services
Te Kuiti Hospital	Te Kuiti	Secondary care Emergency care Medical wards Maternity services Laboratory services Radiology services
Tokoroa Hospital	Tokoroa	Secondary care Emergency care Medical wards Maternity services Laboratory services Radiology services

**The business structure of the hospital e.g. DHB owned and operated/ NGO or Iwi owned and operated?**

Pohlen Hospital is privately owned and operated. The other four are Waikato DHB owned and operated facilities.

**Annual Budgets**

Pohlen Hospital is funded by a fee for service basis. The annual budget is \$223,979.22.

The other four Waikato DHB operated hospitals are funded \$6.6 million per year to provide the rural services.

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

The annual budgets are based on volume activity and complexity of patients presenting to the Level 1 and 2 hospitals.

**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?**

The rural adjuster is included in \$6.6million dollars allocated to the provider arm for the rural hospitals; the provider arm then as part of their budgeting process allocates associated funds to each of the rural hospitals. This funding allocation is reflected in the Price Volume Schedule agreed between the funder and provider arm.

**3. Does the DHB fund and provide Rural Community Services?**

Yes. The funding is in recognition of rural location in addition to other funding such as capitation, pharmacy and usual rest home provision. The total annual budget is \$3,754m per annum.

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

The services outlined below address question 3.1.

<b>PHO Service</b>	<b>Location</b>
<p><b>Midlands Health Network</b> Rural Bonus, Reasonable Roster, Retention and Recruitment with General Practices</p>	<ul style="list-style-type: none"> <li>• Te Kuiti</li> <li>• Whitianga</li> <li>• Whangamata</li> <li>• Coromandel</li> <li>• Colville</li> <li>• Putaruru</li> </ul> <ul style="list-style-type: none"> <li>• Tokoroa</li> <li>• Waihi</li> <li>• Colville</li> <li>• Huntly</li> <li>• Morrinsville</li> </ul> <p>Telephone Nurse Triage Services Rural Sub hubs in Coromandel, Whitianga and Whangamata General Practices GPs in Thames ED for 6 hours on Saturdays</p>
<p><b>Hauraki PHO</b> Rural Bonus, Reasonable Roster, Retention and Recruitment with General Practices</p>	<ul style="list-style-type: none"> <li>• Matamata</li> <li>• Thames</li> <li>• Huntly</li> <li>• Colville</li> <li>• Whitianga</li> <li>• Waihi</li> <li>• Tokoroa</li> </ul>

	Telephone Nurse Triage Services Rural Sub Hub in Matamata
<b>National Hauora Coalition (PHO)</b>	Telephone Nurse Triage
<b>Waikato DHB</b> Contribution to deliver primary medical care from 8.00 pm to 8.00 am is every day including all weekends and public holidays.	Southern rural hospitals and Thames Hospital
<b>Financial support for rural pharmacies.</b> Four rural pharmacies receive additional funding (this is where they are the only one in town and are 30 minutes from other nearest pharmacy).	<ul style="list-style-type: none"> <li>• Tairua</li> <li>• Te Kauwhata</li> <li>• Ngatea</li> <li>• Coromandel</li> </ul>
<b>Rural GP Inpatient Beds</b>	<ul style="list-style-type: none"> <li>• Pohlen Hospital</li> <li>• Te Aroha &amp; District Hospital Trust</li> <li>• Waihi Hospital</li> <li>• Moana House Trust</li> <li>• Oceania Co Ltd</li> <li>• Phoenix Resthome and Hospital</li> </ul>

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

The annual budgets are set based on the previous years' delivery and a discussion with the individual provider organisations.

**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?**

The services listed in 3.1 are not funded from the Rural Adjuster.

**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**

The information is unable to be provided as it is not collected or reported to the District Health Board and therefore this part of your request is refused under section 18(e) of the Official Information Act because the information does not exist.

However we have continued to invest in rural health care provision over this period requested. The funding applied to rural hospitals greatly exceeds the Rural Adjuster.

**• Community services**

The information is unable to be provided as it is not collected or reported to the District Health Board and therefore this part of your request is refused under section 18(e) of the Official Information Act because the information does not exist. However, we have continued to invest in rural health care provision over the period requested.

- **Offshore Islands**

Waikato DHB does not fund services to any Offshore Islands.

- **Travel and Accommodation**

Travel and Accommodation is funded in accordance with National Travel Assistance criteria

- **Inter hospital transfers**

The information is unable to be provided as it is not collected or reported to the District Health Board and therefore this part of your request is refused under section 18(e) of the Official Information Act because the information does not exist. However we have continued to invest in rural health care provision over this period requested.

- **Governance**

We do not hold any information in relation to Governance.

- **Rural GP/PHO**

Waikato DHB operates two Rural Service Level Alliance Teams for rural general practice, (RSLATs) being Hauraki (RSLAT) Midlands Health Network (RSLAT) which provide guidance on Rural GP/PHO payments. The services established by each of the RSLAT's are outlined in response to question 3.2

**5. 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.**

No. Other than rural adjuster being reflected in the annual funding allocation via the Price Volume Schedule there are no specific reporting requirements for the rural adjuster funding.

You have the right to request the Ombudsman investigate and review the decision to withhold the information. The Ombudsman's postal address is:

The Ombudsman  
Office of the Ombudsmen  
P O Box 10-152  
WELLINGTON

Yours sincerely



**Tanya Maloney**

**Executive Director, Strategy, Funding and Public Health**