

POLICY	SETTING HEALTH SERVICE PRIORITIES & SERVICE RATIONING
--------	---

Background The government decides the funding available to spend on health and disability services in Nelson Marlborough.

The opportunity to improve health and disability support will always exceed what will be achievable within the allocated funding.

The Board therefore, has responsibility in both its funding and provision roles, to determine those health and disability service areas which will take priority for public spending.

These decisions must be based on principles which are consistent with community values. The prioritising and rationing processes must be transparent and have community input. The decisions need to be open to scrutiny and challenge. The policy and processes must support the achievement of Maori health gain.

The prioritising and rationing framework will continue to evolve over time.

Context The prioritisation and rationing decision making takes place in the context of:

- limited funding
- government strategies and requirements
- needs assessment (e.g. population demographics)
- community perceptions and expectations
- limited epidemiological data

Policy Statement NMDHB will make transparent, principled and reasonable decisions on the funding and provision of publicly funded health and disability services. These decisions will be based on the Board's Prioritisation and Rationing principles and made against the decision criteria.

Scope The policy enables the Board and senior staff to regulate access to services and covers all planning, funding and provision decisions made by the Board and senior staff.

When making decisions on the diagnosis treatment or rehabilitation of individuals clinical staff are expected to recognise the intent and spirit of this policy.

Definition Setting priorities and rationing is the process of assessing the relative importance or value of health and disability service interventions and programmes against the agreed principles and criteria and according to the agreed processes and protocols.

Issue Number	1	<i>This is a Controlled Document. The electronic version of this document is the most up-to-date and prevails over any printed version. Printed versions of this document are valid for the day of printing only. This document is for internal use only and</i>	Author	Corporate
Date Approved	18/10/02		File name	Policy Priorities
Date Review	18/10/04		Page	of 3

Levels of Prioritisation

1. Amount in vote health and between DHBs – Government.
2. Within the DHB between services – Board
3. Within services between procedures / treatments – Board / Management
4. Within procedures / treatments between patients – Clinicians.

Principles

Listed below are the principles which are used to guide decision making.

- resources will be allocated to those services which will reduce inequalities in health (i.e. improve the health of those with the poorest health status) – **the principle of equity of outcome.**
- resources will be used to achieve the greatest good for the greatest number of people with the greatest health need – **the principle of best utilisation.**
- resources are allocated to those services which are clinically achievable over time – **the principle of sustainability.**
- resources are allocated to those services which can be financially supported over time – **the principle of affordability.**
- decision making criteria and processes are available for scrutiny and open to challenge – **the principle of transparency.**
- resources are allocated on the basis of greatest need in conjunction with the highest likelihood of best outcome – **the principle of ability to benefit.**
- funding will be allocated to services which are shown to achieve the desired outcome – **the principle of effectiveness.**
- the decisions are consistent with the values and expectations of the community – **the principle of acceptability.**
- decision makers will have regard to the views of the recipient - **principle of sensitivity for individuals.**

Decision Making Criteria

Priority will be given to those services which:

- are consistent with the rationing principles and therefore community values and expectations.
- contribute to the Board's priorities and therefore Government priorities.
- reduce inequalities
- prevent illness or injury
- increase co-operation and collaboration
- decrease administrative costs and efforts
- use resources in an innovative way to reduce cost or increase benefits.

Decision Making Tools

Resources will be allocated following objective assessment.

- good cost-benefit ratio – good balance between money which will be spent and the benefits that the health programme will realise.
- good cost-effectiveness ratio – money spent treating a particular condition produces an outcome as good as or better than that produced by spending the same amount of money on some other condition.
- good cost-utility analysis – for example, effectiveness of a service is measured in Quality Adjusted Life Years (QALYS), combines both duration and quality of life.
- Continuing use of epidemiological data.

Issue Number	1	<i>This is a Controlled Document. The electronic version of this document is the most up-to-date and prevails over any printed version. Printed versions of this document are valid for the day of printing only. This document is for internal use only and</i>	Author	Corporate
Date Approved	18/10/02		File name	Policy Priorities
Date Review	18/10/04		Page	of 3

The Board would like to make all decisions based on good epidemiological data and evidence on outcomes. This information, although improving, is limited. Therefore, in the absence of a simple empirical basis for resource allocation the Board recognises that decisions will need to be made through administrative or political (e.g. direction from the Minister) processes. In this situation the Board commits to ensuring fair and accurate representation of need and benefit and reasonableness in the judgement of relative importance or value.

Decision Process

1. Board Committee considers service proposal.
2. Service is assessed using principles, decision making criteria and decision tools if possible.
3. Committee makes recommendation to the Board to accept or decline proposal.
4. Board accepts or declines recommendation.
5. Proposals accepted by the Board that require new funding are placed in a "project pool" and ranked against the others in the "project pool" in terms of priority of implementation.

If however the proposal will make a significant contribution towards achievement of the Annual Plan and has robust evidence of direct savings of sufficient magnitude to cover the cost of the proposal, it may be accepted for immediate implementation.

Issue Number	1	<i>This is a Controlled Document. The electronic version of this document is the most up-to-date and prevails over any printed version. Printed versions of this document are valid for the day of printing only. This document is for internal use only and</i>	Author	Corporate
Date Approved	18/10/02		File name	Policy Priorities
Date Review	18/10/04		Page	of 3