19 December 2007

New Zealand Health IT – Is it time for a rethink?

Dear Colleagues,

We are all passionate about optimising the use of information technology within the New Zealand health sector. It is important for a number of reasons that the result we achieve reflects the best possible outcome for the work we put in. All around the world, countries are finding automating their health sectors a very difficult task. HealthLink is advocating a reassessment of the way in which we are approaching this task in New Zealand. Automation of manual processes and development of new IT-enabled healthcare delivery represents one of the few opportunities to improve the efficiency of a health system that is groaning under an ever-increasing burden of demand and consequent cost.

Please do not regard these views as criticisms of any particular Government authority, organisation or group. Please view them as ideas generated in a genuine effort to find ways in which to better apply our resources to the task at hand.

The following issues are causing HealthLink concern:

1. Lack of clear, concise and well-articulated/ readily understandable strategic policy direction to guide progress;
2. Lack of clear role definition for government agencies and private bodies in the health sector; and
3. A lack of well-targeted funding.

If critical decisions in these areas are not made soon, New Zealand's early international leadership in healthcare IT may soon be just a pleasant memory. Our health IT strategies and policies are seemingly confused and ineffective. A private sector that was once keen and vigorous is looking offshore for opportunities and ignoring its home market. Government appears disillusioned and is (in our view quite correctly) withholding funding until it sees a formula in place with a greater chance of success.

If, as a health IT opinion leader, you believe as strongly as we do in the vital role of healthcare IT in driving New Zealand's healthcare strategy, please read what we have to say and make your views known too. Then let's get to work to sort these issues out.

Yours sincerely
HealthLink Limited

Tom Bowden
Chief Executive

Rethinking New Zealand's Health IT Strategy And Delivery

-A Candid Viewpoint

Tom Bowden
CEO HealthLink Ltd
November 29th 2007

Introduction

Over the past fifteen years New Zealand has quietly and capably become a world leader in the broadly-based adoption of information and communications technology within its primary healthcare sector[1]. Recently however progress in this area seems to have slowed considerably. We believe that this may be occurring despite – or perhaps because of – significantly greater central government involvement and a burgeoning of government-sponsored groups and organisations set up to "further progress this work". Whatever you believe is the cause of the problem, it would be difficult to argue convincingly that the introduction of new e-health systems and services has not slowed to a snail's pace.

This paper has been prepared by HealthLink, one of Australasia's key healthcare information technology providers. HealthLink is a company focused upon delivery of integration and communications services to primary healthcare providers. The company was founded in 1993 under a public-private partnership agreement with the New Zealand Government. We are now active in New Zealand, Australia and Canada and we specialise in the development of e-health infrastructures and services.

Our conclusion is that:

1. New Zealand Government and government-funded agencies are trying to take a very active role within the health IT agenda.
2. They have expended a great deal of time and resources, seemingly in an effort to emulate the successes of the private sector.
3. Involvement in 'hands on' activities has diverted these agencies from focusing on the essential role of providing clear strategic direction on critical health IT policy issues and justifying/securing appropriate levels of funding for the execution of that strategy.

This paper seeks to describe the current situation and its attendant dilemmas in a simple, self-explanatory manner. It is an attempt to prompt clearer thinking about the situation that exists. We hope that a better understanding of the current situation will be sufficient to prompt the development of an environment in which New Zealand can utilise information technology to make its healthcare system more efficient and thus able to deliver better healthcare for all New Zealanders.

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[1] That is, General Practices using their practice computer systems to exchange patient information with other parts of the health sector.

Background and History

New Zealand's Primary Healthcare Strategy

The New Zealand health system was one of the first in the world to truly embrace a primary-care led health strategy. Under this strategy general practices become the key managers of personal healthcare, entrusted with the ongoing care of individual patients. A primary-care led health strategy is now widely held to be the most logical, cost-effective way to improve delivery of healthcare in a first-world economy. (Please refer to studies in appendix One and throughout this document). Healthcare costs are rising quickly in all OECD countries as a direct consequence of an ageing population and steady increases in chronic disease levels. This situation is aggravated by an expansion of costly treatment options, a reducing/plateauing taxation base and a plateauing/ declining health workforce.

New Zealand started the long journey toward a primary care-led health system in the 1992 healthcare reforms. We have determinedly pursued this strategy irrespective of changes in government.

The majority of other OECD countries are experiencing burgeoning healthcare costs and are looking for better ways to manage their health systems. This search has gained in intensity and countries such as the United States are faced with the prospect of urgent reform.[2] Fifteen years after NZ's major and ground-breaking health reforms began, the concept of each patient having a "medical home" (a direct ongoing and trusting relationship with a family practitioner eg patient enrolment) is quickly gaining credibility internationally[3]. As New Zealand's arduous journey towards fundamental reform has demonstrated, implementing a primary-care led healthcare strategy is extremely problematic. It is however, in HealthLink's view the correct strategy for New Zealand to have pursued.

The Importance of Primary Healthcare

Only recently has good quality comparative macro-economic data become available to support a country's choice of healthcare funding and delivery models. During the past two years the Commonwealth Fund[4] (a US-based charitable trust whose objective is to promote high performing health care systems) has become extremely active in comparing and contrasting international healthcare systems' performance.

Commonwealth Fund reports have become increasingly vocal in their support for primary care led health strategies. The Fund and other like-minded groups such as the American Academy of Family Physicians are now calling for urgent primary care-led reform to become a national priority within the US and they are actively pushing for system-wide reform.

The Commonwealth Fund argues that the most effective healthcare model within OECD countries is one which provides universal healthcare (healthcare available to all citizens) and achieves this via coordinated care delivered by general practice. The Fund notes the importance of each patient having a 'medical home'; a place in which their personal medical needs are catered for as a priority. This is exactly what has already been achieved in New

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[2] Fundamental healthcare reform is becoming a major issue in the 2008 US Presidential election. Refer to www.dividedwefail.org for further background.

[3] The concept of a 'medical home' for every patient is now being strongly promoted by The American Academy of Family Physicians www.AAFP.org. Refer also www.transformed.com

[4] www.commonwealthfund.org

Zealand as a consequence of The Primary Care Strategy. Commonwealth Fund reports have explicitly offered strong support for the New Zealand Primary Care led health strategy.

Furthermore, the Commonwealth Fund asserts that **use of information technology within primary care has been identified as a key determinant of health system effectiveness**. The Fund states that:

- *"there is evidence that national "system" focus is essential to build capacity"* and that *"there are striking differences across the countries in elements of primary care practice (information) systems that underpin quality and efficiency"*
- "*Support of improved, more widespread coordination capacity and electronic information technology (IT) systems that enable exchange offer the potential to integrate care and improve patients' experiences"*[5]

The Importance of Primary Healthcare Automation

For the past 15 years, New Zealand's primary care sector has steadily improved its use of automation as a natural response to the requirements of primary care.

Today, New Zealand's general practices employ electronic systems equal to the best in the world. New Zealand is an acknowledged world leader in the field of health IT[6]. The 2006 Commonwealth Fund comparison of health system automation notes that 87% of our general practices have a highly functional practice computer system. This contrasts with 18% in the US (land of the Silicon Valley) and only 8-10% in Canada. 100% of New Zealand's general practices communicate electronically to some degree. Each year more than 40 million items of electronic patient information are sent between New Zealand's general practices and other parts of the health system to coordinate the care of patients. This flow of information is the lifeblood of the New Zealand's primary health system; without it we could not operate a successful primary care strategy.

However, despite these early successes, we have only scratched the surface - there is a great deal more to do. There is an urgent need to continue apace with automation of our health system. System-wide improvement is becoming both urgent and important. This is an international problem and is evidenced by the following quote from the November 2007 *Medical Journal of Australia*:

"There is a looming crisis in the health care system from an unprecedented simultaneous bulging in demand and reduction in workforce. Ten-fold improvements in productivity will soon be required and this can only happen if the work of those in healthcare is leveraged and healthcare consumers become more engaged in the process. Health informatics is critical to both strategies."[7]

Despite having created one of the world's best IT enabled primary care systems, New Zealand's innovation has stalled (very few new services are now being introduced) and there are significant problems ahead for the health sector unless the barriers to delivery of good information technology are removed. New standards that have been developed are not being implemented. Very few new services have been developed or are contemplated. A sector that

[5] **ibid**

[6] **For further information on how we have been recognised, please see Appendix 1.**

[7] **'Challenges in Health and Health Care for Australia' – Medical Journal of Australia November 2007 Bruce K Armstrong, James A Gillespie, Stephen R Leeder, George L Rubin and Lesley M Russell.**

has counted upon innovation is seeing little or no tangible progress year-on-year. There is no widely agreed strategy that will support investment in development of services.

This paper attempts to pinpoint the reasons why this situation has occurred and to recommend a course of action which if followed might enable the New Zealand IT to once again deliver a meaningful contribution to the overall health sector.

The Current Situation

From 1992 until 2001, the New Zealand health sector progressively improved its use of electronic communications for exchange of clinical information. Availability of key national infrastructure (especially the National Health Index and the Health Information Privacy Code) and an effective engagement formula with private sector IT companies combined to form a very effective delivery strategy. For almost a decade New Zealand's health sector steadily improved its use of electronic communications, gradually becoming an international leader in this highly specialised field. Healthcare software is now New Zealand's largest software export category.

Over the past six years there has been a major increase in central government's role in delivery of e-health. A number of government-funded agencies or initiatives have attempted to play an active role in the development of new services. The agencies involved include HISAC, The New Zealand Health IT Cluster, NZHIS/ Connecting Health, ITS (Information technology Services, a Division of the Ministry of Health), and Healthpac. There is significant fragmentation of the process and the complex range of Government agencies has left little room for involvement by the private sector organisations that led the way prior to 2001.

Promised additions of key infrastructure have not been delivered (a health provider index, data dictionary, LOINC code sets are examples). A coherent IT strategic plan is a thing of the past. Private sector companies have been held back from innovating and delivering new services. (For example HealthLink has approached government several times to propose introduction of new services and has been forced to go it alone, or wait for HISAC and related parties to run its own 'proof of concept pilots' etc). The small amount of funding available is being expended upon projects under the direct control of government agencies rather than being used on the 'frontline of care' where users can make better purchasing decisions and create a competitive market for services.

HealthLink is not attempting to apportion blame for these problems. Determining good e-health strategy and delivering an effective national capability is an extremely difficult task the world over. However, if we want to do the best possible job for New Zealand and New Zealanders we need to continue to improve automation of our health system and thus unblock the current log-jam of unimplemented infrastructure and standards that prevents integration companies from delivering new services. Achieving this will require much more effective teamwork between private sector and government.

HealthLink believes there are three main issues, as follows:

1. Lack of Strategic Direction

There is currently no clear strategy appearing to link IT development to key health policies. Nor is there a clearly articulated plan covering key matters such as shared health records or health system architecture.

Efforts during the past few years including the WAVE[8] report, HIS NZ[9] and other initiatives have not yielded a single, coherent, easily understood strategy document capable of being understood at all levels and implemented at any level[10].

The Auditor General's 2005 review of the WAVE Report outlined the need for:

- a *detailed plan with measurable objectives and*
- *a simple "road map" that is communicated to the sector, showing the integrated health information system that the sector is aiming for.*

Unfortunately no such plan currently exists. There is no roadmap, nor is there any coherent or plausible time-line. Reading the 100 page HIS NZ document brings to mind the Solicitor-General's recent criticisms of the anti-terrorism legislation: *"Unnecessarily complex, incoherent and as a result almost impossible to apply"* and a statement by an Australian health minister who reportedly said:

"In terms of making international comparisons, I find Health IT relatively easy to understand. Whenever I visit a country, I ask to see their Health IT strategy and I know that the extent of their success to date is almost certainly inversely proportional to the volume of strategy documentation they show me.". New Zealand has a great quantity of strategy documentation (see appendix two); however, little of it is of practical value to the healthcare provider or health IT company.

Even Ministry staff find the current strategy relatively unhelpful. A senior Ministry IT staff member recently described HIS NZ's twelve action zones as "*the usual laundry list of solutions to the perennial basket of problems"*

There is no proposed architecture for sharing of records; there is no visible effort being put in to gain public support for automation of healthcare processes; and there is no significant level of investment being made to help general practices embrace automation and improve their ability to deliver coordinated care. As a consequence, a number of parties are developing separate and conflicting initiatives (regional data repositories, GP held electronic health records, event summary databases and proposed IHE XDS[11] initiatives all serve the same purpose but are incompatible approaches to solving the same key issues) and a great deal of time and effort is being wasted on initiatives that will have no place in the health environment of the future (some of the above initiatives will succeed, most will not. Because there is no agreed plan, all manner of approaches are being tried).

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[8] **The WAVE (Working to Add Value Through E-information) report was produced in 2001**

[9] **The HIS NZ (Health Information Strategy for New Zealand) published in 2005**

10 **For further discussion on these documents please see Appendix 2.**

11 IHE (Integrating the Healthcare Enterprise) XDS (Cross document sharing) systems see www.ihe.net

Recommended Action: In our view, HISAC (the Health Information Strategy Action Committee) in its principal role as a Ministerial Committee should give its highest priority to **developing a clear, simple, well-articulated IT strategy** that will support the New Zealand Health Strategy and the Primary Healthcare Strategy in particular.

There are some critical issues that need to be addressed. HealthLink would like to see careful study around how patient information can best be shared between providers (centralised repositories vs. decentralised management of electronic medical records); validation of the proposed architectures against national health priorities; public consultation; and then a firm, clear decision on how health information should be managed.

Once there is an agreed plan, it should be simplified for some audiences, expanded upon for others and as a matter of priority clearly and simply articulated at every level. Doing this will enable various key audiences (Government, healthcare providers, IT systems and services providers, general public) to be confident that a workable plan is a practical possibility.

2. Lack of Clarity over Government's Role in IT

In our view, lack of clarity on where the boundaries lie between the role of the state and the private sector is having a harmful effect on a number of fronts. It appears that government bodies are attempting, unsuccessfully, to take on the private sector role of innovation. (examples include launching system integration initiatives, running pilot projects). State-funded organisations are trying to become system integration companies, using public funds to do so and competing with existing industry players (e-labs, e-pharmacy initiatives are examples). Government funded central agencies are running proof of concept pilots and other IT projects. These actions are alienating private sector organisations which could and should provide the necessary innovation (The Health IT cluster, a largely government- funded entity is at the centre of much of this activity).

Over the past few years in New Zealand there has been little in the way of new national infrastructure delivered[12] and the only IT capability being delivered to support front-line primary care delivery appears to be despite rather than because of government's initiatives[13].

We have also become gravely concerned at the slowing up of key national initiatives (public health initiatives, screening programmes, infectious disease surveillance and national reporting projects). Delays are often imposed by staffing these projects with consultants who spend entire projects learning about technologies that are relatively well understood within private sector organisations that could execute them with consummate ease. The speed with which

[12] There has been no new national infrastructure delivered since 1991. Despite being promised a health practitioner index for many years, this has simply not materialised.

[13] We note that the only new IT project mentioned by the (former) Minister of Health in his speech at the 2007 HINZ Conference was an initiative led by the private sector, with no involvement by government health IT agencies. Whereas once primary care was the beneficiary of plenty of innovation and new product introduction, today very little is changing from year to year. This is having a significant impact upon PHOs' ability to deliver day to day capabilities or to innovate and develop new services for their member practices. Organisations and consortia approaching the government agencies charged with making these initiatives occur are knocked back with responses that indicate Government wishes to take a direct role in delivery of these capabilities.

centrally-run national initiatives are achieved (often measured in years) and the consequent unnecessary costs to the New Zealand taxpayer are very disconcerting.

One area in which some progress has been made is in standards development. HISAC is to be commended for that and some key HISAC/HISO staff can take credit for doing an excellent job in this particular area. However, developing a standard is but one part of the job of standardisation. Currently we have up- to-date messaging standards available to us but there is neither an implementation plan nor any activity under way to achieve one. Ideally government would ensure use of standards by applying incentives via funding mechanisms. This is not being done, nor it appears is it being contemplated. Completed standards (developed at significant cost to the private sector who undertook most of the work of developing them) are consequently languishing on the shelf, going rapidly out-of-date.

Private sector involvement made a profound and valuable difference in the early stages of development of IT within the sector. This energy and expertise is now being lost as New Zealand companies with internationally competitive expertise and experience turn their attention elsewhere. (Names of five companies, including some of the largest ones operating in the sector have been withheld for commercial reasons).

Ambiguity over government's role and disquiet at the number of government-related entities dabbling in IT projects means that major IT players are avoiding investment in health IT. The majority of key private sector organisations capable of delivering IT systems and services to primary care are now beginning to or have already shifted their focus offshore, with some abandoning the New Zealand market entirely. Venture capital funds are actively discouraging investment in health IT because of the feedback they are getting from existing industry players. Those remaining businesses are finding that their efforts are held back, making their involvement unsustainable in the medium to long-term.

What is the appropriate role for Government?

We believe that overall development of IT strategy and its successful execution is important to Government because Government will be judged upon what is achieved. We believe Government should be very clear about what should be done but resist direct involvement in execution and focus instead on encouraging private sector involvement to execute it.

Following are some international commentators' views on what government's role should be:

"Government needs to focus on creating a better environment for healthcare rather than attempting to throw money at health IT"

Dr David Brailer, formerly the US Presidential Chief Advisor on Health IT

"Industry can do many things better than the state, not because of the quality of the people in the national projects, but because you are allowed to make mistakes as a company. A state is not allowed to make a mistake. As a company, when you do something wrong, you lose some money, and normally you can go for a better solution afterwards. You don't have this option as a state. When you develop something as a state, everything has to be right from the beginning, and this takes ages. If you need five years to define two bytes, you don't have to be surprised when you don't get ahead. ***It may sound bizarre, but in recent years, the efforts towards national infrastructures have delayed the networking process in medicine rather than encouraged it"*** (our emphasis)

Frank Gotthardt, head of CompuGroup, one of the fastest growing health IT companies in Europe

Recommended Action: We believe that government bodies in the health IT sector need to focus on providing strategic direction and core infrastructure to the sector. They need to operate in partnership with the private sector rather than taking a hands-on role in the creation and delivery of systems and services. These actions would go a long way towards creating the right environment, one in which health IT could flourish again.

3. Lack of Funding

With annual expenditure of NZ$5 billion on primary healthcare, the New Zealand Government should be investing between $50 and $150 million per year[14] in development of information systems and services to support the primary care strategy.

Unfortunately the reality is that very little is being invested, simply because, in our view, there has not been significant cost justification developed to do so. Today leading companies operating in the sector believe that less than $20 million is being spent on primary care IT systems. Clearly no government would invest significant sums of money in a high-risk area without having a detailed and plausible plan upon which to base its investment. Indeed we believe much of what is currently being expended centrally is wasted on proof of concept projects and small consultancy assignments and should be reapplied either to development of strategy and business cases or given as targeted funding to primary healthcare organisations and/or practices, hospitals and non-government organisations (tagged to achievement of specific outcomes).

Recommended Action: We believe that HISAC's second priority (after confirming a cohesive strategic plan) should be to prepare a benefits realisation study showing the value to the country of various e-Health initiatives. Funding should be given directly to healthcare providers with payment conditional upon achieving performance targets (eg calculated by the percentage of electronic referrals made)

Developing benefits realisation analysis is not as difficult as it sounds. In Australia, NEHTA has done much of this work; Canada Health Infoway has done it; in Denmark, a value per clinical electronic message has been established and an estimate of economic contribution to the country has been agreed upon by government. All of these countries are investing significant sums of money in e-Health, simply because the strategic plans and business cases/ cost justification has made it possible to do so. Organisations such as The Rand Corporation[15] (a large US research based not-for profit organisation/policy think-tank) have done extensive work in cost-justifying healthcare IT investment. They have typically been able to make a strong case for healthcare IT investment as they can show that the benefits of e-Health are clearly demonstrable.

We believe that in New Zealand, the government's coffers are simply staying shut because this work has not been done. The Acting Deputy Director-General has said to international audiences that *"New Zealand has made a massive bet on Primary Care*". However this kind of statement is very difficult to reconcile with such a small amount of real activity taking place to develop a supporting IT capability. In our view, choosing and describing an explicit IT strategy (and within it the services, systems and standards framework needed) should be an absolute priority. Flowing on from strategy development and benefit realisation analysis, should be the

[14] **Based on generally expected levels of investment in IT across industries**
[15] **www.rand.org**

process of getting outcome-based funding into the hands of parties who can purchase services and make the strategy work.

Concluding Comments

Within this paper we have laid out the issues that we believe are blocking the development of healthcare information systems and services in New Zealand. We are calling for **an immediate, fundamental and thorough overhaul of NZ's Health IT strategy**. It is a matter of national importance that we create an environment in which innovation can once again flourish.

The key requirements are to:

1. Develop an achievable yet ambitious healthcare IT strategy that supports the national health strategy, primary care strategy and disability strategy; ensuring we have a clear simple roadmap that everyone in the sector can follow.

2. Be very clear as to how Government agencies should work with the private sector; Government agencies focusing upon strategy and funding and the private sector developing and delivering services and systems.

3. Focus upon development of high calibre business cases to support government investment; helping government to apply funding via the hospitals and practices and other healthcare organisations that are capable of making the strategy work.

We firmly believe that were the above formula applied, we could get New Zealand's healthcare IT back on track in a matter of months. We look forward to working together with other organisations across the sector to make this happen.

Further work is now underway, developing strategic options for the sector and generating benefit realisation analysis.

Appendices

Appendix One: Recognition of New Zealand's Achievements in Health IT

Appendix Two: Recent Government Strategy Documents

Appendix One: Recognition of New Zealand's Achievements in Health IT

During 2006, two important international studies highlighted New Zealand's achievements. They were:

- *'A Comparison of Information Technology in General Practice in Ten Countries'* produced on behalf of City University London's Centre for Health Informatics by Professor Denis Protti and

- *'2006 International Health Policy Survey of Primary Care Physicians in Seven Countries'* produced by The Commonwealth Fund.

Professor Denis Protti is the founding professor of health informatics at Victoria University, British Columbia and visiting Chair of Health Informatics at City University London. He advises the British and Canadian Governments and is regarded as one of the world's leading authorities on health system integration and communication. According to Professor Protti New Zealand and Denmark lead the world in their use of information technology.

The Commonwealth Fund is a US-based charitable trust whose board members include some of the US healthcare system's most influential people. The Commonwealth Fund's stated objective is "To promote a high performing health care system that achieves better access, improved quality, and greater efficiency, particularly for society's most vulnerable, including low-income people." The fund supports independent research on health care issues and makes grants to improve health care practice and policy and to stimulate innovative policies and practices in the United States and other industrialised countries.

According to The Commonwealth Fund[16], New Zealand leads internationally in the following areas:

- It has the highest level of information coming back from almost all referrals; with 82% of New Zealand respondents stating that they almost always received information back from referrals.

- The highest number of physicians (82%) stating that they always received a full report from hospital within two weeks of discharging a patient.

- The largest proportion of practices with high levels of clinical information functions in their practice management systems (87%) – see chart below.

- The highest level of access to electronic test results (90%).

[16] 2006 Commonwealth fund International Health Policy Survey of Primary Care Physicians http://www.commonwealthfund.org/surveys/surveys_show.htm?doc_id=419152

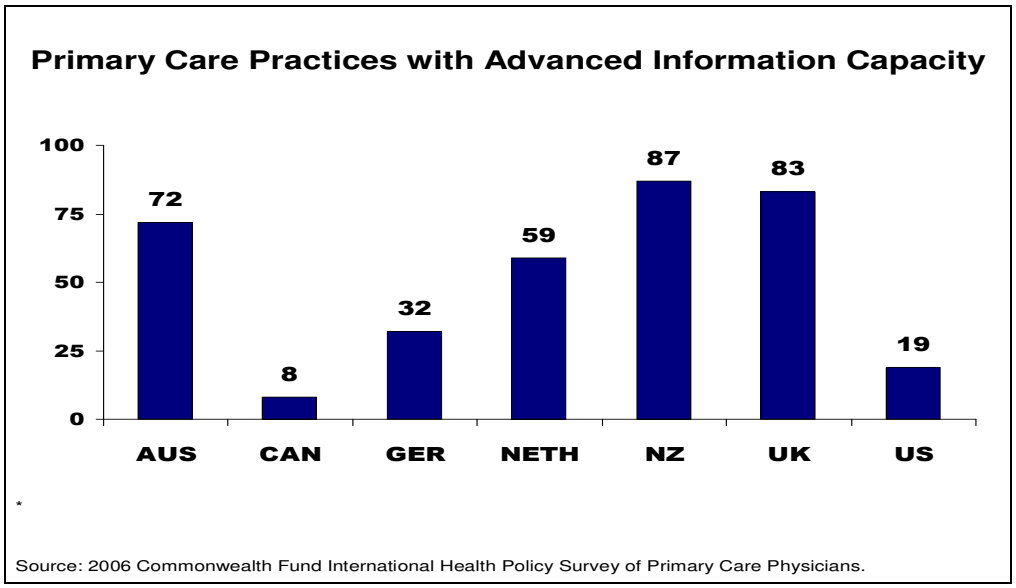

Fig 1: Commonwealth Fund graph showing New Zealand's leadership in primary care automation

Closer reading of The Commonwealth Fund report reveals that much of New Zealand's leadership in primary care integration stems from the fact that we have such an effective level of electronic communication between primary and secondary care providers. The Commonwealth Fund report concludes that a primary-care led strategy such as that embarked upon in New Zealand could not succeed unless it was underpinned by good information exchange processes and systems.

Internationally, New Zealand is viewed as successful in developing its e-Health infrastructure because it has had:

- A clear strategy for its health system (still true)
- A clear IT strategy supporting the overarching health strategy (true until 2001)
- Sound execution of key infrastructural initiatives (NHI, HIPC but none since 2001)
- Synergy between the overall health strategy and the IT strategy (true until 2001)
- Commitment to private sector playing a key role in development and support of IT systems/services (true until recently)
- Clear demarcation between the roles of government and the private sector (true until 2001)

Appendix Two: Recent Government Strategy Documents

The *WAVE Report* of 2001, a subsequent Auditor General's report and the 2005 *Health Information Strategy for New Zealand* are seldom referred to and generally forgotten or ignored. These documents are difficult to read and understand and neither contains a clear detailed plan of action.

1. The WAVE Report 2001

The WAVE Report (Working to add Value through E-Information) set out a series of ideals and lofty goals. It had however no clear action plan attached to it, nor did it set out to tackle some of the more contentious issues facing the sector. Thus it did little more than increase interest in the overall topic of Health IT.

Following are the key objectives of the WAVE report with some comments on each:

1. Set up an independent organisation to lead IM/IT capability
A ministerial advisory committee known as HISAC (The Health Information Advisory Council) was established shortly after the WAVE report was tabled.

2. Collect reliable ethnicity data
It is not clear whether the quality of this data has been improved.

3. Implement the National Provider Index (NPI)
This has been 'work in progress' for a number of years but is not in use yet.

4. Fix up the National Health Index (NHI) - allow primary provider access, improve ethnicity data
The management of the NHI itself has been significantly improved. However primary provider access to the NHI is exactly the same as it was in 2001.

5. Gather primary care information
The meaning of this objective is not understood.

6. Fix up pharmacy and laboratory data and provide primary care with access
This does not seem to have changed at all since 2001.

7. Clean up messaging standards
Extensive work has been done on reviewing key messaging standards, mainly by the private sector. However the standards have not been implemented anywhere except by private sector organisations on a trial basis.

8. Sort out Health Event Summaries - with data dictionaries, electronic discharges and referrals
No work appears to have been done in this area.

9. Launch health portal
There has been no change yet in this area.

10. Make integrated care work by: developing standards for data exchange, security & network infrastructure
There do not appear to have been any visible government initiatives or efforts in this area of endeavour.

2. The Office of the Auditor General's Report into 'The WAVE Project'

Four years after the tabling of the WAVE Report, The Auditor General's Office examined what had been achieved in a report titled *"Progress with priorities for health information management and information technology".*

The Auditor General determined that *"Action was not guided by a detailed plan with measurable objectives"* and that *"The WAVE Report was a basis from which to take action rather than a detailed plan of action."*

The Auditor General excused the lack of progress by stating that *"When the WAVE Report was published, the Ministry considered that the sector was not in a position, culturally or structurally, to prepare a detailed plan for implementing the recommendations. Having just been through the process of compiling the WAVE Report, the Ministry believed that more time spent planning a detailed response would have damaged the sector's confidence in its own and the Ministry's ability to take action, and momentum would have been lost.* And that *"While the Ministry's response, working with the sector through the four strategic steps, was reasonable and pragmatic, some focus and impetus was lost by not having a detailed plan with measurable objectives".*

However, despite the Auditor General's efforts to ensure the Ministry of Health was not cast in an entirely unfavourable light, there was a clear message sent that the level of progress achieved was unacceptable. Following are some of the Auditor General's recommendations:

"That the Health Information Strategy Action Committee:

1. *obtain and act on regular feedback from stakeholders throughout the sector on how well it is undertaking its role and what it is achieving, to help ensure that it build and retain credibility with the sector;*

2. *ensure that benchmark targets in the Health Information Strategy for New Zealand 2005 are underpinned by more specific measures to assess whether the targets are being achieved, recognising the need not to overload the sector with performance indicators;*

3. *ensure that all parts of the sector, including Primary Health Organisations, clinicians, and other health providers, are effectively consulted and involved in implementing the Health Information Strategy for New Zealand 2005 Action Zones by ensuring that existing stewardship arrangements are used effectively to involve the sector; and new mechanisms are put in place to effectively involve parts of the sector for which suitable mechanisms do not currently exist (for example, Primary Health Organisations);*

4. *guide implementation of the Health Information Strategy for New Zealand 2005 with a simple "road map" that is communicated to the sector, showing: the integrated health information system that the sector is aiming for; including the overall implementation period; where projects and initiatives fit in; major milestones along the way; and how*

benefits would build up for different parts of the sector and for patients; put in place an implementation plan for each of the Health Information Strategy for New Zealand 2005 Action Zones;

5. *ensure that each Action Zone implementation plan is split into constituent projects, with specific measurable objectives and responsibilities, and realistic budgets and completion dates; and in compiling and overseeing implementation of the Action Zone plans, ensure that:*
   - *the funding and resources required to successfully implement improvements under each of the Action Zones are realistically assessed, and made available from throughout the sector;*
   - *the sector's capacity for undertaking the required changes is reviewed so that progressive goals and milestones are realistic and achievable;*
   - *external expertise is effectively contracted in (where required) to support the changes; and clinicians are consulted, to ensure that activity is driven by business needs and remains clearly focused on better health outcomes".*

While it would unfair to be too harshly critical of HISAC, especially in a publicly available document such as this, it is probably opportune to question whether HISAC is in fact trying to do too much and therefore has its efforts compromised as a result of being spread too thinly?

Our firmly-held view is that HISAC should focus more sharply on its core role as advisor to government, leaving development and execution of projects to the sector.

3. The Health Information Strategy for New Zealand 2005

We note that the *Health Information Strategy for New Zealand* (*HIS NZ)* is nearly 100 pages long and in our experience is seldom, if ever, referred to by people working in the sector. In our view it is difficult to read and is surely not a document designed to enlist the enthusiastic and active participation of a broad spectrum of people from across the sector. As far as we are aware there is no abridged version in existence. Within HIS NZ there appears to be no analysis of the New Zealand Health Strategy although it is mentioned a few times. We note also that The New Zealand Primary Care Strategy is not mentioned once in the body of the document (it appears on a couple of diagrams).

The document is simply unsuitable as a 'touchstone' for development of IT within the sector. By contrast, *The New Zealand Health Strategy* itself is only 59 pages long, well-written, concise and readily understandable. We note also that *The 1996 Health Information Strategy*, only half the length of the 2005 document, is also concise, well-written, readily understandable at all levels and action-oriented.

4. The Privacy, Authentication and Security Framework

A key, long-awaited document known as The Privacy, Authentication and Security (PAS) Framework was commissioned in 2003. It is now approximately 100 pages long (with no executive summary or diagrams). PAS has never been released for use within the sector, apparently because of disagreements over its content. It contains a lot of useful information and is in our view well-written in parts but because there is no strategic framework within which it can operate, it must "do all things for all people" and is thus unworkable. In our view, the usefulness of the PAS document (completely without use and generated at great cost and effort) is emblematic of the overall situation within New Zealand Health IT.