

Health Report

COVID-19 Pacific Response Package – initial funding allocations

Date due to MO:	1 April 2020	Action required by:	2 April 2020
Security level:	IN CONFIDENCE	Health Report number:	20200566
To:	Hon Dr David Clark, Minister of Health Hon Grant Robertson, Minister of Finance Hon Jenny Salesa, Associate Minister of Health		

Contact for telephone discussion

Name	Position	Telephone
Deborah Woodley	Deputy Director-General, Population Health and Prevention	s.9(2)(a)
Gerardine Clifford-Lidstone	Director, Pacific Health, Population Health and Prevention	

Action for Private Secretaries

Forward paper to Hon Grant Robertson, Minister of Finance

Date dispatched to MO:

Return the signed report to the Ministry of Health

COVID-19 Pacific Response Package – initial funding allocations

Purpose of report

This paper seeks agreement from Joint Ministers to:

- the proposed initial allocation of \$7.5 million of the \$17.0 million Pacific Response Package agreed by Cabinet to ensure that the overall national response to the COVID-19 pandemic delivers equitable health outcomes for Pacific peoples [CAB-20-MIN-1041 refers].
- to an announcement, by Minister Salesa, about the \$17.0 million investment in the COVID-19 Pacific Response Package in 2019/20.

Key points

- Cabinet agreed that \$17.0 million will be allocated to support a COVID-19 Pacific Response Package comprising funding reprioritised from existing Vote Health baselines (\$3.0 million) and drawn down from the Public Health Response to COVID-19 Tagged Contingency (\$14.0 million) in 2019/20.
- Cabinet invited the Ministers of Health and Finance and the Associate Minister of Health, Hon Jenny Salesa, (Joint Ministers) to finalise the details of the proposed Pacific Response Package expenditure and report back to Cabinet or the CVD Ministerial Group on the details [SWC-19-MIN-0141 refers].
- Allocation of \$7.5 million from the Pacific Response Package to Pacific health and disability service providers is needed urgently to respond to increased demand for their clinical, home care and health promotion services arising from COVID-19.
- The \$7.5 million funding boost will assist Pacific health and disability providers to meet the increased demand for their services by supporting backfilling and additional workforce capacity arrangements and assist with community lead engagement on key messages.
- The Ministry proposes to allocate the \$7.5 million to providers on a proportionate basis using the methodology outlined in this paper.
- Separate advice will be provided to you on the allocation of the remaining \$9.5 million of funding.
- It is proposed the Associate Minister of Health, Hon Jenny Salesa, announce the overall COVID-19 Pacific Response Package. Material is currently being prepared to support this.

Recommendations

The Ministry recommends that you:

- a) **note** that on 30 March 2020 Cabinet [CAB-20-MIN-0141 refers]:
- agreed** to draw-down \$14 million from the COVID-19: Public Health Response Tagged Contingency in 2019/20 to ensure that the overall national response to the COVID-19 pandemic delivers equitable health outcomes for Pacific peoples
 - agreed** to secure the capacity of the Pacific health and disability sector and support a national response to the health and disability needs of Pacific communities as part of the broader national COVID-19 Public Health Response Plan
 - approved** the following changes to appropriations to provide for the decision in paragraph 3 above, with a corresponding impact on the operating balance and net core Crown debt:

	2019/20	2020/21	2021/22 and outyears
Vote Health	14.00	-	-
Minister of Health			
Non-Departmental Output Expense: Public Health Service Purchasing			
Total Operating	14.00	-	-
Total Capital	-	-	-
	2019/20	2020/21	2021/22 and out years

- agreed** that changes to appropriations for 2019/20 above be included in the 2019/20 Supplementary Estimates and that, in the interim, the increases be met from Impress Supply.
 - authorised** the Minister of Finance and Minister of Health to transfer any unspent funding in Vote Health agreed under i to the 2020/21 financial year, as required, with no impact on the operating balance and net core Crown debt across the forecast period
 - agreed** that up to \$3 million of funding from Vote Health baselines be reprioritised for the Pacific Health COVID-19 response
 - invited** the Minister of Finance, Minister of Health and Associate Minister of Health (Hon Jenny Salesa) to finalise the details of the proposed expenditure and to report back to Cabinet or the CVD Ministerial Group on the details.
- b) **note** that there is an urgent need to support the providers of health and disability services to Pacific communities are experiencing an increased demand for their clinical, home care and health promotion services.

- c) **note** the methodology proposed to be used by the Ministry of Health to allocate funding to providers of health and disability services to Pacific communities
- d) **agree** that the Ministry of Health may allocate \$7.5 million to providers of health and disability services to Pacific communities in accordance with that methodology. **Yes / No**
- e) **note** that further information will be provided to joint Ministers to enable decisions to be made in relation to the remaining \$9.5 million.
- f) **agree** that the Associate Minister of Health announce the planned investment of \$17 million in 2019/20 to secure the capacity of the Pacific health and disability sector and support a national response to the health and disability needs of Pacific communities. **Yes / No**

Deborah Woodley
Deputy Director-General
Population Health and Prevention
Date:

Hon Jenny Salesa
Associate Minister of Health
Date:

Hon Grant Robertson
Minister of Finance
Date:

Hon Dr David Clark
Minister of Health
Date: 3 April 2020



COVID-19 Pacific Response Package – initial funding allocations

Background

1. Cabinet agreed that \$17.0 million will be allocated to support a COVID-19 Pacific Response Package comprising funding reprioritised from existing baselines (\$3 million) and drawn down from the Public Health Responses to COVID-19 – Tagged Contingency (\$14 million) in 2019/20.

\$m	2019/20	2020/21	2021/22 and outyears
Vote Health	14.00	-	-
Minister of Health			
Non-Departmental Output Expense:			
Public Health Service Purchasing			
Total Operating	14.00	-	-
Total Capital	14.00	-	-

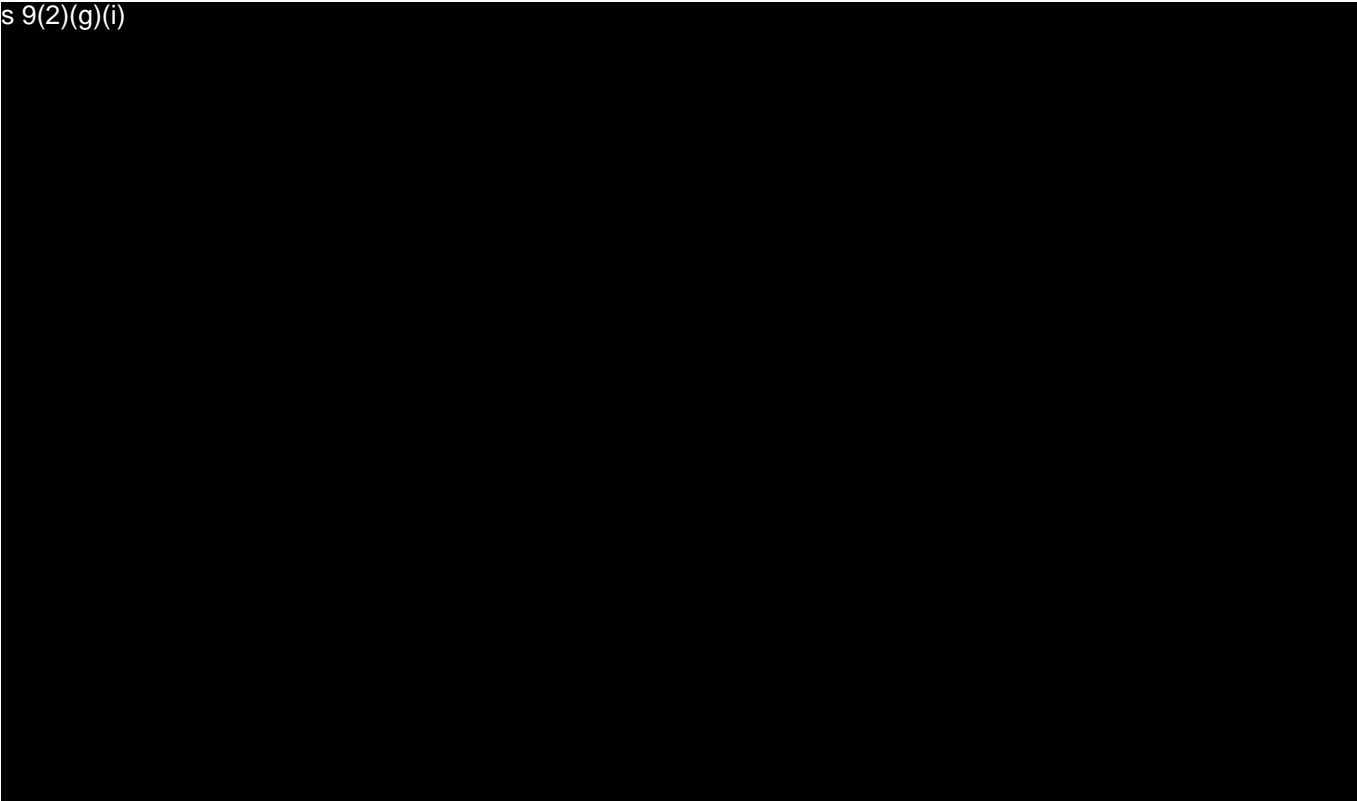
2. Cabinet agreed that up to \$3.0 million of funding from Vote Health baselines be reprioritised for the Pacific Health COVID-19 response.
3. Cabinet invited the Minister of Finance, Minister of Health and Associate Minister of Health (Hon Jenny Salesa) to finalise the details of the proposed expenditure and to report back to Cabinet or the CVD Ministerial Group on the details. [CAB-20-MIN-0141 refer].
4. This paper provides further information to allow joint Ministers to finalise the details of the proposed expenditure relating to an initial allocation of \$7.5 million.

Priority for Pacific health and disability service providers

5. The COVID-19 Pacific Response Package aims to secure the capacity of the Pacific health and disability sector and support a national response to the health and disability needs of Pacific communities.
6. It is recommended that the funding be allocated in two parts:
 - a. \$7.5 million to secure the capacity of the Pacific health and disability sector; and
 - b. \$9.5 million to support a national response to the health and disability needs of Pacific communities.
7. Information on the proposed methodology and initial allocations to the Pacific health and disability sector is set out below.
8. Priority is being given to the Pacific health and disability sector because of reports that they are experiencing an unprecedented demand for their clinical, home care and health promotion services.
9. These providers urgently require additional funding to address emerging capacity and capability constraints and assist with community lead engagement on key messages for COVID-19.
10. Separate advice will be provided to you about the allocation of the remaining \$9.5 million.

Allocation methodology

s 9(2)(g)(i)



14. The proposed allocations to providers of health and disability services are set out in Appendix One.

Further allocations planned

15. The remaining \$9.5 million investment in the COVID-19 Public Health Response will be allocated to support a national response to the health and disability needs of Pacific communities.
16. Further advice will be provided to Joint Ministers to enable you to make decisions in relation to the remaining \$9.5 million.

Appendix 1 – Further detail on immediate response costs (paragraph 7 and table)

Table 1 – Proposed allocations

s 9(2)(g)(i)

