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## Expectation for achieving the best configuration of Primary Health Organisations for your district

The recent process that invited proposals for Better, Sooner, More Convenient delivery of primary health care has highlighted the number of Primary Health Organisations (PHOs) in your district.

Having a large number of PHOs operating in any one area limits the scale of change and the improvement in services envisaged by the Primary Health Care Strategy. Consolidation of PHOs has the potential to both directly and indirectly achieve gains for patients in a number of areas. These include:

- efficiencies in administrative costs through scale and less duplication;
- greater ability to make strategic investment in information systems and facilities that will be important in providing more services closer to home and outside of hospitals;
- better use of information to improve clinical practice and PHO decision-making;
- improved capacity for preventative health programmes;
- better use of scarce leadership, technical skills and expertise;
- easier integration of community and hospital services through fewer organisations; and
- increased potential for spread of innovation and best practice.

This consolidation is key to moving resources from the back office to the front line so that New Zealanders will receive more responsive primary health care closer to where they live, and increased cohesion of the system as a whole.

I would appreciate you working actively with your PHOs to review their configuration, and to look at how services could be improved by consolidating PHOs within your district. This is an opportunity for you to position the PHOs in your district in preparation to better realise the vision of the Primary Health Care Strategy. While the Director-General has a number of proposals under the recent Expressions of Interest process, this does not prevent you initiating further advances with PHOs in line with Better, Sooner, More Convenient primary care where opportunities arise.

Yours sincerely

Hon Tony Ryall  
Minister of Health