

Briefing to the Incoming Minister

DIGITAL HEALTH ASSOCIATION

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DHA | TE RŌPŪ
HAUORA
MATIHIKO
Digital Health Association

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Dear Minister Brown,

The Digital Health Association (DHA) welcomes and acknowledges the positive steps you have taken since assuming office. We are delighted to see that your fifth priority is **“Investing in health infrastructure, both physical and digital, so that we are building for the future.”** Additionally, the announcement of the 24/7 virtual health all-of-country platform procurement, underpinned by a shared electronic health record, is a significant move toward ensuring accessible and timely healthcare for all New Zealanders. Most importantly, your interest in establishing a **Health Infrastructure Entity** to oversee both physical and digital infrastructure is an encouraging sign of a long-term vision for a more connected and resilient health system.

Over the years, New Zealand’s digital health industry and the Data and Digital teams within Health New Zealand have demonstrated significant expertise, leadership, and dedication to advancing digital health. A strong and productive partnership has developed between government and industry through ongoing engagement, particularly through the DHA, fostering collaboration, innovation, and alignment across stakeholders. This partnership has been instrumental in driving progress, ensuring that digital health solutions are designed with sector-wide input and that investments are strategically aligned to meet the needs of both clinicians and consumers. However, despite these collective efforts, policy settings have repeatedly hindered progress, creating barriers to achieving the scale, efficiency, and digital maturity needed to fully transform the health system. Sustained collaboration between industry and government remains essential to overcoming these challenges and ensuring that digital health is embedded as a core enabler of a modern, resilient, and equitable health system.

The DHA has long advocated for a dedicated entity that can accelerate digital health investment and national-scale capabilities, and we strongly believe that moving digital health into a separate entity will remove existing constraints and allow for more agile, strategic, and future-focused decision-making. Through direct collaboration between Health New Zealand, government, and industry, we have an opportunity to build on previous progress, rather than continuing to operate in cycles of disruption and reset.

CEO, Ryl Jensen, has conducted extensive research on this topic, producing a framework through her [Master’s dissertation](#). This framework, which is summarised in the briefing below, provides clear governance recommendations and strategic direction for how a Health Infrastructure Entity could be structured to deliver long-term success.

We are encouraged that you are asking questions and appear committed to turning the tide on the setbacks of the past year and lifting the current outdated systems into a fit-for-purpose state. These actions signal a strong commitment to modernising healthcare, improving access, and making strategic investments that will benefit both patients and the health workforce for many years to come.

This briefing outlines the challenges and opportunities in digital health. We urge the Minister to consider the DHA’s five key recommendations and welcome the opportunity to discuss them further.

Yours sincerely,



Ryl Jensen

CEO | Digital Health Association

INTRODUCTION

A modern health system is only as strong as the digital infrastructure that underpins it. In an era where data, automation, and connectivity drive efficiency, digital health is an enabler of better patient outcomes, a more sustainable workforce, and a resilient system capable of adapting to evolving healthcare challenges.

Investing in digital health is not just about keeping pace with technological advancements; it is about unlocking the full potential of our health system to provide timely, equitable, and high-quality care.

Digital health allows for the seamless integration of patient information across different care settings, reducing duplication and inefficiencies. It enhances the ability of clinicians to make informed decisions at the point of care, leveraging real-time data and predictive analytics to anticipate and address health concerns before they escalate. Through virtual health solutions, people in rural and underserved areas can receive specialist care without the burden of travel, bridging historical gaps in accessibility.

A digitally enabled health sector also plays a critical role in addressing workforce pressures. By automating administrative tasks and streamlining workflows, digital solutions free up clinicians' time, allowing them to focus on direct patient care. Smart scheduling, AI-assisted diagnostics, and secure data-sharing platforms contribute to more efficient healthcare delivery, improving productivity across the system. At a time when health workforces are under increasing strain, the role of digital tools in supporting staff well-being and optimising service delivery cannot be overstated. Key to developing the right systems that truly work for the health workforce is co-designing with clinicians, industry, and government, ensuring that digital solutions are fit-for-purpose, practical, and aligned with frontline needs.

As New Zealand looks to the future, a long-term robust digital health strategy will be essential in meeting the needs of an ageing population, addressing health inequities, and ensuring that our health system remains both financially and operationally sustainable.

Internationally, countries that have prioritised digital health investment have seen marked improvements in patient outcomes, reduced healthcare costs, and enhanced system efficiencies. New Zealand must not allow itself to fall further behind. A commitment to digital health is a commitment to a smarter, more resilient, and patient-centred health system.

THE VISION FOR OUR HEALTH SYSTEM

New Zealand's health system has the potential to be a world-class model of care—one that is accessible, equitable, sustainable, and person-centred. We see a vision that will ensure that every New Zealander, regardless of location or background, receives high-quality care when they need it. The system will be efficient and resilient, supporting a well-equipped workforce, reducing disparities, and fostering a culture of continuous improvement. It will focus on preventative health, integrated care models, and innovation, ensuring long-term sustainability while enhancing the overall health and wellbeing of the population.

THE ROLE OF DIGITAL IN ACHIEVING THIS VISION

New Zealand's future health system must deliver timely, quality care—care that is accessible, equitable, and effective for all. Our vision is for a health system that ensures:

- **People are seen when they need to be** – No one should wait unnecessarily for care due to inefficiencies. Digital tools streamline workflows, optimise scheduling, and support proactive healthcare delivery, reducing delays and improving patient access.
- **People receive the best possible care** – Clinicians must have access to the right information at the right time. Digital health enables real-time data sharing, AI-assisted diagnostics, and precision medicine, ensuring care is evidence-based and tailored to individual needs.
- **People have choice in their care journey** – Patients should have the ability to engage with the health system in ways that work for them, whether through telehealth, remote monitoring, or in-person consultations. Digital solutions enhance patient autonomy and engagement.
- **Access is not a barrier** – Geographical location, financial constraints, or system inefficiencies should never determine the quality of care received. Digital health solutions help eliminate postcode disparities, allowing rural, Māori, and Pasifika communities equal access to healthcare services.
- **People are treated equitably** – Health outcomes should not be dictated by ethnicity, location, or socioeconomic status. Digital transformation ensures consistent and standardised care, promoting equity across the entire system.
- **Efficiency is maximised, reducing waste and delays** – A well-integrated digital ecosystem ensures faster communication, streamlined administrative processes, and better resource allocation, preventing inefficiencies that currently burden the system.
- **Medical errors are reduced** – Patient safety is paramount. Digital records, clinical decision-support tools, and AI-powered diagnostics help reduce preventable errors and improve patient safety.
- **The clinical workforce is supported by the right tools** – Healthcare workers should not be burdened by outdated, fragmented systems. Digital health investments ensure they have access to modern tools that reduce administrative workloads, allowing them to focus on patient care rather than paperwork.
- **The health system continuously improves** – Investment in health technology should be guided by health consumer needs and risk reduction. As technology advances, its adoption can drive continuous improvements in efficiency and productivity. A collaborative approach—engaging both for-profit and not-for-profit digital health providers—ensures maximum return on investment and strengthens the broader health system.

This vision is not aspirational—it is necessary. New Zealand cannot afford to continue operating within a fragmented, underfunded, and outdated digital health ecosystem. With the right strategic investments, we can deliver on the promise of timely, high-quality care for all New Zealanders.

THE CASE FOR MORE INVESTMENT – DIGITAL HEALTH AS AN ENABLER

Digital health technologies are integral to every aspect of our health system, supporting general practice providers, specialist groups, allied health professionals, mental health practitioners, pharmacies, laboratories, private healthcare and community providers, aged care services, and more.

However, recent government budget cuts and operational funding reductions to digital health—amounting to nearly half a billion dollars—have delayed critical projects. This has reinforced reliance on outdated digital health infrastructure and processes, slowing progress toward a more modern, efficient health system. Without targeted investment, the system risks remaining locked into unproductive models, increasing costs, and limiting the ability to scale services to meet the needs of an ageing and growing population.

Many administrative processes within the health system could and should be automated through technology, enabling more effective use of Vote Health funding. Streamlining these processes would allow human resources to be redirected toward frontline healthcare, where they are most needed. Currently, paper-based forms are still widely used, leading to inefficiencies, errors, and delays in patient care.

By leveraging digital technologies, healthcare providers gain access to better information, improving confidence in clinical decision-making and enabling faster, safer diagnoses and treatments. These advancements enhance service efficiencies and frontline productivity, with the added benefit that ongoing technological improvements continuously build on these gains over time.

New Zealand is rapidly falling behind its global counterparts in digital health, a field revolutionising healthcare through innovative approaches, leading to increased productivity, and greater efficiencies.

Recent health headlines in October stated that [“the organisation \[HNZ\] should be able to increase productivity to make the best of existing resources”](#). While there are various ways to boost productivity, digital is a critical enabler, and significant improvements without it would be incredibly difficult. Just ten months ago, New Zealand had aspirations supported by investment and was spearheading efforts to modernise its health system through strong digital advancements. Now, while many other countries continue to prioritise digital transformation to enhance productivity and patient care, New Zealand has taken a significant step back with recent funding and staff cuts resulting in loss of IT capability and institutional knowledge—setbacks that could take years to recover from. This is on top of an environment already lagging behind other advanced nations.

Reducing spending on digital health slows the replacement of outdated technology and delays the implementation of new IT systems, resulting in a continued reliance on manual processes.

This decline in commitment weakens the country’s capability and reputation as a leader in healthcare and digital health, compromising both the effectiveness of the health system and the broader economic potential tied to digital innovation.

1. Back to basics: Strengthening core digital infrastructure before transformation

The Minister has emphasised a "Back to Basics" approach, reinforcing the need to build a strong foundation before embarking on large-scale transformation. Digital health is no exception—before we can fully realise the benefits of a modern, data-driven health system, we must first ensure that our core infrastructure, technology, applications, and data systems are resilient and fit for purpose.

However, New Zealand is falling further behind, not moving forward. While other countries are modernising their digital health ecosystems, New Zealand's outdated infrastructure, fragmented systems, and recent budget constraints have stalled critical advancements. Without stable investment in foundational digital infrastructure, efforts to transform the health system will continue to be hampered by inefficiencies, security risks, and increasing operational costs.

New Zealand's current investment in digital health is estimated to account for just [2.2% of Vote Health](#), a stark contrast to the 5% to 10% allocated by leading health systems worldwide. For example, the United Kingdom has in its recent budget committed nearly 8% of its health spend to digital technology.

Countries that prioritise digital health investment are achieving greater efficiencies, cost savings, and workforce support by reducing administrative burden, improving data accessibility, and enabling proactive, patient-centred care. In contrast, New Zealand's low investment is entrenching inefficiencies, hindering progress, and driving up long-term costs.

The case for immediate action

- **Resilient core infrastructure** – A reliable digital foundation is critical for modern healthcare delivery, cybersecurity, and system efficiency.
- **Interoperability first** – Data must be securely and seamlessly exchanged across all levels of care before digital transformation can succeed.
- **Closing the investment gap** – Without aligning digital health investment with global best practices (at least 5% of Vote Health), New Zealand risks deepening its reliance on inefficient, outdated systems.
- **Cost avoidance** – Delaying investment now will only lead to higher costs in the future, as legacy systems become more expensive to maintain and replace.
- **Enabling future growth** – A stable digital foundation allows for incremental improvements, unlocking future advancements in AI, automation, and predictive analytics.

Call to action

The Government must prioritise investment in core digital health infrastructure as a foundational step. Without it, digital transformation efforts will be built on fragile systems, limiting their effectiveness and long-term sustainability. Aligning New Zealand's digital health investment with global best practice (5% or more of Vote Health) is crucial to **ensuring a modern, resilient, and patient-centred health system.**

2. Global pressures

New Zealand is not immune to the current global pressures such as constrained resources, rising populations, an increasing proportion of aged citizens, and more complex health needs placing additional demands on health systems.

It is expected that by [2034, 21% of New Zealand's population](#) will be over the age of 65 and requiring much more complex care than other portions of the population.

In Aotearoa, these challenges are compounded by the "brain drain" of skilled workers leaving New Zealand for opportunities abroad, further straining an already stretched workforce. To navigate these mounting pressures, consistent and strategic investment in digital health is not just beneficial but necessary.

3. Postcode lottery

New Zealand has long been plagued by the "postcode lottery," where the type and quality of health services available depend heavily on geographical location. Digital health initiatives are crucial for addressing these access issues, particularly for rural and vulnerable populations, by enabling remote care, telemedicine, and connected systems that promote equitable healthcare access. In today's world, people expect digital integration in all aspects of life, including healthcare. Continued investment is essential to maintain and expand these efforts; without it, existing inequalities may be reinforced, and access to vital services for underserved regions will be limited.

To achieve this, there must be a shift in perspective, viewing digital technologies as a pathway to delivering on the **Quadruple Aim of digital health: Enhancing patient experience, improving population health, reducing costs, and improving the work life of healthcare providers.**

This study outlines the quadruple aim:

<https://www.sciencedirect.com/science/article/pii/S1386505624001916>

A nation cannot transition [from illness to wellness](#) without the deployment of resilient and effective digital health solutions.

4. Critical programmes now paused

In New Zealand, critical digital health initiatives were in development and [crucial foundations for interoperability and connected care](#) were advancing. The programmes were set to transform clinician and consumer access to essential data, enhance care coordination, modernise legacy IT systems, improve patient outcomes, and reduce long-term healthcare costs—key steps toward a truly modernised health system. However, the recent cuts will disrupt care delivery across all levels of the system, diminish its capacity to adapt to future challenges, as well as make the system more vulnerable to breaches due to outdated and legacy technology.

With the exception of the period 2021 to 2023 (where now this funding has been reprioritised), New Zealand has suffered from decades of continued underinvestment in digital health creating silos, fragmented digital infrastructure, and systemic issues, compounding the problems facing New Zealand's health sector.

The recent budget cuts have only exacerbated these long-standing issues, pushing the sector closer to breaking point. Reports suggest that frontline services are [already feeling the strain of these cuts](#), indicating that the impact is immediate and widespread.

5. The potential: Unique position of New Zealand to be a global leader

Despite these challenges, New Zealand is uniquely positioned to capitalise on advancements in digital health.

The nation's small, agile population of 5.5 million provides an ideal testing ground for digital health solutions that can be rapidly scaled.

With an indigenous population comprising approximately 20% of the total, New Zealand is driven to think creatively and develop innovative approaches to addressing equity issues and managing diseases that disproportionately affect these communities. The country is also known for its innovative spirit, has a respected international image, and strong free trade agreements, complemented by positive global relationships and could build population use cases and proof of concepts that can guide policy, decision-making, and implementation.

6. The reality: New Zealand's constrained environment

However, alongside funding cuts, New Zealand's outdated procurement practices and constrained domestic market continue to hinder the country's ability to leverage its full potential in digital health. Current procurement models are complex, and restrictive, limiting the adoption of innovative solutions and preventing local digital health companies from scaling effectively. A more agile, transparent, and outcome-focused procurement approach is urgently needed to support industry growth, ensure fit-for-purpose investments, and create a more competitive digital health ecosystem. Without these changes, systemic inefficiencies will persist, stifling innovation, slowing progress, and preventing the health system from realising the full benefits of digital transformation.

While New Zealand was a recognised leader in digital health two decades ago, that momentum has been lost, and the country now lags behind. The more immediate challenge is not to aim for leadership but to catch up to other developed nations and create an environment that fosters sustainable digital health innovation.

The risk of falling further behind is significant, impacting healthcare productivity and outcomes.

Rising costs with limited returns, while other countries move forward, will widen the gap and weaken New Zealand's competitive edge. This lag not only affects patient care but also has broader implications. New Zealand's outdated digital infrastructure and fragmented market settings deter pharmaceutical companies from conducting clinical trials, reducing access to new treatments and limiting research opportunities.

Investing in digital health is not just forward-thinking—it is essential.

Digital health technologies are fundamental, not only as back-office support but as frontline tools that improve care delivery, boost productivity, and enhance patient outcomes.

Short-term savings may provide temporary relief to budgets, but the cumulative cost of underinvestment is much higher—resulting in ageing systems, outdated technology, inefficient service delivery, and a growing burden on the health system. Without sustained investment, these ageing systems become increasingly costly to maintain, less secure, and ultimately require expensive emergency interventions or full-scale replacements.

By leveraging New Zealand’s strengths and addressing barriers to digital health development, the country can regain its leadership in the sector while driving GDP growth and strengthening the economy.

However, the Minister should understand that achieving success may be ambitious; and the immediate goal must be to reach parity with global standards to enable sustainable progress and better health outcomes for New Zealanders.

7. Investment is key to advancement

Other industries such as banking, retail, and travel have recognised that sustained investment in digital solutions is essential for meeting public demands, enhancing customer experiences, and boosting staff and operational productivity. Healthcare cannot afford to lose ground; it must follow the lead of these sectors by developing and maintaining an enduring framework that transcends political cycles for digital investment. This approach will enable healthcare to keep pace with public expectations and support workforce efficiency.

In 2024, Australia made significant investments in digital health to enhance healthcare delivery and outcomes. The [Australian government is prioritising digital transformation initiatives](#), including [improvements in aged care](#) and the [expansion of telehealth services](#), to address growing healthcare demands. These efforts are supported by targeted funding to modernise health IT infrastructure, streamline data sharing, and support healthcare providers with advanced digital tools. Such investments are aimed at boosting system efficiency, improving patient care, and ensuring Australia remains at the forefront of healthcare innovation.

Additionally, in February 2025 the Australian Parliament passed the Health Legislation Amendment (Modernising My Health Record-Sharing by Default) Bill 2024 into law: https://www.aph.gov.au/Parliamentary_Business/Bills_Legislation/Bills_Search_Results/Result?bid=r7290

These changes will shift Australia’s consumer-controlled My Health Record system from a system where health information is shared to consumers ‘by exception’ to a system where health information is shared ‘by default’ - beginning with pathology and diagnostic imaging reports. This will benefit all 24 million Australians with a My Health Record and their treating healthcare team.

In July 2024, the Health New Zealand data and digital team, in collaboration with the Digital Health Association (DHA), were excited to host senior officials from the Australia Government Department of Health and Aged Care and the Australian Digital Health Agency. Together, we conducted two workshops to envision a future where health information could be shared seamlessly between the two countries. This initiative is particularly relevant given that approximately [600,000 New Zealanders live in Australia](#), and in the year ending June 2024, New Zealanders made [1.2 million trips to Australia](#). While sharing health information would be a logical next step, this vision is now far from reality.

Significant programmes of work in New Zealand have stalled, leaving the country at a standstill, whereas Australia continues to move forward with substantial investments and rapid deployment of digital health solutions.

The Minister can read the outputs from those workshops [here](#).

Globally, there is enormous private sector investment flowing into healthcare, making healthtech second only to fintech in terms of venture capital.

This surge in funding is driving major innovations and stimulating further investments by private health providers. While the government does not need to bear the full cost of such innovation, it must have the enabling infrastructure to integrate these technologies, as other nations are doing. The government can play a crucial role in facilitating this infrastructure, much like it would for transport, to enable private sector solutions to flourish. Without this foundational support, New Zealand risks missing out on the benefits of global advancements and failing to leverage them for stronger health outcomes and economic growth.

8. Recognising fiscal constraints

It is important to acknowledge the fiscal constraints that have faced the government and the health system, and vendors are working significantly to support where they can. However, we firmly believe that digital health should not be an area subject to substantial funding cuts and ongoing restructure due to the significant impact on momentum and realising gains from programmes of work. Just as the government has prioritised physical infrastructure to ensure the efficient and secure movement of goods and services, New Zealand's digital infrastructure is equally crucial for the effective and sustainable functioning of public agencies such as the health system. Further reductions in staffing and capability within digital health risk placing the system under significant pressure, impacting frontline services, delaying essential digital transformation, and endangering critical legacy systems that are already outdated and vulnerable. Unlike industries such as banking, travel, and retail—which are largely profit-driven and funded by consumer spending—public health is funded by taxpayers' dollars.

We firmly believe that stronger public-private partnerships (PPPs), improved procurement practices, and road mapped strategies are necessary, however, substantial infrastructure investment in digital health must come from the government.

This is especially true as many businesses in the health sector rely on the positive impact of wise government spending to grow. In turn, these organisations contribute to economic growth and have the potential to expand into international markets, boosting New Zealand's revenue and economic outlook.

The current cost-cutting and restructuring efforts by Health New Zealand are impacting digital health vendors, who are being asked to scale-back and delay projects or reduce their fees despite facing their own financial pressures. This approach creates significant uncertainty for suppliers, potentially compromising the stability of their services. Without fair and sustainable commercial arrangements, there is a real risk that essential services will be degraded or discontinued, which could further undermine the health system's resilience and efficiency.

9. The advantages of Public-Private Partnerships (PPPs) in digital health

The DHA believes there is a real opportunity to establish a stronger network of Public-Private Partnerships (PPPs) across the digital health ecosystem to drive meaningful health system improvements. Industry brings deep expertise, innovation, and operational agility that can significantly support the government in achieving its health goals. By better leveraging this expertise, the government can accelerate the uptake of digital health solutions that are not only fit-for-purpose but also scalable, cost-effective, and aligned with global best practices.

A well-structured PPP framework ensures that digital health initiatives benefit from sector expertise while maintaining public oversight and accountability. Partnerships can improve service continuity by mitigating risks associated with workforce shortages, technology obsolescence, and funding constraints. By embedding private sector knowledge into the system, PPPs enable long-term sustainability, interoperability, and ongoing innovation, ensuring solutions evolve with emerging health needs.

Furthermore, PPPs offer financial and operational efficiencies, reducing the burden on public resources while fostering investment in infrastructure and cutting-edge technology. This collaborative approach supports a more agile and resilient health system, where industry and government work together to co-design solutions, drive interoperability, and deliver improvement to health outcomes. Now is the time to formalise these partnerships, leveraging government leadership and industry capability to deliver impactful and timely digital health advancements for all New Zealanders.

What is an ecosystem?

“An **ecosystem** is a dynamic environment in which businesses, research institutions, and government bodies collaborate to leverage shared resources and synergies, often based in the same geographical area. Ecosystems are focused on industries and capabilities. They aim to accelerate economic development and create competitive advantages that lead to self-sustaining industry growth.”

Where can NZ Inc play?

“**Future of medicine:** Improving medical outcomes with new practices, pharmaceutical discoveries, health IT advances, and novel medical devices.”

Report: [Future of NZ Inc: What Will New Zealand Be Known for in 2050?](#)

10. The UK: National Health Service (NHS) Lord Darzi Report

The recent 2024 [NHS Lord Darzi report](#), known as the “*High Quality Care for All*” report, provides valuable insights into how strategic investment in digital health can strengthen healthcare systems. Lord Darzi emphasised that technological advancements and digital solutions are essential to modernising health services, improving patient outcomes, and increasing system-wide efficiency. The report underlined that underinvestment in digital health not only hampers progress but also leads to inefficiencies and fragmented care. **It showcased how countries that prioritise and consistently fund digital health infrastructure achieve better outcomes, reduced waiting times, and cost savings over the long term.** Drawing from this report, it is evident that New Zealand’s continued underinvestment and recent funding cuts to digital health risk deepening systemic inefficiencies and compromising patient care.

The lessons from Lord Darzi’s findings should serve as a call to action, demonstrating that sustained investment in digital health is crucial for ensuring the seamless flow of critical information, building a resilient, high-performing health system that meets modern expectations and demands, noting that “more of the same” investment approaches will simply yield “more of the same” low productivity outcomes.

11. NHS Budget 1 November 2024

On November 1 last year the British Government announced their [2024 Budget](#). In this Budget is a significant £25.7 billion commitment over the next two years to the NHS which includes **“Over £2 billion for NHS technology and digital improvements to increase productivity and save staff time”** comprising 8% of their total health spend. The NHS, as a result of Lord Darzi’s report, have recognised the fundamental role digital health plays in their health ecosystem and is prepared to invest in it.

12. Support for a separate Health Infrastructure Entity

The Minister is considering the establishment of a Health Infrastructure Entity to oversee both physical and digital infrastructure within New Zealand’s health system. The DHA and its members strongly support this initiative, recognising that a coordinated, long-term, and strategic approach to infrastructure investment is essential for ensuring health system sustainability, resilience, and equity.

A dedicated entity would provide central oversight and coordination of investments across hospitals, primary and community care facilities, digital platforms, and health data systems, ensuring that physical and digital infrastructure are developed in alignment. This would allow for future-proofed investments, supporting workforce planning, interoperability, and digital enablement across the health system. By centralising oversight, the entity could facilitate seamless integration of digital health technologies across various health system agencies, addressing challenges related to legacy systems and interoperability. This move could also promote a whole-of-system approach to digital health, ensuring that data-driven decision-making, cybersecurity, and emerging technologies are prioritised as part of long-term infrastructure planning.

A dedicated entity could also enable digital health initiatives to transcend political cycles, ensuring continuity and long-term impact. Internationally, nations such as the United States, Australia and Denmark have benefited from independent digital health governance structures that provide a national strategy while enabling local innovation. New Zealand could take a similar approach by ensuring that any Health Infrastructure Entity incorporates digital health as a critical function within its mandate, fostering sector collaboration, consumer-centred design, and equity-driven innovation.

By embedding digital health infrastructure within a broader framework for physical health infrastructure, the government can ensure that new health facilities are designed with digital-first capabilities, supporting integrated data systems, telehealth expansion, personalised medicine, and AI-driven healthcare solutions. International models, such as Australia’s National Health Infrastructure Plan and Denmark’s National Digital Health Strategy, demonstrate that centralised governance leads to more efficient and sustainable investments.

The DHA and its members welcome the opportunity to contribute to the design and implementation of this entity, ensuring that New Zealand’s digital health future is embedded in national infrastructure planning and that sector expertise helps inform investment decisions.

13. Adapting the [Digital Health Governance Framework](#) for a Health Infrastructure Entity

The DHA's CEO Ryl Jensen has developed a [Digital Health Governance Framework](#) that proposes a structured, integrated approach to governing digital health.

This framework, while originally designed for digital health, could be adapted to encompass digital and physical infrastructure governance, ensuring alignment with the Minister's vision.

This framework was designed to ensure effective national leadership and governance be embedded in a way that ensures transparency, accountability, responsibility, fairness, and strategic direction.

Key Components of the Digital Health Governance Framework (adapted for infrastructure governance)

- **Legislative authority & mandate** – A clear governance structure with legal authority to oversee national health infrastructure investments, ensuring that both physical and digital infrastructure are strategically aligned with long-term healthcare goals.
- **Whole-of-system integration** – A governance approach that connects digital and physical health infrastructure across Health New Zealand, primary and community care providers, and national data-sharing systems.
- **Independent and transparent oversight** – A governance structure within the Health Infrastructure Entity that ensures accountability, transparency, responsibility, fairness, and sector-wide collaboration in infrastructure planning.
- **Sustainable funding & investment strategy** – Ensuring long-term, sustainable funding streams for both facility development and digital transformation to future-proof New Zealand's health system.
- **Stakeholder engagement & co-design** – A governance approach that actively engages government, industry, clinicians, Māori health leadership, academia, and consumers, ensuring that infrastructure investments align with sector needs, innovation goals, and equity principles.
- **Agility & future-proofing** – A governance model that ensures both physical and digital infrastructure can adapt to emerging health challenges, technological advancements, and evolving models of care.
- **Equity & accountability** – Embedding Te Tiriti o Waitangi principles into governance structures to reduce health disparities and improve Māori health outcomes, ensuring transparent reporting on both physical and digital infrastructure investments.

The DHA and its members strongly support the development of a Health Infrastructure Entity with an integrated governance model that incorporates both physical and digital health infrastructure within a single, coherent strategic framework. This approach ensures strong governance, future-focused investment, and the ability to drive innovation across the health system without creating unnecessary duplication.

14. Digital mental health: Sector engagement and strategy development

The Digital Mental Health Summit, held in conjunction with Hon Matt Doocey, Minister of Mental Health, at Parliament in December 2024, brought together a diverse range of stakeholders from across the mental health sector, including policy and commissioning representatives, service providers, clinicians, lived experience advocates, industry, and research and academic leaders. The purpose of the Summit was to ideate and explore a strategic approach to digital mental health in New Zealand, recognising the role digital solutions can play in improving access, outcomes, and system efficiency.

A key conclusion from the Summit was the potential development of a Digital Mental Health Hub, serving as a coordinated framework to integrate and scale digital mental health services. However, rather than assuming a set direction, the focus is now on further sector engagement to refine priorities and establish a clear, actionable roadmap.

In support of this, the Digital Health Association (DHA) is leading a structured engagement process to gather sector-wide input on the first four key deliverables that could shape this roadmap. This includes:

- Running industry engagement sessions to capture insights from across the mental health ecosystem.
- Developing a sector-wide survey to invite sector ideas and refine priorities based on lived experience, clinical needs, and system gaps.
- Facilitating an open call for submissions to ensure all stakeholders, including those who could not attend the Summit, have an opportunity to contribute.

The DHA is working closely with Minister of Mental Health, Hon. Matt Doocey, and Ministry of Health officials to ensure this engagement process is inclusive and delivers actionable insights.

CONCLUSION

An enduring framework for a national digital health strategy is essential to ensuring long-term stability and effectiveness. When digital health strategies are subject to significant shifts with each new government, momentum is lost, progress stalls, and resources are wasted. Digital health and infrastructure initiatives require consistent, sustained investment and vision, as they are inherently complex and demand long-term planning and execution.

Digital technologies underpin every aspect of the health system, from frontline patient care to administrative processes and data security. A cohesive, long-term approach is vital to maintaining system efficiency, resilience, and continuity. The establishment of a Health Infrastructure Entity presents a unique opportunity to integrate digital health infrastructure into broader physical infrastructure planning, ensuring that digital platforms and health facilities are developed in alignment. This integrated approach will promote continuity, resilience, and future-proofed investment, preventing disruptions caused by political and economic cycles.

A unified health infrastructure framework would ensure that critical digital and physical health investments remain on track, institutional knowledge is preserved, and New Zealand's health system continues to develop in a way that is forward-thinking, resilient, and globally competitive. Embedding the [Digital Health Governance Framework](#) within this entity would further strengthen governance, ensuring transparent, strategic, and sustainable oversight of both digital and physical health assets.

Public-private partnerships (PPPs) will be critical to achieving these objectives. The private sector brings deep expertise, innovation, and agility, which, when combined with government leadership and investment, can drive meaningful improvements in digital health delivery. A structured PPP framework can enhance service continuity, reduce risk, and enable scalable, fit-for-purpose digital health solutions that improve both clinical and operational efficiencies. By leveraging private sector investment and expertise, the government can accelerate implementation, ensure better integration of emerging technologies, and ultimately improve patient outcomes.

The Digital Health Association (DHA) and its members are deeply committed to working in partnership with the Data and Digital teams in Health New Zealand, collaborating to achieve shared system goals. This strong and productive relationship has fostered greater alignment, innovation, and sector-wide engagement, ensuring that digital health solutions are designed with real-world needs in mind. To build on this progress, it is essential that government and industry continue working together in a structured and strategic way, ensuring that funded programmes of work have the greatest chance of success.

The DHA and its members fully support this initiative and urge the Minister to prioritise the recommendations in this briefing. Addressing funding and workforce challenges in digital health programmes and infrastructure development is essential for safeguarding patient care, ensuring system efficiency, and supporting economic stability. Without action, New Zealand risks falling further behind globally, compromising patient trust, system resilience, and economic potential.

By adopting a strategic, enduring framework within the Health Infrastructure Entity—underpinned by strong public-private collaboration—New Zealand can maintain a unified focus on improving healthcare delivery and outcomes, fostering innovation, and ensuring sustainable progress in digital and physical health infrastructure investments, regardless of shifting political or economic priorities.

THE DHA'S 5 KEY RECOMMENDATIONS

1. Prioritise investment in core digital health infrastructure

Before embarking on large-scale transformation, New Zealand must strengthen its core digital infrastructure. A stable foundation is essential to support future advancements in modern technology as well as AI, automation, and predictive analytics. The Government should align digital health investment with global best practice, ensuring at least 5% of Vote Health is allocated to digital health, up from the current 2.2%.

2. Establish a Health Infrastructure Entity for digital and physical assets

The DHA supports the Minister's concept for a Health Infrastructure Entity that integrates both digital health and physical infrastructure, ensuring long-term sustainability. It is recommended that this entity provides central oversight and coordination, prevents fragmentation, enables interoperability, and future-proofs investments to meet evolving healthcare demands. We also recommend that the Minister considers existing research in this area to leverage insights and ensure the entity is designed for maximum impact and efficiency.

3. Enhance procurement practices to support innovation, growth, and economic opportunity

The DHA recommends that the Minister reviews procurement practices to ensure they support agility, innovation, and efficiency in digital health. Current processes are complex and often limit innovation. A more transparent, flexible, and outcome-driven approach is needed to accelerate digital transformation, foster competition, and enable scalable, sustainable investments.

By engaging earlier with industry and moving away from rigid, one-size-fits-all models, procurement can better support local digital health companies, allowing them to refine and scale solutions domestically before competing globally. Strengthening procurement will not only enhance patient care and system efficiency but also boost economic growth by positioning New Zealand as a leader in digital health exports.

4. Leverage Public-Private Partnerships (PPPs) for digital health advancement and innovation

Stronger public-private collaboration is critical for scaling digital health solutions. The DHA recommends that the Government implement a structured PPP framework that taps into private sector innovation, expertise, and resources, ensuring cost-effective, scalable, and globally aligned digital health advancements.

5. Restore and expand critical digital health programmes

Budget cuts have paused essential digital health initiatives, including interoperability projects and patient data integration efforts. These setbacks risk increasing costs and reducing system efficiency. The DHA recommends that the Minister prioritise funding restoration for these critical programmes to reduce administrative burden, improve clinical workflows, and enhance patient safety.

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APPENDIX

Appendix 1: Real-life Impacts of Budget 2024 Cuts

The Budget 2024 cuts to data and digital funding have put essential projects at serious risk, affecting critical components across New Zealand's health system:

1. **Hira Initiative:** Hira was envisioned as a transformative digital project to provide a comprehensive virtual electronic health record (EHR), enabling current disparate systems to be connected, bridging gaps between healthcare providers and enabling real-time data sharing to enhance care coordination through SaaS – standards, security and cloud. The pause in its development leaves New Zealand's health system dependent on outdated, fragmented models that undermine efficiency and clinical safety.
2. **Suspended Services:** The cuts impact multiple connected services:
 - **My Health Record app:** Now restricted to pandemic-specific use, limiting its effectiveness for the 70,000 registered users who rely on it for broader health management.
 - **National Terminology Service:** A service critical for consistent data across 40 IT vendors is set to be discontinued by March 2025, leading to fragmented and less reliable data practices.
 - **Consumer Digital Health Identity:** Used by 2.7 million accounts, now limited to pandemic response, affecting services like the Aotearoa Immunisation Register and HPV screening.
 - **Patient data integration:** Paused services for integrating patient data across providers impede efforts to create a unified, efficient data flow, impacting overall patient care.
3. **Legacy systems and maintenance challenges:** Over 6,000 digital applications are still in use across the country, many of which are outdated and barely functioning. Funding constraints mean many districts like Tairāwhiti still struggle to perform basic system maintenance, exacerbating inefficiencies. Hospitals are forced to rely on manual processes, including paper records and handwritten prescriptions, which increase risks and slow communication with primary, allied health, aged care, and community providers.
4. **Delayed technological rollouts:** The funding cuts have stalled crucial technologies that were set to improve diagnostics, real-time patient data access, AI for predictive management, and interoperable platforms. These tools could have significantly enhanced clinician workflows, increased productivity, and improved patient safety and health outcomes.
5. **Loss of institutional knowledge:** The reduction in funding leads to job losses, resulting in the departure of experienced staff and a loss of invaluable institutional knowledge. In a sector already grappling with a technology skills shortage, this outflow of expertise—often to overseas positions or more advanced sectors like banking—delays progress and hampers the implementation of future digital projects. Rebuilding this knowledge base and regaining momentum can take years, weakening the system's capacity for innovation.
6. **Cybersecurity threats:** Although some funding for cybersecurity has been retained, it is not sufficient to offset the risks posed by legacy infrastructure. Cyber criminals, part of a global \$8 trillion industry, are becoming more sophisticated, with password attacks escalating from 3 billion per month in 2022 to 30 billion per month in 2023. Without modernised systems and skilled personnel, the healthcare sector remains vulnerable to breaches, threatening patient safety and trust.
7. **Global lag and missed opportunities:** Countries like Finland, Denmark, and Estonia have made significant strides by investing in digital health to modernise their health systems. New Zealand once considered an innovator, risks becoming an outlier as it lags in adopting international standards and technologies. Estonia's model, leveraging digital

investment without natural resources, shows that strategic funding is essential for maintaining global competitiveness and fostering national growth.

8. **Supplier strain and service disruption:** Health New Zealand's request for vendors to reduce fees places immense pressure on suppliers who are already struggling with minimal profit margins. Many of these vendors, operating on limited resources, face uncertainty that could lead to degraded or discontinued services. This affects the stability of essential health services, as key personnel, once assigned to New Zealand projects, are now working for international clients.
9. **Challenges in international recruitment:** The lack of advanced digital infrastructure further inhibits New Zealand's ability to attract skilled doctors from overseas. These clinicians, accustomed to working with cutting-edge technology, may find New Zealand's outdated systems unappealing. This technological gap reduces the attractiveness of New Zealand as a professional destination and impacts the health sector's capacity to maintain high-quality care.
10. **Innovation slowdown:** Health is a prime sector for digital innovation, but without targeted investment, New Zealand risks losing talent to more progressive fields like agtech and fintech. The current health system, with its fragmented architecture and localised service models, needs a shift towards regional and national solutions that support consistent, digitally enabled care. However, underinvestment continues to stall innovation and limit the system's ability to convey the strategic importance and value of digital health advancements.

Strategic, carefully planned investment is essential to address these challenges, ensure the health system's resilience, and position New Zealand to meet current and future healthcare needs effectively.

Appendix 2: DHA Member Views

1. Focus on solutions, not just the status quo

DHA members recognise that the Minister is likely familiar with the broader challenges in healthcare, both internationally and locally. However, there is a concern that the significant reduction in Health New Zealand Digital and Data staffing may not be well understood. The DHA seeks to provide insights on how digital health can address key healthcare challenges rather than reiterate well-known sector difficulties.

2. Key concerns and recommendations

- **Aging population support:** With over one million New Zealanders expected to be over 65 by 2028, there is a need for clear plans on community-based care, Health New Zealand funding gaps, and the role of digital solutions in supporting aging populations.
- **Digital health investment as infrastructure:** Digital health should be viewed as critical infrastructure, similar to roading. IT infrastructure moves data efficiently, improving clinical workflows and patient care.
- **Public-Private Partnerships (PPPs):** Consider leveraging PPPs to mitigate the impact of reductions in digital resources and optimise existing investments in digital health.
- **Value-based digital health assessments:** There are currently no structured assessments measuring the value of digital health solutions. A commitment to evidence-based funding decisions is needed to ensure cost-effective solutions are prioritised.
- **Total cost of ownership considerations:** Digital health acts as a force multiplier for the workforce, enhancing efficiency and patient outcomes. Cost-effectiveness should be measured over time rather than just upfront expenditure.

3. Addressing government priorities through digital health

DHA members recommend aligning digital health initiatives with the government's key health targets:

- **Faster cancer treatment:** Digital solutions can streamline referrals, diagnostics, and patient tracking.
- **Improved immunisation rates:** Digital record-keeping and automated reminders improve vaccination uptake.
- **Shorter ED and specialist wait times:** Improved digital communication between primary and secondary care can reduce delays.
- **Enhancing community care navigation:** Current funding models are complex. Digital tools can simplify navigation and coordination of services.

4. Practical steps for implementation

- **Utilising existing investments:** Many digital health projects have already been developed but remain underutilised. The government should focus on scaling successful initiatives rather than starting from scratch.
- **Encouraging research-backed investments:** A fiscally responsible approach to digital health must prioritise research-driven decisions to avoid ineffective spending.

- **Simplifying procurement for private investment:** Reducing barriers to private sector involvement in digital health solutions will attract global investment and innovation.

5. Political and budget considerations

DHA members emphasise that digital health is not just a cost but a strategic enabler of efficiency, equity, and better patient outcomes. The Minister is encouraged to leverage existing solutions, support public-private collaboration, and ensure digital investments align with the government's core health targets.

Appendix 3: Further Feedback from DHA Members

1. Challenges in digital health

- Fragmented, duplicative digital health solutions lead to inefficiencies and financial waste.
- Lack of integration among healthcare systems increases administrative burden and costs.

2. Recommendations for the Minister of Health

- Prioritise evidence-based digital health investments to ensure financial sustainability and better patient care.
- Reduce wasteful spending by consolidating and streamlining digital systems.
- Mandate cost-benefit analysis in procurement to justify investments and improve fiscal responsibility.
- Enhance interoperability and data sharing to reduce inefficiencies and medical errors.

3. Political and fiscal justifications

- Smart digital investments can help achieve government targets efficiently.
- Avoiding past mistakes (e.g., uncoordinated IT spending) enhances public trust.
- Standardised digital solutions can deliver both immediate cost savings and long-term benefits.

4. Pharmacy perspective

- Implementing standardised digital systems can improve prescription accuracy and reduce errors.
- Nationwide digital records would prevent unnecessary GP visits and hospitalisations.
- Supporting digital innovations can alleviate workforce shortages and streamline healthcare delivery.

5. Industry and policy insights

- Emphasising open-source, tech-agnostic solutions can foster innovation.
- Leveraging existing digital health infrastructure rather than building from scratch is crucial.
- Digital health technology should be assessed using internationally recognised health technology assessments (HTAs).

6. Workforce concerns

- The proposed 25% reduction in digital health personnel could significantly negatively impact service delivery and frontline clinical support.

The feedback from DHA members urges policymakers to align digital health strategies with government priorities while ensuring fiscal prudence and patient-centered innovation.

Appendix 4: MedicAlert Foundation Submission

Understanding health data standards and APIs

In healthcare, data standards ensure that patient information can be securely and consistently shared between different health providers, systems, and organisations. Without common standards, health data becomes fragmented, difficult to access, and often duplicated, leading to inefficiencies, medical errors, and delayed care.

A Fast Healthcare Interoperability Resources (FHIR) API (pronounced “fire”) is a modern standard designed to improve the exchange of health data across different health IT systems. Developed by HL7 (Health Level Seven International), FHIR allows health organisations to securely share and access patient information in a structured, consistent, and real-time manner—regardless of the system they use.

An API (Application Programming Interface) is a digital bridge that allows different software systems to communicate and exchange data in a secure and structured way. APIs are widely used in banking, telecommunications, retail, and travel e.g., to book flights, to enable real-time data access, and in healthcare, they ensure that patient data can be accessed by the right people, at the right time, to improve clinical decision-making, emergency response, and patient safety.

A FHIR API specifically ensures that health data can be shared in a way that meets global health standards, making systems interoperable—meaning they can work together seamlessly. In New Zealand, delivering a nationally connected IPS (International Patient Summary) FHIR API would allow authorised health providers and emergency responders to access accurate, up-to-date patient information when it matters most.

National delivery of an International Patient Summary (IPS) standards-based FHIR API

About MedicAlert Foundation

MedicAlert Foundation is a Member of the Digital Health Association (DHA) and a trusted provider of critical health information services. It is also:

- An ISO 27001 and SOC II Accredited Data Security Organisation.
- A Health Information Agency listed under Schedule 2 of the Health Information Privacy Code (HIPC) 2020.
- A Member of HL7 New Zealand, actively contributing to health data interoperability standards.
- A Community Service Provider for emergency identification and the prevention of avoidable harm, supporting approximately 40,000 enrolled health consumers (members).
- A provider of clinically validated, service-supported Medical Information Devices.
- A developer of a bespoke, SNOMED CT and FHIR API-enabled Medical Alerting Clinical Management (MACM) Platform, hosted on a hyperscale Microsoft Azure data centre with multiple redundancies and live failovers.
- An Incorporated Society and Registered Charity, reporting to XRB Standards Tier 2 level.
- The platform and portal provider for the National Breast Device Register, operated by the New Zealand Society of Plastic Surgeons.
- A Health New Zealand (HNZ) National Health Index (NHI)-connected and My Health Account-authenticated Health Information Service Provider, supporting an International Patient Summary (IPS) standards-based FHIR API.
- A Health IT Service Provider connected to primary care portals, including Manage My Health.

- A provider of a Medical Alerting Clinical Management Portal for health consumers.
- An Emergency Services Identity and Health Information Portal Service Provider.

Proven value and Return on Investment (ROI)

A 2018 PwC economic impact report confirmed that MedicAlert Foundation delivers an estimated \$56 million in annual benefits to the public and private health sectors, directly improving health consumer outcomes. PwC found that the Foundation achieved an exceptional 11:1 return on investment (ROI)—a rare level of efficiency and effectiveness in the sector.

Despite this high impact and efficiency, the Foundation operates with an annual revenue of just \$2.6 million (XRB-reported). Investing a similar level of funding into national IPS FHIR API data sharing could resolve significant data access gaps in New Zealand’s health system, reducing avoidable harm and improving patient safety.

The Problem: Health system risk and avoidable harm

The Health and Disability Commissioner (HDC) has published multiple reports over the past decades highlighting systemic avoidable harm and preventable deaths within New Zealand’s health system. This is further reinforced by ACC data, which records over \$400 million in new treatment injury claims annually, adding to billions of dollars in long-term liabilities for treatment-related harm.

Other government agencies, including Health New Zealand (HNZ) and the Ministry of Social Development (MSD), also bear significant costs from avoidable medical errors, inefficient healthcare delivery, and delayed access to critical health information.

Lack of Action on Data Sharing

For more than a decade, MedicAlert Foundation has sought access to health consumer data from Health New Zealand to support:

- Health professionals in private practice
- Emergency service first responders (including police, fire, and search and rescue—not just ambulances)
- Good Samaritans and workplace first aiders responding to 111 calls

Health New Zealand has been actively working to improve data access and remains committed to progress in this space. However, the delivery of a national IPS FHIR API for authorised health information agencies, such as MedicAlert, has faced ongoing challenges. Key barriers have included shifts in leadership and priorities within the Ministry of Health and Health New Zealand, leading to a loss of continuity and focus. While funding was initially available through HIRA, evolving political priorities ultimately stalled the project and led to a loss of this funding. At times, the pursuit of a perfect solution may have delayed meaningful progress, when a more incremental approach could have provided tangible benefits in the interim.

This ongoing challenge increases patient risk, delays emergency response, and leads to avoidable hospitalisations due to misdiagnosis or incorrect treatment. Early access to accurate health data can prevent serious complications, improve triage decisions, and even eliminate unnecessary hospital admissions when appropriate.

Proven technology, no delivery

MedicAlert worked collaboratively with the Ministry of Health, Health New Zealand, and Hira to develop a functioning, outward-enabled IPS FHIR API. The proof of concept was successfully tested and validated—but was never funded or contracted for national deployment.

Despite these efforts, the IPS FHIR API services needed to enable safer health outcomes and support digital health innovation have not yet been delivered.

Ministerial action required: Fund, contract, and deliver

The Solution: A national IPS FHIR API for health data sharing

Delivering one funded outcome—the IPS FHIR API for health data disclosure—would immediately:

1. Reduce avoidable harm and deaths.
2. Improve health consumer quality of life.
3. Reduce HNZ, MSD, and ACC costs.
4. Improve health system efficiency and provider productivity.

Minister's role: Remove barriers, fund implementation

The primary barrier to progress has never been technology—it has always been contracts and funding. To resolve this, the Minister must:

1. Make it Government Policy for Health New Zealand (or the Ministry of Health) to contract and fund IPS FHIR API-enabled services that require HNZ to disclose health consumer data to accredited, trusted health information agencies.
2. Fund only the development and maintenance of the IPS FHIR API software and infrastructure—ensuring data is securely shared and immediately available for patient safety and clinical decision-making.
3. Implement an iterative, continuous improvement model to evolve IPS FHIR API services over time, ensuring alignment with emerging international interoperability standards.
4. Leverage existing, proven infrastructure—instead of funding outdated legacy systems like the Ministry of Health's old Medical Warning System, modernise and scale with MedicAlert's MS Azure-based interoperable platform.
5. Enable IPS FHIR API-connected digital services for health providers nationwide, improving real-time data access, emergency response, and treatment decisions.

The Opportunity: A Fast, Proven, and Scalable Solution

MedicAlert's IPS FHIR API-enabled platform is already built and tested. With funding and contracts in place, the service can be deployed quickly—delivering immediate, measurable benefits for New Zealand's health system.

Final Call to Action: Turn the Lights Green

The technology exists. The infrastructure is in place. The only missing piece is action. Now is the opportunity to deliver a national, connected Health IT service that improves lives, supports health professionals, and unlocks the potential of New Zealand's private digital health sector.

By moving forward with this initiative, the Minister can take leadership on an achievable, high-impact solution that improves healthcare outcomes, system efficiency, and long-term cost savings—while finally delivering a national, standards-based digital health data sharing service.

Recommendation

It is recommended that the Government and Minister of Health prioritise the delivery of a New Zealand Patient Summary FHIR API as a key digital health initiative. Implementing this solution has the potential not only to prevent harm to health consumers but also to reduce costs for Health New Zealand, ACC, and the Ministry of Social Development.

Disclaimer: The above submission reflects the views of MedicAlert Foundation, a member of the Digital Health Association (DHA).