**To the Chairs, Board Members and Chief Executives of the   
Capital & Coast, Hutt Valley and Wairarapa DHBs**

Dear Board Member

Please find enclosed a copy of the Association of Salaried Medical Specialists’ latest *Health Dialogue* publication, reflecting our members’ deep concern about the potential unintended consequences of any form of privatisation resulting from the proposal by Capital & Coast, Hutt Valley and Wairarapa DHBs to merge hospital and community laboratory services. This publication would not have been possible without the input and advice of specialists with expertise in working in and with hospital laboratories.

The Association supports integration in principle but the proposal uses the word integration far too narrowly and misunderstands it in the context of the role of hospital specialists. Our analysis of the three DHBs’ proposal, including a review of the literature, indicates the process used to date is more likely to achieve disintegration at the hospital service level. In addition, any form of privatisation would carry a high clinical risk, leading to potentially high financial risks.

A fundamental issue underlying this proposal is the lack of clinical engagement and clinical leadership in the process of its development. You may well have been advised to the contrary, but I can assure you that the feedback we have received from our members – both in the hospital laboratories and in wider clinical services – indicates a strong sense of unease, uncertainty and disengagement.

The ‘consultation’ with staff falls woefully short of what is required for effective clinical leadership and engagement, as described in government policy and as agreed in several documents, including the multi-employer collective agreement covering senior medical and dental officers.

The effect of this has been to force specialists and other health professionals into a position where they are only able to react to the proposals before them (and only within a narrow predetermined range) instead of being able to contribute their expertise and experience to influence the future shape of the regional laboratory services. It is in everyone’s interests, not least the patients’, to ensure decisions on the future shape and direction of services are formed on the basis of engagement with those that deliver the services.

The importance of our laboratories to the safe and effective delivery of patient care and treatment across the public health system cannot be over-stated. More than 70% of all clinical diagnoses involve pathology tests, and pathology also plays an important role in infection control and monitoring disease. Consideration of the impact that any form of privatisation could have on the critical integration between hospital laboratories and other hospital clinical services is alarmingly absent in the proposal document and in the preceding *Laboratories Services Strategy*.

Further, while our publication does not include an analysis of the service specifications, it has recently come to our attention that there remain outstanding issues concerning the specifications.

The Association strongly urges the boards to review the proposal process in order to:

1. confirm that hospital laboratories will continue to be publicly provided and their staff DHB-employed; and
2. work with the Association on a process to establish strong clinical leadership in the development of a more integrated relationship between the hospital laboratories, and between them and the community testing provider, based on enhanced collaboration.

This approach would avoid the risks described in the enclosed publication. On the basis of available evidence, it is far more likely to succeed in achieving a more efficient and cost-effective service. It could also be regarded as being in the range of possible scenarios of the DHBs’ proposed Option 1.

The Association would be happy to answer any queries arising from our publication and also to meet with board representatives to discuss this issue further, as needed.

Yours sincerely

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| Ian Powell  EXECUTIVE DIRECTOR |  |

**Copied to:**

Minister of Health

Members of Parliament - Health Select Committee

Local electorate Members of Parliament

Ministry of Health – Acting Director-General of Health

District Mayors