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- ❑ Karen Naylor
- ❑ Richard Orzecki
- ❑ Barbara Robson

Management Team
- ❑ Murray Georgel, CEO
- ❑ Mike Grant, General Manager, Planning & Support
- ❑ Heather Browning, General Manager, Enable NZ
- ❑ COO's Office
- ❑ Jill Matthews, PAO
- ❑ Communications Dept, MDHB
- ❑ External Auditor

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- ❑ Julia Jones, Account Manager

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Contact Details

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Next Meeting Date: 21 May 2013
Deadline for Agenda Items: 7 May 2013

MIDCENTRAL DISTRICT HEALTH BOARD

A g e n d a

Board Meeting

Part 1

Date: Tuesday, 9 April 2013

Time: 10.00am

Place: Tararua District Council
Council Chambers
26 Gordon Street
Dannevirke

MIDCENTRAL DISTRICT HEALTH BOARD

Board Meeting

9 April 2013

Part 1

Order

1. APOLOGIES

2. LATE ITEMS

3. CONFLICT AND/OR REGISTER OF INTERESTS UPDATE

3.1 Amendments to the Register of Interests

3.2 Declaration of Conflicts in Relation to Today's Business

4. PUBLIC FORUM

4.1 Questions from the Public

5. MINUTES OF PREVIOUS MEETING

5.1 Minutes

Pages:	5.1 – 5.6
Documentation:	minutes of 26 February 2013
Recommendation:	that the minutes of the previous meeting held on 26 February 2013 be confirmed as a true and correct record.

5.2 Matters Arising from the Minutes

6. BOARD COMMITTEES

6.1 Group Audit Committee

Pages:	6.1 – 6.4
Documentation:	unconfirmed minutes of Group Audit Committee meeting, 26 February 2013
Recommendation:	that the unconfirmed minutes of the meeting of the Group Audit Committee held on 26 February 2013 be received and the recommendations contained therein approved.

6.2 Matters Arising

6.3 Hospital Advisory Committee

Pages:	6.5 – 6.10
Documentation:	unconfirmed minutes of Hospital Advisory Committee meeting, 19 March 2013
Recommendation:	that the unconfirmed minutes of the meeting of the Hospital Advisory Committee held on 19 March 2013 be received and the recommendations contained therein approved.

6.4 Matters Arising

6.5 Community & Public Health Advisory Committee

Pages:	6.11 – 6.15
Documentation:	unconfirmed minutes of Community & Public Health Advisory Committee meeting, 19 March 2013
Recommendation:	that the unconfirmed minutes of the meeting of the Community & Public Health Advisory Committee held on 19 March 2013 be received and the recommendations contained therein approved.

6.6 Matters Arising

6.7 Disability Support Advisory Committee

Pages:	6.16 – 6.19
Documentation:	unconfirmed minutes of Disability Support Advisory Committee meeting, 19 March 2013
Recommendation:	that the unconfirmed minutes of the meeting of the Disability Support Advisory Committee held on 19 March 2013 be received and the recommendations contained therein approved.

6.8 Matters Arising

7. OPERATIONAL REPORTS

7.1 CEO's Report

Pages:	7.1 – 7.25
Documentation:	CEO's report dated 28 March 2013
Recommendation:	that the report be received.

7.2 Six-monthly Capex Update

Pages:	7.26 – 7.35
Documentation:	report from the General Manager, Planning & Support dated 19 March 2013
Recommendation:	that the report be received.

7.3 Information Systems: Pharmacy

Pages:	7.36 - 7.40
Documentation:	report from the General Manager, Planning & Support dated 24 March 2013
Recommendation:	that the report be received.

8. GOVERNANCE ISSUES

8.1 Elections

Pages: 8.1 – 8.4
Documentation: report from Manager, Administration & Communications dated 26 March 2013
Recommendation: that the order of DHB candidate names be printed in alphabetical order, by surname, on all voting documents;

that early processing of MidCentral DHB voting documents during the voting period be authorised; and,

that the report be received.

8.2 2012/13 Work Programme

Pages: 8.5 – 8.9
Documentation: CEO's report dated 26 March 2013
Recommendation: that the updated work programme for 2012/13 be noted.

9. LATE ITEMS

10. DATE OF NEXT MEETING

Tuesday, 21 May 2013, Horowhenua Health Centre, 62 Liverpool Street, Levin.

11. EXCLUSION OF PUBLIC

Recommendation: that the public be excluded from this meeting in accordance with the Official Information Act 1992, section 9 for the following items for the reasons stated:

Item	*Reason*	*Ref*
"In committee" minutes of the previous meeting	For reasons stated in the previous agenda	
"In committee" minutes of committee meetings: • Hospital Advisory Committee, 19 March 2013 • Community & Public Health Advisory Committee, 19 March 2013 • Disability Support Advisory Committee, 19 March 2013	For the reasons set out in the Committees' order paper of 19.3.13 meeting held with the public present	
Strategic Matters • Annual planning • Treasury issues • Seismic Assessment	 Subject of negotiation Subject of negotiation Commercial sensitive information which is subject to tender	 9(2)(j) 9(2)(j) 9(2)(j)
Operational Matters • CEO's Report – HBL & All-of-Government contracts, and, revenue banking • Contracts update	 Subject of negotiation & commercial sensitive Subject of negotiation	 9(2)(j) 9(2)(j)
Governance Matters • Board & committee membership	 To protect personal privacy	 9(2)(a)

MIDCENTRAL DISTRICT HEALTH BOARD

Minutes of the MidCentral District Health Board meeting held on 26 February 2013 at 10.00am at MidCentral District Health Board Offices, Board Room, Gate 2, Heretaunga Street, Palmerston North

PRESENT

Phil Sunderland (Chair)
Diane Anderson
Ann Chapman
Jack Drummond
Kate Joblin
Pat Kelly
Karen Naylor
Richard Orzecki
Barbara Robson

IN ATTENDANCE

Murray Georgel, Chief Executive Officer
Mike Grant, General Manager, Planning & Support
Heather Browning, General Manager, Enable New Zealand
Jill Matthews, Principal Administration Officer
Dennis Geddis, Communications Officer
Lyn Horgan, Operations Director, Hospital Services
Muriel Hanratty, Director, Patient Safety & Clinical Effectiveness
Vivienne Ayres, Planning & Accountability

Public (1)
Media (1)

1. APOLOGIES

An apology for lateness was received from Lindsay Burnell, Board Member.

2. LATE ITEMS

There were no late items.

3. CONFLICT AND/OR REGISTER OF INTERESTS UPDATE

3.1 Amendments to the Register of Interests

Ann Chapman advised her daughter no longer worked for ACC, and had taken up a role with the Child Action Plan Directorate.

3.2 Declaration of Conflicts in Relation to Today's Business

Ann Chapman noted that item 15.1, Planning Update including reference to the Child Action Plan and her daughter worked with the Child Action Plan Directorate.

4. PUBLIC FORUM

4.1 Questions from the Public

There were no questions from the public

5.2

5. MINUTES OF PREVIOUS MEETING

5.1 Minutes

It was resolved:

that the minutes of the previous meeting held on 11 December 2012 be confirmed as a true and correct record.

5.2 Matters Arising from the Minutes

There were no matters arising from the minutes.

6. BOARD COMMITTEES

6.1 Group Audit Committee

It was resolved:

that the unconfirmed minutes of the meeting of the Group Audit Committee held on 11 December 2012 be received and the recommendations contained therein approved.

6.2 Matters Arising

There were no matters arising from the minutes.

6.3 Hospital Advisory Committee

It was resolved:

that the unconfirmed minutes of the meeting of the Hospital Advisory Committee held on 5 February 2013 be received and the recommendations contained therein approved.

6.4 Matters Arising

6.4.1 Privacy Incidents

Barbara Robson advised she would be seeking a correction to the third paragraph of the minutes relating to this matter.

6.4.2 Workforce Strategy

A member noted the scandal of the Staffordshire National Health Trust, stating a huge number of avoidable deaths had occurred because the Trust focused on a narrow range of targets.

6.5 Community & Public Health Advisory Committee

It was resolved:

that the unconfirmed minutes of the meeting of the Community & Public Health Advisory Committee held on 5 February 2013 be received and the recommendations contained therein approved.

6.6 Matters Arising

6.6.1 Community Pharmacy Services Agreement

The General Manager, Planning & Support advised that all local pharmacies had signed up to this Agreement.

6.6.2 Horizon's Funding of Health Shuttles

Members Kelly and Robson requested a copy of management's letter to Horizons on this matter.

6.7 Enable New Zealand Governance Group

It was resolved:

> *that the unconfirmed minutes of the meeting of the Enable New Zealand Governance Group held on 5 February 2013 be received and the recommendations contained therein approved.*

6.8 Matters Arising

There were no matters arising from the minutes.

7. STRATEGIC MATTERS

7.1 HBL Update – Share Issue

It was resolved:

> *that the report be received; and,*
>
> *that authority be delegated to the Chief Executive Officer to sign the Consent to Issue of Shares.*

7.2 One Patient's Journey

Members were supportive of the approach taken and progress made to date. It was noted that Mrs Robins had elected to come direct to the Board, and had chosen not to go via the usual operational processes as she felt her concerns would be given greater emphasis.

The complexities involved in co-ordinating care across primary and secondary care and several providers was noted.

It was agreed that in future updates on this matter would go via the Hospital Advisory and the Community & Public Health Advisory Committees.

It was resolved:

> *that the report be received.*

5.4

8. OPERATIONAL REPORTS

8.1 CEO's Report

8.1.1 Letter of Expectations

The Minister's letter of expectations for 2013/14 was noted. The CEO advised that this had been circulated to staff and was available to them on the DHB's intranet.

It was agreed that clarification be sought on the statement, "... and sharing of patient controlled health records" meant in actual terms. It was considered the current wording was open to interpretation.

8.1.2 My DHB

The establishment of this national on-line information service was noted.

8.1.3 National Health Committee (NHC)

Members noted that the NHC was focused on best efficacy, and based their decisions and recommendations on scientific evidence.

8.1.4 DHB Triennial Elections

Pat Kelly advised that the Palmerston North City Council's elections would be run on a single transferrable voting (STV) system this term.

8.1.5 Regional Matters: National Travel & Accommodation Policy

The CEO reported that the Technical Advisory Service (TAS) advised this piece of work had got some momentum. The CEO expected to provide feedback to the Board at its meeting to be held in May.

8.1.6 Surplus Properties, Horowhenua

Richard Orzecki advised all parties were expressing concern at the slowness of this process.

8.1.7 Information Systems

The update on information systems work was noted. The growing IT requirements – local, regional and national – was raised as regards MDHB's ability to resource these. The General Manager, Planning & Support said a shift in direction was occurring. Work was underway to link MDHB's generalist staff to subject matter experts. There was a significant amount of IT work happening in health and it was all competing for the same resources.

It was agreed that management provide information on current and planned activity around pharmacy IT systems and how these were connected (or not connected), eg e-medicines, e-pharmacy, medicines reconciliation, Concerto, and long term conditions.

Advances in IT technology were discussed, including growing use of Cloud technology, and next generation devices. The General Manager, Planning & Support said the national IT direction was for buying "IT infrastructure as a service", and "software as a service". Issues around ownership of information stored using Cloud technology were important.

8.1.8 Debt and Equity

The CEO drew members' attention to the schedule of debt as contained in his report. He noted that two tranches of debt were due to mature in April. It was management's intention to bring forward a recommendation to the Board at its next meeting to roll over this debt to enable the

DHB to maintain capacity to self-fund future investment. It was agreed that this report would include details of the cost of both roll-over and repayment, including lost interest.

The General Manager, Planning and Support noted that current interest rates resulted in a positive impact for MDHB of having debt monies for investment.

Members noted that the board's treasury management policy was regularly reviewed by the Group Audit Committee. Current policy did not support the use of swap arrangements.

It was resolved:

that the report be received.

9. GOVERNANCE ISSUES

9.1 Manawhenua Hauora Minutes

It was resolved:

that the minutes be received.

9.2 Regional Governance Arrangements

The Chair and CEO updated members on progress in implementing the new governance arrangements. The Regional Governance Group was currently appointing an interim independent chair and expected to hold its first meeting in early March. One of the first matters of business would be the appointment of an independent chair for the Central Region's Technical Advisory Service (TAS) and other independent directors. TAS's amended constitution was in the process of being signed and filed with the Companies Office.

It was noted that MDHB's Chair would sign the TAS constitution on behalf of MDHB.

It was further noted that a framework of the new regional governance arrangements would likely be available in due course.

It was resolved:

that the report be received.

9.3 2012/13 Work Programme

The CEO noted that in line with members' feedback, the board agendas contained divider pages between each report.

Members noted that the next meeting was to be held in Dannevirke.

It was resolved:

that the updated work programme for 2012/13 be noted.

10. LATE ITEMS

There were no late items.

5.6

11. DATE OF NEXT MEETING

Tuesday, 9 April 2013, Tararua District Council, Council Chambers, 26 Gordon Street, Dannevirke.

12. EXCLUSION OF PUBLIC

It was resolved:

that the public be excluded from this meeting in accordance with the Official Information Act 1992, section 9 for the following items for the reasons stated:

Item	*Reason*	*Ref*
"In Committee" Minutes of the Previous Meeting	*For reasons stated in the previous agenda*	
"In Committee" Minutes of Committee Meetings:		
• *Hospital Advisory Committee, 5 February 2013*	*For the reasons set out in the Committee's order paper of 5.2.13 meeting held with the public present*	
• *Community & Public Health Advisory Committee, 5 February 2013*	*For the reasons set out in the Committee's order paper of 5.2.13 meeting held with the public present*	
• *Enable New Zealand Governance Group, 5 February 2013 – draft service plan & budget; and contracts update*	*Subject of negotiation*	*9(2)(j)*
Strategic Matters		
• *2013/14 Annual Planning*	*Subject of negotiation*	*9(2)(j)*
• *Revenue Banking*	*Subject of negotiation*	*9(2)(j)*
Operational Matters		
• *CEO's Report*		
o *Allied Laundry Services Limited's Tender Bid*	*Subject of negotiation*	*9(2)(j)*
o *centralAlliance – Annual Planning*	*Subject of negotiation*	*9(2)(j)*
o *Legal Services Contract*	*Subject of negotiation*	*9(2)(j)*
o *Review of Publicly Accessible IT Systems*	*Subject of negotiation, and, subject of obligation of confidence*	*9(2)(j) & 9(ba)*

Confirmed this 9th day of April 2013.

.....
Chairman

MIDCENTRAL DISTRICT HEALTH BOARD

Minutes of the Meeting of the Group Audit Committee, held on Tuesday, 26 February 2013 at 8.30am in the Boardroom, MidCentral DHB Offices, Heretaunga Street, Palmerston North

PRESENT:

Ann Chapman (Chair)
Kate Joblin (Deputy Chair)
Lindsay Burnell
Karen Naylor
Phil Sunderland (ex officio)

IN ATTENDANCE:

Murray Georgel, Chief Executive Officer
Mike Grant, General Manager, Planning & Support
Robert Brown, Financial Services Manager
Carole Chisholm, Committee Secretary
Muriel Hancock, Director Patient Safety & Clinical Effectiveness

Pat Kelly, Board Member (part)
Andy Wotton and James Rees-Thomas (PricewaterhouseCoopers), internal auditors

1. APOLOGIES

There were no apologies.

2. LATE ITEMS

There were no late items.

3. CONFLICT AND/OR REGISTER OF INTERESTS UPDATE

3.1 Amendments to the Register of Interests

There were no amendments

3.2 Declaration of Conflicts in Relation to Today's Business

There were no declarations.

4. MINUTES

4.1 Minutes of Previous Meeting

It was recommended

that the minutes of the previous meeting held on 11 December 2012 be endorsed as a true and correct received.

6.2

4.2 Recommendations to Board

It was noted that the Board approved all recommendations contained in the minutes.

5. MATTERS ARISING

There were no matters arising.

6. EXTERNAL AUDIT PROGRAMME

6.1 Engagement Letter

It was recommended:

that the audit engagement letter be signed by the Chair of MidCentral DHB.

6.2 Annual Report 2012/13 - Timeline

It was recommended:

that the proposed timeline be approved.

6.3 Management Letter

Management noted that while considerable improvements had been made, there were still a number of items in the Constructive Report that had been carried over from previous years. To this end Peter Reed, the ex CFO from Hawkes Bay, had been engaged to work with management and the auditors to ensure that the outstanding issues were addressed. Members were supportive of this process.

It was noted that while progress had been made in the areas of reconciliations and journals, these were ongoing and still subject to discussion with the auditors. Part of Peter Reed's focus would be on this area.

Pat Kelly entered the meeting.

Management advised that Fusion 5's access to JDE would be monitored by the Information Systems Department and reviewed by Deloitte as part of the annual Information Systems audit.

In response to a member's enquiry, it was confirmed that progress was being made in the Contract Management area prior to the move to Oracle.

It was recommended:

that this report be received.

7. INTERNAL AUDIT PROGRAMME

7.1 Update

Andy Wotton introduced his report and noted that the only outstanding item for 2011/12 was the 'Fraud Susceptibility Review' which was still being considered by management. It was noted that these types of reviews often took longer for management to process due to the nature of the recommendations.

In relation to the 2012/13 programme, the Committee were of the view that the 'Compliments and Complaints System' review and 'Elective Services Patient Flow Indicators' should go ahead in the current audit year but that the 'Performance Reporting in the Provider' should not proceed as it would only be a duplication of the area covered by Ernst & Young in 2011.

The Committee requested to see the scope of the 'Compliments and Complaints System' review prior to the commencement of the audit. It was confirmed that this would be circulated to members and any comments conveyed to the auditors.

James Rees-Thomas outlined the approach to be taken in the planning of the 2013/14 internal audit programme. This would cover the usual process and involve discussions with Board members and senior management. Following a request for potential items the Committee noted that 'Investment Planning' could be an area to be considered.

The Chair advised that she would be away on leave from mid May to mid June 2013 and during this time the GM Planning & Support would forward any scoping documents to Committee members as required.

It was recommended:

that this report be received;

that having considered the proposed changes to the 2012/13 audit programme, the 'Compliments and Complaints System' review and 'Elective Services Patient Flow Indicators' audit should go ahead as planned, but that the' Performance Reporting in the Provider' should not proceed;

that the approach to planning for 2013/14 be approved.

7.2 MDHB Risk Plans

Management introduced the report and in response to a member's question, advised that the outstanding mitigations would be in place by May or June 2013.

It was recommended:

that this report be received.

8. PROJECT AUDIT REPORTS

8.1 PBX Upgrade

Management advised that this project was running behind schedule but that a report would be available in September 2013.

It was recommended:

that a further update be provided in September 2013.

8.2 Assessment of Current Programme & Project Management Practices

As this project had only just commenced, a further report would be provided as appropriate.

It was recommended:

that this report be received.

6.4

9. GOVERNANCE

9.1 Work Programme

A member raised the question of quality improvement and the tracking of progress on recommendations contained in various reports.

Following discussion it was noted that the Riskman system would be the central repository and monitor progress in this area.

It was also noted that the Board and Committee work plans provided a discipline to ensure that action was taken as appropriate.

It was recommended:

that the updated work programme for 2012/13 be noted.

11. LATE ITEMS

There were no late items under 2 above.

12. DATE OF NEXT MEETING

Tuesday, 2 July 2013.

The meeting concluded at 9.20am.

Confirmed this 26th day of February 2013

.....
Chairperson

MidCentral District Health Board

Minutes of the Hospital Advisory Committee meeting held on 19 March 2013 commencing at 8.45 am in the Board Room, MidCentral District Health Board

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PRESENT

Jack Drummond (chair)
Lindsay Burnell
Kate Joblin
Richard Orzecki
Stephen Paewai
Barbara Robson
Phil Sunderland
Cynric Temple-Camp

In attendance
Murray Georgel, CEO
Mike Grant, General Manager, Planning & Support
Carolyn Donaldson, Committee Secretary

Nicholas Glubb, Operations Director, Specialist Community & Regional Services
Lyn Horgan, Operations Director, Hospital Services
Muriel Hancock, Director, Patient Safety & Clinical Effectiveness
Anne Amoore, Manager, Human Resources and Organisational Development
Vivienne Ayres, Manager, DHB Planning and Accountability (part meeting)
Jeff Small, Group Manager, Commercial Support (part meeting)
Communications (1)

1. APOLOGIES/RESIGNATION

Advice was received from Kerry Simpson that she had resigned from the Committee effective immediately, as she has moved to USA. She expressed best wishes to members. The Board Chairman advised the usual appointment process would be undertaken to appoint a replacement committee member.

2. LATE ITEMS

There were no late items.

3. CONFLICT AND/OR REGISTER OF INTERESTS

3.1 Amendments to the register of interests

There were no amendments to the register of interests.

3.2 Declaration of conflicts in relation to today's business

The following declarations of conflict of interest were noted:

Jack Drummond and Cynric Temple-Camp declared a conflict of interest with some of the cases mentioned in the confidential section of the operating report.

Stephen Paewai declared a conflict in relation to item 6.1 and parts of item 16 (part 2 of the agenda) due to his directorship of Tararua Hauora Services.

6.6

The CEO advised Karen Naylor had not received the information regarding employment relation settings, due to her employment relationship with the Board.

4. MINUTES

It was recommended

> that the minutes of the meeting held on 5 February 2013 be confirmed as a true and correct record, subject to amending the third sub-paragraph under paragraph 6.1 to read: "It was suggested *information should be developed* for patients and the public to see and understand what information was being collected and stored about individuals and how it was stored."

4.1 Recommendations to Board

It was noted that the Board approved all recommendations contained in the minutes.

5. MATTERS ARISING FROM THE MINUTES

There were no matters arising from the minutes.

6. STRATEGIC/ANNUAL PLANNING

6.1 Non-financial Monitoring Framework and Performance Measures – Quarter 2 2012/13

An overview of the report for quarter 2 was provided, summarising some of the key points. Indicators reported this quarter included those for mental health and addiction services, otherwise there was a similar range of measures and reporting items as last quarter. Three of the national health targets continue to be achieved, and improvements were made in cardiovascular disease risk assessments and shorter stays in ED. Diabetes detection continues to be an issue although diabetes management was close to target. There is more emphasis on changing to a diabetes care improvement package, and for the 2013/14 year onwards there will be an emphasis on access to and management of medications (such as statins and antihypertensives) for people with diabetes. The ambulatory sensitive hospitalisations rate for children continued to be outside the national rate (with conditions such as dental, pneumonia, upper respiratory/ENT, gastroenteritis, cellulitis and asthma being in the top group). Standardised intervention rates are also below the national rates; more emphasis is being placed on cardiology procedures and cardiac surgery standardised intervention rates, which continue to be a challenge across the region as well. Noted that there was an improvement in the intervention rate for major joints, and a similar rate for cataracts compared to the previous year.

Stroke rehabilitation – clarification was sought in relation to MCH's approach to this service, as it appeared there were differences in opinion of the best approach and model to adopt across the region.

It was noted that the Child Health Team keeps a watching brief on the ASH rates for children and considers the development of collaborative clinical pathways relevant to the ASH conditions, such as gastroenteritis and cellulitis. There are timeframes for delivering these pathways.

Positron Emission Tomography (PET) Scanning – it was clarified that the table reporting the PET scan volumes related only to MDHB scans. Generally RCTS patients with a confirmed diagnosis should have had any required PET scans undertaken earlier in their pathway at their DHB of domicile (who report their own volumes), the few exceptions to this relate to a need for a PET scan to assist treatment planning or decision making, largely for RCTS.

It was recommended

that this report be received

6.2 Disposal of ex Foxton district Nurses Property

It was suggested this property might be useful to the Integrated Family Health Centre. However Management said this was doubtful given its distance from the location of the proposed new centre. The first stage in the disposal process was to publicly announce the intention to dispose of the property to see if there was any interest in it.

It was recommended

that the property at 10 Whyte Street, Foxton, be disposed of subject to the Minister of Health's approval and Management undertaking all related disposal processes, and further that

the Chief Executive Officer be authorised to sign all related documentation.

7. OPERATIONAL REPORTS

7.1 Provider Division Operating Report – January/February 2013

Water Shortage –the current drought and water shortage throughout the North Island was discussed. The hospital has approximately 12 hours back-up supply from its on-site bore, after which ` water would have to be brought onto the site. A shortage of water had never arisen before, but during the current drought, the town reserves had dropped to about only two weeks' supply remaining. The Group Manager, Commercial Support advised Management would consider putting in some under-ground storage tanks in any future redevelopment.

In January 2013, Management ran a power outage exercise and it was suggested it could be useful to have a similar exercise with water so that there was better knowledge of the actual reserves.

The Director of Mental Health had asked what mental health support was available for rural communities in drought-affected areas, specifically whether the DHB was experiencing a higher than normal demand for services from farmers and rural communities, and whether the DHB was involved in any cross-sectoral or cross-agency initiatives to support farmers/rural communities. So far there had not been any significant change in referral patterns or more people from the rural sector accessing services, but the matter was being closely monitored.

Results – it was noted that the appendices included in this report were for January only. The February results would be included in the next report.

Elective Services Patient Flow Indicators (ESPIs) – The national incentive fund to support DHBs to further reduce their elective waiting times was noted. There are two components:

- A payment would be made to a DHB when the ESPIs show there are no patients waiting longer than five months for **BOTH** First Specialist Assessment (FSA) and treatment. This is 50% of the DHB's population based funding formula share of the total incentive funding.

- The second payment is made when ESPIs show that **All** DHBs within the region have no patients waiting longer than five months for both FSA and treatment. The regional component is 50% of the incentive funding.

The five month target does not start until 1 July 2013. Until then, the six month target had to be maintained.

The measurement criteria for the ESPI 2 five month target was not included in section 5.1 of the report. It would be noted in the next report.

There was discussion regarding the calculation of the ESPI result in terms of counting "urgent" patients. It was clarified that even though all urgent patients were accepted, there would still be a small number of patients coming onto the system.

The Ministry had looked at the DHB's situation yesterday and were comfortable MDHB would achieve the targets, given the various plans and strategies in place.

Members were updated with the March results for appendix 5 ESPI 2. Of the 451 new patients waiting greater than 5 months for a FSA, the number had reduced to 239 in March, of which 112 had a booked appointment. In terms of surgical patients, of the 42 waiting greater than five months, 22 have a booked appointment.

Patients could not be accepted into the service and then told they could not be seen and that they would have to go back to their GP. The process of whether or not there was capacity to see a patient must be transparent for GPs and primary providers.

The issue of *"texting" and data security* was raised. This issue has also arisen in cases referred to the Health & Disability Commissioner. A member emphasized care has to be taken in terms of accepting new technology and its appropriate use, particularly clinical information. Management advised the reference made by the Medical Council and noted in the Operations Report was in relation to interns using this method to communicate messages, for example about an absence from work.

Telestroke project – The issue of liability for any errors that might arise under this project, where the service provider was in another country, was raised. Management advised the matter had been discussed by the Medical Council, Medical Protection Society, and MDHB's insurers. The clinicians were credentialed under our credentialing system to provide services to MCH. It was also noted this was a pilot and would be evaluated.

Down Syndrome DVD – Barbara Robson asked if she would be able to view this DVD. This will be organised.

In relation to there being full employment at the moment, Management advised that whilst locum costs had reduced there were still some locums employed by the DHB. Increasingly standard rates were paid to locums across the country, particularly RMO locums. The full employment also meant volumes were the highest recorded to date as there was greater capability to deliver services. The reported bed occupancy level was in relation to the medical bed occupancy, and was taken at midnight. The efficiency margin for this measurement was 85%, which allowed for movement of patients and avoided any backlog in ED.

MCH was looking at the impact the free after hours access for 0-6year old children might be having on ED. There was work taking place to determine the diagnosis of the children presenting, and to see what else could be done by the PHOs to prevent some of these presentations at ED after hours.

Management advised that utilising statutory holidays for cancer treatment was considered when treatment was planned. Clinical considerations took precedence in terms of what gap there should be clinically between treatments, given most patients have five treatments per week (for radiotherapy). Consequently, treatment is often given on a public holiday both to maintain the treatment schedule and to support the continued achievement of the waiting time target.

Planning for the usual winter ailments has been done, with a number of initiatives available. A new initiative was the Variance Response Management tool which provided a snapshot of service demand. Whether a ward could meet demand or needed additional resource was colour coded onto a screen. Management offered to provide a snapshot of the screen to the next meeting. Other initiatives included the possibility of opening additional beds in the Medical Assessment & Planning Unit if required, and looking at having some of the geriatricians available in ED. DHBs would present and share their winter planning initiatives at a meeting in Wellington on 8 May.

It was recommended

that this report be received

8. GOVERNANCE ISSUES

8.1 Work Programme 2012/13

Management outlined what the reports scheduled for the next meeting would cover, following which members had an opportunity to advise of any other areas they would like included.

Shorter Stays – the report would update progress, include more detail around winter planning, what the shorter stays target is and what it means, a summary of progress against initiatives in the last report and an update from the ED Project Manager who started in January. Management were asked to include a breakdown by speciality of the patients who stayed longer than the target time.

Cancer Services – the report would focus on the work around shorter waits for cancer treatment, and improved access via programmes for breast and cervical screening. This will include a report on the progress with shorter waits for radiotherapy and chemotherapy recognising this was now part of the Faster Treatment Cancer programme. The digital mammography implementation and work in the wider sector on screening including Iwi/Maori and primary health would be included.

A member mentioned a recent media discussion that alleged the breast screening strategy was racist to non-Maori and non-Pacific women, as they were being charged for the service. The member was asked to provide more information on the incident, so Management could report back on it.

Staff culture safety survey – the report would provide an update on the key findings of the survey undertaken last year, covering the six key themes that came out of it. The work programme has been in place since December, and an update on progress on each of the initiatives would be provided.

It was recommended

that the updated work programme for 2012/13 be noted

9. LATE ITEMS

There were no late items.

10. DATE OF NEXT MEETING

30 April 2013

6.10

11. EXCLUSION OF PUBLIC

It was recommended

that the public be excluded from this meeting in accordance with the Official Information Act 1992, section 9 for the following items for the reasons stated:

Item	*Reason*	*Reference*
"In Committee" minutes of the previous meeting	For reasons stated in the previous agenda	
Operations Report: : DHB Employment Relations Settings : Staff Investigation : Potential Serious / Sentinel Events / Complaints	 Negotiating Strategy To protect personal privacy To protect personal privacy	 9(2)(j) 9(2)(a) 9(2)(a)
2013/14 Annual Planning	Subject of negotiation	9(2)(j)

6.11

MidCentral District Health Board

Community & Public Health Advisory Committee Meeting

Minutes of meeting held on Tuesday, 19 March 2013 at 1pm at MidCentral District Health Board Offices, Board Room, Gate 2, Heretaunga Street, Palmerston North

PRESENT:

Diane Anderson (Chair)
Ann Chapman (Deputy Chair)
Pat Kelly
Karen Naylor
Phil Sunderland (ex officio)
Andrew Ivory

IN ATTENDANCE:

Murray Georgel, Chief Executive Officer
Mike Grant, General Manager, Planning & Support
Craig Johnston, Senior Portfolio Manager, Primary Health Care
Barb Bradnock, Portfolio Manager, Child Health
Andrew Orange, Pharmacy Advisor
Jo Smith, Acting Senior Portfolio Manager, Health of Older Persons
Vivienne Ayres, Manager – DHB Planning & Accountability
Doug Edwards, Maori Health Advisor
Carole Chisholm, Committee Secretary
Bayleigh Hayston, Communications Officer
Barbara Robson, Board Member

OTHER:

Public: (0)
Media: (1)

1. APOLOGIES

An apology was received from Oriana Paewai and Neil Perry was absent.

2. NOTIFICATION OF LATE ITEMS

There were no late items.

3. CONFLICT AND/OR REGISTER OF INTERESTS UPDATE

3.1 Amendment to the Register of Interests

There were no amendments.

3.2 Declaration of Conflicts in Relation to Today's Business

Pat Kelly noted a conflict in relation to item 2.1.3 of the Planning & Support Operating Report 'Social Housing for Older Adults' in view of his role as a City Councillor and the integrated

6.12

approach between the DHB and the Palmerston North City Council. The Chair advised that as there was no perceived impact with that conflict, Mr Kelly was free to participate in any discussions.

4. MINUTES

4.1 Minutes

It was recommended:

that the minutes of the previous meeting held on 5 February 2013 be confirmed as a true and correct record.

4.2 Recommendations to the Board

It was noted that all recommendations contained in the minutes were approved by the Board.

4.3 Matters Arising from the Minutes

Management confirmed that a response to Horizons regarding the Health Shuttle had only just been sent.

5. STRATEGIC / SPECIAL ISSUES

5.1 Non-Financial Performance Measures: Quarter 2

Management spoke to the report and noted that the only difference in terms of the range of measures reported in Quarter 1 was in Mental Health Services which only reported six monthly. The area of shorter wait times and access rates therefore appeared for the first time.

Overall MidCentral DHB was considered to be performing well and three of the health targets continued to be achieved. Areas where improvement could be taken were around the diabetes detection and management rates. Some changes in reporting against diabetes detection were planned for the 2013/14 year. It was noted that the annual Get Checked programme was replaced with the diabetes care improvement approach which was being embedded over the current and 2014/15 years. System integration measures which focussed in particular on standard intervention rates and the long stay sensitive rates were not good for 0 – 4 years.

The standard intervention rates for cataracts were about the same as the previous year and there has been an improvement in the major joints rate. Of particular note was the attention to cardiology and cardiac surgery where more emphasis would be placed in the 2013/14 year. Cardiac surgery intervention rates were particularly stretched for the region, not just MidCentral Health.

It was recommended:

that this report be received.

6. OPERATIONAL REPORTS

6.1 Planning & Support Operating Report

Item 2.1.1 Increased Day Care Services Across the District
In response to an enquiry concerning respite care in Dannevirke, management advised that the issue was around fluctuating numbers and this was one of the difficulties in maintaining a service in a smaller community. An example was given where there had been eight patients in the previous week and only four in the current.

The question of sustainability was raised and whether in areas of small population there was a way of centralising activities which would allow greater access. Management reported that a project was under way to look at respite coordination and this had been well received by the Dannevirke community.

Item 2.1.3 Social Housing for Older Adults
Pat Kelly confirmed his conflict and noted that this project was an example of how two organisations could perform together and the importance of their doing so. A copy of the strategy would be brought to the next meeting.

Item 2.3.1 Launch of Kia Piki Te Kaha Suicide Prevention Service
Management confirmed Dr Mason Durie, a Psychiatrist in his early career, had constructed a Maori Health Model with four dimensions which were in and around strengthening the identity of Maori.

Karen Naylor noted that Palmerston North had the highest proportion of its population in the 18 – 25 year age group in the country. This was thought to be due to the education facilities in the city such as Massey University, University College of Learning (UCOL) and the International Pacific College.

Item 2.4.1 Inter District Flows (IDFS)
In response to an enquiry around the Regional Plan funding of electives and whether IDFs would be an impediment, management advised that it would be seen as a barrier as someone else would have to be paid. However, it had been reported at the Hospital Advisory Committee earlier in the day that the Operational Director, Hospital Services and her regional colleagues had met with the Ministry of Health who were quite comfortable that DHBs made their own plans to get their electives to the right place by 30 June.

One possible problem area was cardiothoracic. With the capacity at Capital and Coast DHB MidCentral Health should be sending more people to Wellington. It was noted this would result in more patient outflow at a greater cost.

Comment was made that the Board tended to over provide for patient outflows but should the DHB not attain that estimate, the money would be returned.

2.5.1 GP Training Update
It was confirmed the Board was not paying for the Whanganui placements of GP Registrars.

At a previous meeting the committee had allocated a sum of money to support General Practitioners to provide liaison services around GP training. Management advised that this had been working well and good progress made. A pilot programme had been conducted a few years previously where the Board employed trainees. They were now employed by the Royal NZ College of GPs which had had a very positive effect.

Following an enquiry about Whanganui trainees, management noted that the College treated Whanganui and MidCentral as a single area.

2.6 The Child & Youth Compass
This was a new initiative that had been driven by the Children's Commissioner. The new scorecard followed a previous effort dating back to 2004 which was not well regarded by DHBs. The Portfolio Manager, Child & Family had been involved in the steering group that developed the new scorecard. DHBs were concerned that early versions required answering an extensive range of questions. There had been considerable resistance from some of the larger DHBs who considered it too large. As a result of this feedback, the new scorecard had been simplified and was based on self-rating. Boards would be sent a revised scorecard on 28 March.

2.7.1 CPSA Variations Signed
Management noted the implementation phase was in progress and funding electronic applications to assist pharmacies with raising their LTC patients was ongoing. The system went

6.14

live the previous week and adjustments would be made for a period of time to ensure Pharmacy and DHB needs were being met.

2.7.2 Transition Support for Long Term Conditions Exceptional Circumstances Patients
Three applications had recently been received for transitional support. Because of the current issues with the website, it had not been possible to register some LTC patients. It was confirmed that sufficient funding was available.

Appendix 1 - Quality Improvement: An Excerpt from Central PHOs Annual Report 2011/12
It was noted that the number of Cornerstone accredited GP Practices had risen from 10 – 16 and Central PHO had been issuing strong signals that all contracted practices should have Cornerstone accreditation.

Cornerstone was similar to other forms of accreditation but achievement did not mean the process was complete. Cornerstone, which was voluntary, changed regularly and Practices had to keep up to date.

Following a member's comment that the expectation that all contracted Practices be working towards achieving and maintaining accreditation by June 2015 was quite long, it was pointed out that Cornerstone was a lengthy process to go through. Practices would take some months to work through and the College that ran Cornerstone also had limited resources.

It was recommended:

that this report be received.

6.2 Finance Report – February & March 2013

Management advised that notwithstanding a small number of unders and overs, the forecast was extremely positive.

It was recommended:

that this report be received

7. GOVERNANCE

7.1 Committee's Work Plan 2012/13

The Chief Executive Officer spoke to his report and advised the small number of agenda items was mainly due to discussions to be held around the annual plan in Part 2 of the meeting.

The next agenda would include 2012/13 annual plan implementation updates on 'Immunisation' and 'Child Health'. Management advised that in general terms the 'Immunisation' report would be an overview of where the Board was at and how it was going to stay there.

Craig Johnston left the meeting.

With regard to 'Child Health', there was a likelihood the Board would be starting to see a consolidation and more reliance on other Government agencies.

Jeff Brown entered the meeting and was invited to comment on the content of the upcoming 'Child Health' update. Dr Brown advised that most papers prepared by the Portfolio Manager, Child & Family went past him so he was able to have input. Health and Children was not so much about health as it was unable to work without all the other agencies including the City Council and without their buy-in no improvement would be made.

The Chief Executive reported that prior to the next meeting on 30 April, a Clinical Governance Workshop would be held, led by Dr Nick Chamberlain, the CEO from Northern DHB.

Craig Johnston returned to the meeting.

It was recommended:

that that the updated work programme for 2012/13 be noted.

8. LATE ITEMS

There were no late items for this section of the meeting.

9. DATE OF NEXT MEETING

Tuesday, 30 April 2013

10. EXCLUSION OF PUBLIC

It was recommended:

that the public be excluded from Part 2 of this meeting in accordance with the Official Information Act 1992, section 9 for the following items for the reason stated:

Item	*Reason*	*Reference*
"In Committee" Minutes of the Previous Meeting	*For reasons stated in the previous agenda*	
2013/14 Annual Plan	*Under negotiation*	*9(2)(j)*
Pharmac Pharmaceutical Budget 2013/14	*Subject to obligation of confidence*	*9(2)(ba)*
Community Child Health Hub	*Subject of negotiation*	*9(2)(j)*
Wimbledon Villa	*Contract negotiation*	*9(2)(j)*

Confirmed this 30th day of April 2013

.....
Chairperson

MIDCENTRAL DISTRICT HEALTH BOARD

Minutes of the Disability Support Advisory Committee held on Tuesday, 19 March 2013 at 3.30pm in the Board Room, Board Office, Gate 2, Heretaunga Street, Palmerston North.

PRESENT

Lindsay Burnell (Chair)
Ann Chapman (Deputy Chair)
Jonathan Godfrey
Kevin Miles
Pat Kelly
Phil Sunderland (ex officio)
Tawhiti Kunaiti

IN ATTENDANCE

Murray Georgel, Chief Executive Officer
Mike Grant, General Manager, Planning & Support
Heather Browning, General Manager, Enable New Zealand
Jill Matthews, Principal Administration Officer
Muriel Hancock, Director, Patient Safety and Clinical Effectiveness
Lyn Horgan, Operations Director, Hospital Services
Madichlinne Snow, Committee Secretary

1. APOLOGIES

None

2. LATE ITEMS

Jonathan Godfrey submitted information about the Health and Disability Commissioner on suggested actions for implementing the United Nations Convention on the Rights of People with Disabilities for government agencies. This was discussed at another meeting.

It was recommended:

That the report be received.

3. CONFLICTS OF INTEREST/REGISTER OF INTEREST UPDATE

3.1 Amendments to the Register of Interest

Jonathan Godfrey advised that he is now working at Massey.
Tawhiti Kunaiti advised that he has a contract and is employed through a collective process.

3.2 Declaration of Conflicts in Relation to Today's Business

There were no declarations of conflicts.

4. MINUTES OF THE PREVIOUS MEETING

4.1 Minutes

that the minutes of the previous meeting held on 9 October 2012 be confirmed as a true and correct record.

4.2 Recommendations to the Board

The Committee noted that all recommendations contained in the minutes had been approved by the Board.

4.3 Matters Arising

There were no matters arising from the minutes.

5. STRATEGIC ISSUES

5.1 Disability Stocktake Update

The General Manager, Enable New Zealand noted that this report was as read and was to give an update on work undertaken to date, by Be. Accessible.

The General Manger reported that the program agreed at the last meeting is now underway and the price agreed upon. Everything is proceeding well and there will be a community of Interest group session happening tomorrow at Enable New Zealand. This was advertised and reasonably well responded to. The General Manager reported that the Be.Accessible team will be working with the Clinical Leaders tomorrow and Thursday.

The General Manager advised that the Be.Accessible team is confident that they can deliver a self-audit tool at the end of April 2013 and support an audit process to be completed by 30 June 2013 as per the requirements of the Annual Plan.

It was recommended:

That the report be received.

5.2 Disability Consumer Feedback

Director, Patient Safety and Clinical Effectiveness, Muriel Hancock advised the Committee that questionnaires were send out and that the return rate was slightly lower. Respondents identifying as having a disability in this period was also lower. Satisfaction rates for inpatients were higher than the previous six months.

The Director reported that no specific actions have been implemented to address any of the ratings and that patient surveys will continue to be undertaken as part of the service improvement process.

The Chairman raised a concern about the waiting period for outpatients and that patients should be informed. He suggested that a number of discussions should be held to focus more on this. The Director advised that there was no active word going on at this stage and that they recently been supporting their frontline administration staff with training and that

this is one of the things that comes in to a whole lot of aspects but advised that it is part of a whole wider approach.

The Director advised that the Committee will be provided with six-monthly updates on progress with the next report to cover January to June 2013.

It was recommended:

that the report be received.

5.3 Update on Ministry of Health "New Model" Work Programme

The General Manager, Enable New Zealand advised the Committee that there have been two updates in the DSS Newsletter from the Ministry of Health since the last meeting.

One of the more significant messages is the appointment of Catherine Bennet as Project Manager.
The New Model has gathered momentum over the later part of last year and beginning of this year. The New Model work that has been done at the Western Bay of Plenty was extended to the Eastern Bay of Plenty.

Since the last meeting the National Reference Group has been established. They will look at the entire framework redesign of Needs Assessment Service Coordination Information Provision and other Service Models around how they might allocate funding.

There were evaluations done of the pilot in the Western Bay of Plenty.
Some of the strands of work are gaining momentum like Supported Self-Assessment although it is part of a pilot in the Eastern and Western Bay of Plenty.

There is a number of NASC's doing this including EnableNASC. This is a useful mechanism for managing our resourcing

The extended Individualised Funding is happening in the Eastern and Western Bay of Plenty and there is also access to it for people in other regions and for some clients with particular high needs. This is managed by a brokerage agency.

The Chairman raised some concerns about there not being equipment or assistive devices put in place.
The General Manager advised that there are some tandem pieces of work happening around equipment and housing modifications. And mentioned that she thinks that at some point in the overall service framework they will come together somewhere.

The General Manager reported that the National Reference Group for framework redesign is still in its formative stage.

The General Manager advised that the Committee will be provided with six-monthly updates on progress.

It was recommended:

that the report be received

6. GOVERNANCE ISSUES

6.19

6.1 Committee's Work Programme, 2013/14

The Chief Executive Officer noted that the report was an update against the Committee's 2013/14 Work Programme and advised of the reports scheduled for the next meeting.

It was recommended:

that the updated work programme for 2013/14 be noted

7. DATE OF NEXT MEETING

23 July 2013

8. EXCLUSION OF PUBLIC

It was recommended:

that the public be excluded from this meeting in accordance with the Official Information Act 1992, section 9 for the following items for the reasons stated:

Item	***Reason***	***Ref***
"In Committee" minutes of the Previous Meeting	For reasons stated in the previous agenda	
Annual Plan	Under negotiation	9(2)(j)

Confirmed this Tuesday of March 2013.

.....
Chairperson

7.1

TO Board

FROM Chief Executive Officer

DATE 28 March 2013

SUBJECT **Report for February/March 2013**

MidCentral District Health Board
Te Pae Hauora o Ruahine o Tararua

MEMORANDUM

1. Purpose of Report

This report is for the Board's information and discussion. It provides the DHB's result for the month on a consolidated basis, and discusses organisation, governance and corporate issues of note.

2. Executive Summary

The monitoring and intervention framework used by the Ministry of Health has been adjusted to reflect those DHBs with effective recovery plans. This change does not impact MDHB at the current time.

New regional governance arrangements are becoming operational and a forum for all Central Region DHB board members is scheduled for May. Implementation of the Central Region's Information System Plan is proceeding well.

The development of an Investment Plan for MidCentral DHB continues to make good progress and it is expected a report will be presented to the Board in May. Our financial position remains positive and we continue to forecast a better than budget year end result.

Work to quantify the cost and scope of remedial action to address seismic issues continues. A separate report has been prepared for the Board's consideration. This largely focuses on the two buildings where immediate action was required.

3. Recommendation

It is recommended:

that the report be received.

COPY TO:

CEO's Department
MidCentral DHB
Heretaunga Street
PO Box 2056
Palmerston North
Phone +64 (6) 350 8910
Fax +64 (6) 355 0616

7.2

4. Sector Matters

4.1 MONITORING AND INTERVENTION FRAMEWORK

The Ministry of Health has reviewed the performance framework for DHBs and introduced some new sub-categories.

As members will recall, the performance framework comprises four categories of monitoring, being:

- standard monitoring
- performance watch
- single event monitoring
- intensive monitoring

These categories remain, however within the latter three sub-categories of "remedial" and "deteriorating" are to apply. The former will be for DHBs who have well-functioning recovery plans in place and who are demonstrating good progress against these. The "deteriorating "sub-category is where DHBs have not developed recovery plans, or have not been able to demonstrate progress against their recovery plan.

The Ministry advises it will be in touch with all DHB CEOs to advise where it has placed them in the framework. We presume MDHB will remain on "standard monitoring" and have sought confirmation of this.

The framework outlines the "menu of options" for the Ministry's intervention. For standard monitoring this includes meetings with various members of the Executive Team. We have sought clarification of the nature of these meetings, including formality, frequency, etc. We have also re-iterated MDHB's view that regular meetings between the Ministry and individual DHBs are very beneficial, irrespective of their monitoring status.

A copy of the Ministry's letter is attached for members' information – refer Appendix A.

5. Regional Matters

5.1 CENTRALALLIANCE

From a governance perspective, the main focus of the alliance is finalising the annual plan initiatives for 2013/14. A review of our Memorandum of Understanding is also to get underway.

From an operational perspective, there are three main areas of focus at present.

i. Implementation of the Regional Women's Health Service. This is progressing well, with key leadership appointments being made.

   Quarterly reporting will occur via the Hospital Advisory Committee commencing from the April 30th meeting. The reports will be copied to the Community & Public Health Advisory Committee for its information.

ii. Renal service arrangements. Following the workshop held last year, further investigations regarding possible models of care are being explored. It is anticipated that a report will be submitted for HAC's consideration in July.

iii. Radiology service arrangements. This initiative is being undertaken in parallel to the central region's radiology project. It is anticipated that a series of development papers will be available for the Hospital Advisory Committee's consideration from July, with the final development plan to be presented by the end of the calendar year.

5.2 NATIONAL TRAVEL AND ACCOMMODATION POLICY

TAS is drafting a submission on behalf of Central Region DHBs regarding the above Policy, and how it could be amended to better support regionalisation of services. MDHB's board members sought an update on progress and TAS advises that a project scope has been developed and endorsed. Medical and surgical portfolio managers will be completing the work, reporting to the General Managers, Planning & Funding who will act as a Steering Group. Regular updates will be provided to CEOs and I will keep members' informed.

5.3 REGIONAL GOVERNANCE ARRANGEMENTS

The amended regional governance arrangements are now in place. The first meeting of the Regional Governance Group has been held. The independent Chair is Murray Milner, and he has been appointed for a 12 month term so as to provide continuity through the DHB election process.

5.4 CENTRAL REGION'S INFORMATION SYSTEM PLAN (CRISP)

MidCentral DHB's clinical portal, Concerto, went organisational-wide on 26 March 2013. As members will recall, the clinical portal was based on a regional solution.

The other major project underway is the replacement Patient Administration System. It is expected the detailed design work will be completed in June which will confirm timeframes, costs, and scope. We will then be in a position to compare these with the initial assumptions and timing contained in the CRISP business case.

The regional Picture Archiving and Communication System (PACS) Archive will be operational by the end of April. Currently, all DHBs run a local PACS system where images are stored. A

7.4

regional archive is being established and all medical images currently stored in local PACS will be copied to this, enabling clinicians to access medical images regardless of their location. All access requires authorisation, etc in accordance with health information standards. Long term, a regional radiology information system will be established negating the need for local radiology information systems.

5.5 REGIONAL PLANNING DAY

Following last year's successful Central Region DHB Board Members' forum, members requested regular forums be held (say twice per year). The date for the next forum – the first the 2013 – has now been scheduled for 23 May 2013.

Further details regarding the programme for the day are being sought so we can update members on the 9th April.

Meantime, members are asked to diary the regional forum.

5.6 REGIONAL SERVICE PLANNING

The development of the 2013/14 Regional Service Plan continues. A regional forum of executive staff will be held in early April to further review and refine the plan. A separate report on this matter is provided.

6. Organisational Matters

6.1 HEALTH TARGETS

MidCentral DHB has received feedback from each of the six national health target champions regarding its progress in each target area as at 31 December 2012. The feedback is very positive regarding elective surgery, cancer, and immunisation where MDHB is achieving target. MDHB's improvement in heart and diabetes checks, and shorter stays in emergency department was acknowledged. The need for MDHB to stop the deteriorating trend in smoking cessation was noted.

MidCentral DHB work in all health target areas continues and regular updates are provided via the Hospital Advisory and the Community & Public Health Advisory Committees.

A copy of the Ministry's letter is attached for members' information – refer Appendix B.

6.2 MINISTERIAL VISITS

During March, the Minister of Health visited some general practices and pharmacies in MidCentral DHB's district. MDHB was not directly involved in the visit.

The Minister for Social Development visited MidCentral DHB and met with members of our child health team who deliver the gateway service. This service provides health assessments of children and youth entering Child, Youth and Family care.

Both visits were very successful.

6.3 MDHB'S PROPERTIES AND SEISMIC REQUIREMENTS

A lot of work has been done to develop decanting plans for staff and services housed in the old administration block of Palmerston North Hospital, and the single-storey section of Board Office. Some renovation work is required in other buildings on site so that they can accommodate additional staff. This work will be tendered.

Indicative costings to remedy or demolish the two buildings concerned have also been obtained so the Board can make a determination as to their future. Again, all such work would be tendered.

A separate report on this matter is provided in the confidential section of the agenda for the Board's meeting on 9 April.

6.4 INVESTMENT PLANNING

A second Board/Committee workshop was held recently on investment planning. This focused on prioritising the 26 broad areas of work identified through the engagement process.

Further work will now be done to progress these in line with feedback provided at the workshop. As advised, we will also review health needs assessment findings and international trends to see if there are any other potential investment areas that have not been captured to date.

It is intended that a full report will be provided to the Board's meeting in May 2013.

7.6

6.5 ANNUAL REPORTING – GOOD EMPLOYER REQUIREMENTS

All Crown entities are required to report, via their Annual Reports, how they comply with their "good employer" responsibilities. For six years, the Human Rights Commission has reviewed and analysed the reporting of good employer obligations by Crown entities. It uses a rating system from one, where reporting is excellent, to 19 where there is zero reporting.

MidCentral DHB has worked hard to reflect the wide range of policies and initiatives it has in place, covering the seven elements of a good employer. It was pleasing to recently receive the HRC's report regarding the 2011/12 Annual Reports. Together with seven other Crown entities (including one other DHB – Northland), MidCentral's annual report was rated one.

7. Financial Matters

(Amounts are in $000s and adverse numbers are in brackets.)

7.1 STATEMENT OF FINANCIAL PERFORMANCE

Monthly results are reported to the Ministry of Health for the three divisions – Funder, Provider, and Governance. The table below shows the results for each business unit within each of these divisions.

7.1.1 Consolidated Provisional Results for the Year to 31 January and 28 February 2013

Feb-13	January		February		Year to date	
$000	Actual	Variance	Actual	Variance	Actual	Variance
Funding Division	1,694	151	1,838	70	4,382	1,706
Provider Division	(1,428)	181	1,289	1,091	1,505	1,260
Governance	335	97	(33)	(22)	623	846
Total DHB	601	429	3,094	1,139	6,510	3,812

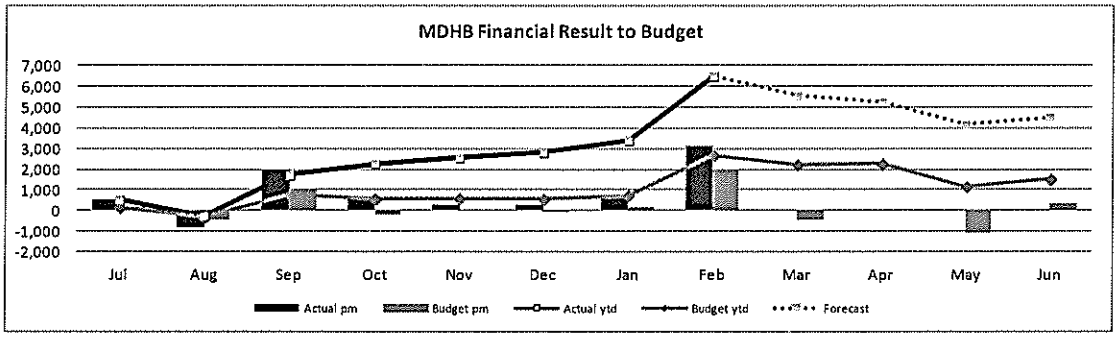
At the end of February, the DHB is ahead of budget by $3,812k, with positive variances in all divisions. The provider had a good result in February, with the main positive variance being in revenue. The funder surplus to budget is mainly due to delays in commencing new projects, while the governance variance is primarily due to an underspend in depreciation, due to IT capital expenditure being less than expected.

The Ministry of Health requested a forecast outturn for the year based on the February position. The latest forecast result is that the DHB will make a surplus of $4.5m, which is $3m ahead of budget.

The above results do not include revenue banking as this is under negotiation – refer confidential section of report.

The detailed statement of financial performance is shown in Appendices C and D.

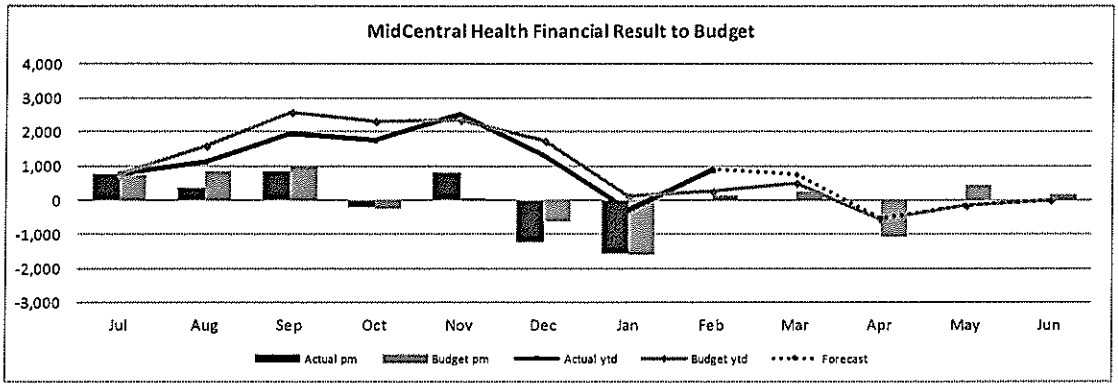
The performance against budget for the DHB as a whole is shown in the chart below:



7.1.2 Provider Division

The performance of MidCentral Health in the year to date is shown in the following table:

7.8

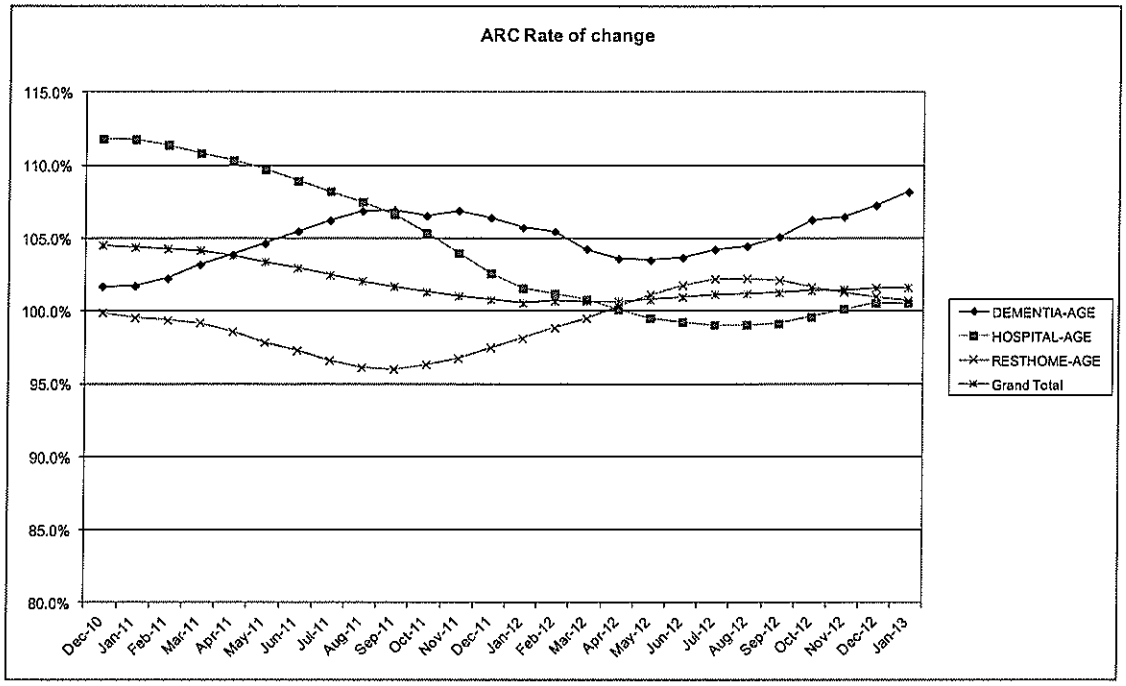


7.1.3 Funding Division

The financial performance of the funding division can be summarised as follows:

MidCentral DHB - Funder Income and Expenditure - By Ring Fenced Area For the period ending 28 February 2013	Note	YTD Actual	Budget	Variance	Forecast	Annual Budget	Variance
		$000	$000	$000	$000	$000	$000
Personal Health Income	(a)	253,452	252,925	528	381,568	379,387	2,182
Personal Health Expenditure	(b)	250,107	250,290	183	376,846	377,364	518
Personal Health Surplus/(Deficit)		3,345	2,634	711	4,722	2,023	2,700
Mental Health Income		26,863	26,763	100	40,145	40,145	0
Mental Health Expenditure		26,733	26,763	30	40,145	40,145	0
Mental Health Surplus/(Deficit)		130	0	130	0	0	0
Disability Support Income		49,753	49,728	25	74,592	74,592	0
Disability Support Expenditure	(b)	49,218	49,686	469	74,592	74,592	0
Disability Support Surplus/(Deficit)		535	41	494	0	0	0
Maori Health Income		1,332	1,330	2	1,995	1,995	0
Maori Health Expenditure	(b)	960	1,330	370	1,995	1,995	0
Maori Health Surplus/(Deficit)		371	-0	372	-0	-0	0
Governance Income		1,613	1,613	-0	2,419	2,419	0
Governance Expenditure		1,613	1,613	0	2,419	2,419	0
Governance Surplus/(Deficit)		0	0	0	0	0	0
Total Funder Surplus/(Deficit)		**4,382**	**2,676**	**1,706**	**4,722**	**2,023**	**2,700**

Within the funding division, aged residential care is an area of high risk and high value. This month's DSS file from the Ministry contains a number of back dated transactions and these adjustments reflect the latest trend. The following chart shows an update of the rate of change of different type of Age Residential Services. The Continuing Care (hospital level rest home care) service drops from an annual rate of increase of 12% to 1% drop and changes back to 0.5% increase. Rest Home service changes from no growth to a drop of 4% and then changes back to 0.7% increase. Dementia service continues to grow from 1.7% to 6.9% and declines for a while and resumes the upward trend again to 8.2% increase. Overall the number of bed days shows a 1.6% growth (on a 12 month rolling basis) from a year ago.



7.2 STATEMENT OF FINANCIAL PERFORMANCE

7.2.1 Financial Position

MidCentral District Health Board
Statement of Financial Position (summary)

	Jun 2011 $000	Jun 2012 $000	Jan 2013 $000	Feb 2013 $000	Change $000
Assets Employed					
Current Assets	59,099	74,894	81,204	83,216	8,322
Current Liabilities	(58,062)	(61,397)	(62,570)	(61,083)	314
Fixed Assets and Investments	155,092	188,011	186,848	186,393	(1,618)
	156,129	**201,508**	**205,482**	**208,526**	**7,018**
Funds Employed					
Equity	99,207	142,724	146,624	149,718	6,994
Bank Loans	55,417	57,201	57,275	57,225	24
Long Term Liabilities	1,505	1,583	1,583	1,583	0
	156,129	**201,508**	**205,482**	**208,526**	**7,018**

(Refer Appendix E for details.)

7.2.2 Debt and Investments

7.2.2.1 Debt

This table shows the debt profile for the hospital's long term debt.

7.10

Lender	Maturity	$'000	Rate	Type
MoH				
	Apr-13	8,000	7.00%	Fixed
	Apr-13	4,500	4.70%	Fixed
	Apr-14	4,100	4.94%	Fixed
	Apr-15	7,000	6.71%	Fixed
	Apr-15	5,600	6.54%	Fixed
	Dec-17	2,500	5.05%	Fixed
	Dec-17	10,000	6.63%	Fixed
	Mar-19	13,000	5.01%	Fixed
	Mar-19	2,000	3.92%	Fixed
Total		56,700	5.87%	Average
Unused Facility		-		
Total Facility		56,700		
EECA	May-15	525	0.00%	Fixed

As shown above, loans totalling $12.5m mature in April 2013. The treatment of these loans is the subject of a separate report.

7.2.2.2 Cash and Investments

Feb-13	Average Rate	Value $000
HBL Sweep Balance	4.00%	60,375
Cash in Hand and at Bank		3
Enable New Zealand		2,039
Total Cash Balance		62,417

7.2.2.3 Covenants

Feb-13	Actual	Limit / Covenant
	$m	$m
YTD - Variance to Budget	3.8	< (2.0)
Bank Loans (net debt)	(5.7)	56.7
Equity	149.7	> 30
Debt & Equity	144.0	
Debt Ratio	(4.0%)	< 55.0%
YTD Interest Cover	8.01	> 3.00

All covenants are being met.

7.2.2.4 Debt Position

MidCentral District Health Board	Jun-11 $m	Jun-12 $m	Jan-13 $m	Feb-13 $m
Available Bank Facility	71.7	71.7	81.7	81.7
Net Debt	14.1	1.8	(3.6)	(5.7)
Debt Facility Surplus / (Shortfall)	57.6	69.9	85.3	87.4
Reserved Funds	20.2	21.1	21.7	21.7
Debt Facility Available	37.4	48.8	63.6	65.7

7.2.3 Capital Expenditure (Capex)

Capital expenditure in the year to date is summarised in the table below:

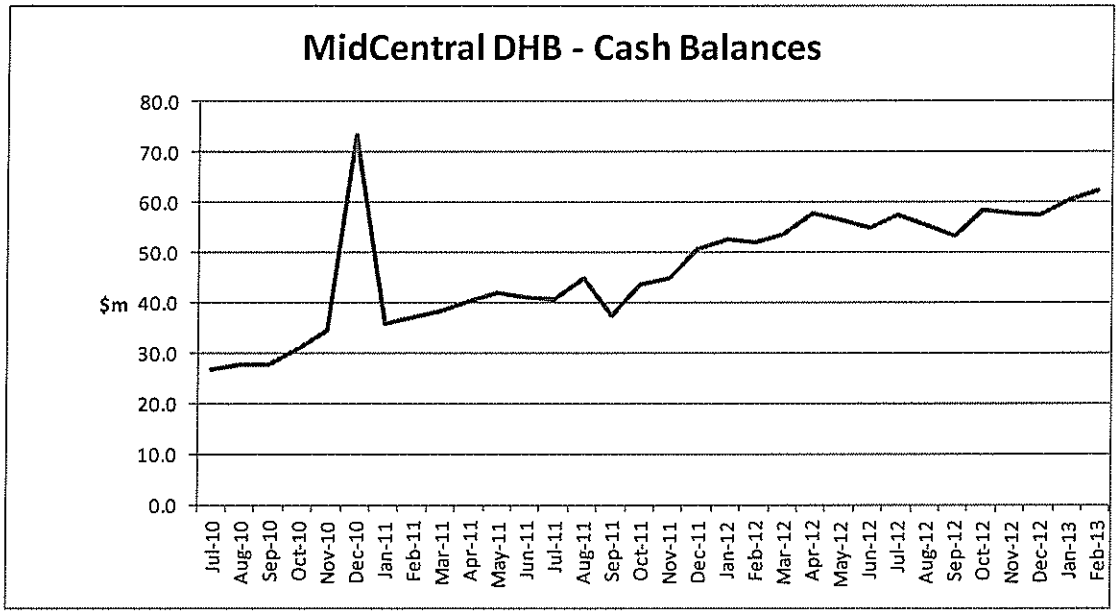
Capital Expenditure 2012/13	
	$000's
2012/13 Plan	29,423
2011/12 Plan Cfwd	9,500
Total	**38,923**
Spend YTD 28 February 2013	**$000's**
4th Linac & Bunker	823
CAOH Project Assets	392
Business Intelligence Software	88
WEB Upgrade	239
Datacom-IT Upgrades	217
Wireless & Telephony Upgrade	21
Digital Mammography	207
Drug Distribution System	292
Car Parking Resealing	115
Enable-E Commerce	444
Other (inc items under $250k)	3,542
Total Capital Expenditure Spend 2012/13	**6,380**

A separate, more detailed report on capital expenditure is provided.

7.3 CASH POSITION

The policy of the Board is to increase cash balances over time in order to be able to fund future investments and developments. The growth in the DHB's cash balance over time is shown in the chart below.

7.12



The spike in December 2010 is due to the January 2011 funding from the Ministry of Health being received on 31 December 2010, rather than on 4 January 2011 as that was a public holiday.

8. Outlook

The next phase of annual and regional planning will commence next month as feedback from the Ministry of Health is received.

The focus on investment planning will continue, as will work to address seismic issues identified with MDHB's property.

As we move into the final quarter of the financial year we can expect to see the finalisation of many annual plan initiatives, or the completion of major milestones.

Murray Georgel
Chief Executive Officer

Appendices:

A. *Letter from Ministry of Health dated 26 February 2013 re Monitoring & Intervention Framework*
B. *Letter from Ministry of Health dated 28 February 2013 re MDHB's Health Target Results for Quarter 2, 2012/13*
C. *Statement of Financial Performance (Consolidated)*
D. *Statement of Financial Performance (Divisional)*
E. *Statement of Financial Position,*
F. *Statement of Cash Flows*

Appendix A

3/13

MINISTRY OF HEALTH
MANATŪ HAUORA

No.1 The Terrace
PO Box 5013
Wellington 6145
New Zealand
T+64 4 496 2000

26 February 2013

Dear Colleagues

Monitoring & Intervention Framework

DHBs have generally done a very good job in managing within constrained budgets within the last few years.

With a more constrained budget in 13/14 it will be extremely important that this performance continues and we want to work closely and constructively with DHBs to meet these challenges.

We have decided to review our performance framework. The four categories of standard monitoring, performance watch, single event monitoring and intensive monitoring will continue. Within the three latter categories some DHBs have well-functioning recovery plans to address their financial issues and they are demonstrating good progress against these plans. We also have DHBs who have not developed recovery plans, or have not been able to demonstrate progress against their recovery plans.

We have therefore decided to make this distinction within the categories explicit, and with the performance watch, single event monitoring and intensive categories we will establish sub categories of "remedial" and "deteriorating". In Appendix One attached we detail the sub categories within the monitoring framework.

With DHBs in performance watch, single event monitoring and intensive monitoring, we will also be reviewing the interventions we use to assist each DHB as set out in Appendix Two. The options we have include appointment of Crown Monitors, regular meetings with Chairs and CEOs, NHB attendance at board meetings, additional support for Chairs and/or CEOs, support at other senior manager level, and recommending external reviews amongst other options.

Where DHBs have emerging financial issues, our intention is to provide assistance to DHBs as early as possible.

I will be in contact with CEOs of all DHBs in the next little while to discuss where we have placed you in our framework. We expect two or three DHBs to move into different categories. We will also discuss the assistance we will provide to your DHB if you are in the performance watch, single event monitoring or intensive monitoring category.

Yours faithfully

Michael Hundleby
Director, DHB Performance
National Health Board

NATIONAL HEALTH BOARD

7.14

Appendix One:

New Ministry MIF levels

Sub-Category Definitions:

Remedial

Where a DHB has a particular issue or issues which require(s) corrective action in order to return to the agreed (Annual Plan) position and the NHB has confidence that the DHB has a robust recovery plan in place.

Deteriorating

The DHB's position has not improved and adequate corrective actions have not been put in place by the DHB. Further investigation is required to find appropriate actions to return the DHB to a sustainable position. A recovery plan will be required for all Boards in this category.

Current Ministry MIF levels	New Ministry MIF levels (Introducing sub-categories)
Standard monitoring	Standard monitoring
Performance watch	Remedial Performance watch
	Deteriorating Performance watch
Single Event monitoring	Remedial Intensive monitoring
	Deteriorating Intensive monitoring
Intensive monitoring	Remedial Intensive monitoring
	Deteriorating Intensive monitoring

Appendix Two:

Menu of options for the Ministry's intervention by MIF Status category and (new) sub-category

	Standard	Performance Watch		Intensive Monitoring / Single Event Monitoring	
		Remedial	Deteriorating	Remedial	Deteriorating
Governance					
Meeting(s) with Board Chair		●	●	●	●
Meeting(s) with Appointed Board Members			●	●	●
Meeting(s) with Board				●	●
NHB attendance at Board Meetings/Committee Meetings				●	●
Appoint Crown Monitor				●	●
Appoint additional support for Chair			●	●	●
Executive Teams					
Meeting(s) with CEO	●	●	●	●	●
Meeting(s) with COO/CFO/GM P&F	●	●	●	●	●
Meeting(s) with EMT		●	●	●	●
Appoint additional support for CEO			●	●	●
Appoint additional support for COO/CFO/GM P&F			●	●	●
Creation of recovery plan required			●		●
Recommend an external review		●	●	●	●
Clinical Leaders					
Meeting(s) with CMO/ CNO	●	●	●	●	●
Meeting(s) with Heads of Department			●	●	●
Recommend an external review				●	●

NB. There is no requirement that all of the interventions above are implemented rather it lists a suite of options that can be applied based on the particular issues facing a DHB.

7-16 Appendix B

MANATŪ HAUORA

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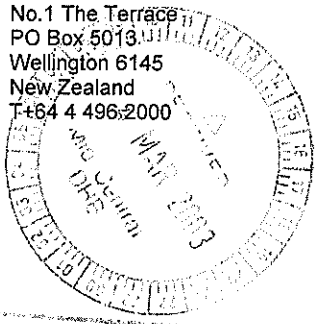


28 February 2013

Mr Murray Georgel
Chief Executive Officer
MidCentral District Health Board
Corporate Office
PO Box 2056
Palmerston North Central
PALMERSTON NORTH 4440

DOC NUMBER	413-1035
FILE NUMBER	H40-44
FOR ACTION BY	CEO
COPIES TO	CHAIR PAO GMMCH GMPS

Dear Murray

I am writing to share the Health Target results for quarter two 2012/13.

National progress
Nationally, the results for quarter two are very good, with a pattern of ongoing improvement quarter on quarter across the target set.

Once again all District Health Boards (DHBs) achieved the Shorter waits for cancer treatment target.

I am also very pleased to advise that the national tobacco hospital target has been achieved for the first time, and the primary care component of the target is 42.6 percent, up 3.2 percent from last quarter. Now that the tobacco hospital target has been achieved, next quarter DHB performance will be ranked according to the primary care component of the target.

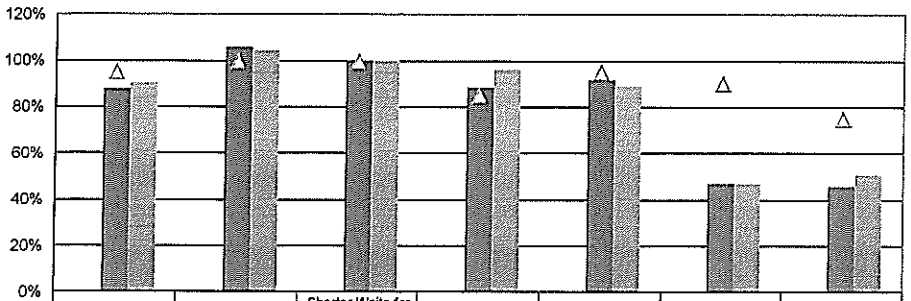
The national targets for both Improved access to elective surgery and eight-month immunisation coverage have been met. The few DHBs still missing these targets are very close to full target achievement. Eight-month old immunisation coverage was 89.0 percent, 4 percent above target, and this quarter 5 percent more elective surgical discharges were provided than planned.

National performance in the Shorter stays in emergency departments (ED) target increased by 1.8 percent to 93.3 percent. This current result follows a pattern of improving year on year quarter two performance.

The national result for the More heart and diabetes checks target is 55.3 percent, an increase of 3.1 percent on last quarter's final result.

In early March, a letter will be sent to PHO Chairs, copied to DHB Chairs/CEs and PHO CEs, with an update on PHO quarter two performance against the primary care focused Health Targets. This information will also be presented with wider Health Target results on the 'MyDHB' website www.health.govt.nz/mydhb

MidCentral health targets quarter two 2012/13 results



	Shorter Stays in Emergency Departments	Improved Access to Elective Surgery	Shorter Waits for Cancer Treatment (radiotherapy and chemotherapy)	Increased Immunisation (8-month-olds)	Better Help for Smokers to Quit - Hospitals	Better Help for Smokers to Quit - Primary Care	More heart and diabetes checks
Ranking quarter two 2012/13	17	9	1	1	19	8	18
■ Quarter one 2012/13	87.6%	105.5%	100.0%	88.8%	91.6%	47.0%	45.9%
■ Quarter two 2012/13	90.7%	104.6%	100.0%	96.0%	89.1%	47.0%	51.1%
△ National goal	95.0%	100.0%	100.0%	85.0%	95.0%	90.0%	75.0%

Although at the national level results are positive, the pace of their improvement is variable and should be a focus for a number of DHBs. The Ministry's Target Champions continue to visit DHBs, and work closely with the sector to share good practice and support improved performance. The following feedback is provided by the champions on your results for quarter two.

Mike Ardagh, Target Champion, Shorter stays in emergency departments

It is pleasing to see your increased performance this quarter and that you have established a work programme to support achieving the target. Following the appointment of a project manager in January 2013 to lead this work programme I anticipate a continued increase in performance for quarter three.

Clare Perry, Target Champion, Improved access to elective surgery

MidCentral DHB has continued to perform strongly during the second quarter of 2012/13, delivering 3317 elective surgical discharges in the year to date. This is 147 discharges (5 percent) more than planned, and is a very good result. Well done.

Andrew Simpson, Target Champion, Shorter waits for cancer treatment

Congratulations to MidCentral DHB for achieving the Shorter waits for cancer treatment Health Target for the second quarter since chemotherapy was included in the target reporting. I look forward to visiting your DHB on 26 March 2013 to see how I can assist your DHB to maintain this achievement.

Pat Tuohy, Target Champion, Increased immunisation

Congratulations to MidCentral DHB, service administration and service providers for immunising 96 percent of your eight-month olds. While coverage has increased overall by 7 percent since quarter one ended, it is pleasing to see rates for Māori and Pacific peoples increased 13 and 8 percent respectively, reducing coverage differences between ethnicities. Once again this is an

7/8

outstanding start for the new Health Target that aims to achieve coverage of 85 percent by June 2013. Please keep up the good work.

Karen Evison, Target Champion, Better help for smokers to quit

MidCentral DHB did not achieve the 95 percent hospital target again this quarter and posted a lower result than in quarter one. This is a very disappointing result which, despite a slight increase last quarter, follows a concerning downward trend. In the quarterly report provided by MidCentral DHB, the hospital's ED was identified as one reason why the DHB continues to perform below the target. I suggest that your DHB quantifies the impact that this department is having on the overall target result and develops a plan to improve the ED's performance specifically. Your DHB also did not achieve the 90 percent primary care target this quarter, although your result is above the national result. I look forward to seeing better results for both the hospital and primary care targets next quarter.

Karen Evison, Acting Target Champion, More heart and diabetes checks

Congratulations MidCentral DHB, your result for this quarter is an excellent improvement of 5.2 percent on the last quarter. I will be visiting you during quarter three to determine what support you need to continue to lift your results as you are still in the bottom three DHB results.

The Ministry will publish target results in five national newspapers, the New Zealand Herald, Waikato Times, The Dominion Post, The Christchurch Press, and the Otago Daily Times on Wednesday, 27 February 2013. As occurs each quarter, a package of supporting information has been sent to DHB General Managers Planning and Funding, and to Communication Managers.

I look forward to seeing concrete and measurable actions that support continued improvement and delivery of the targets in your 2013/14 draft Annual Plans due with the Ministry in March.

Yours sincerely

Kevin Woods
Director-General of Health

cc: Mr Phil Sunderland, Chair, MidCentral District Health Board

Appendix C
Statement of Financial Performance (Consolidated)

Jan-13 *Monthly Result*	**Actual** $000	**Budget** $000	**Variance** $000	**Variance** %
Revenue				
Govt. & Crown Agency	45,949	46,194	(245)	(1%)
Patient/Consumer Sourced	50	75	(25)	(33%)
Other Income	1,471	1,523	(52)	(3%)
Total Revenue	**47,470**	**47,792**	**(322)**	(1%)
Expenditure				
Personnel	15,868	16,053	185	1%
Outsourced Personnel	371	264	(107)	(41%)
Sub-total Personnel	16,239	16,317	78	0%
Other Outsourced Services	1,363	1,270	(93)	(7%)
Clinical Supplies	3,797	3,659	(138)	(4%)
Infrastructure & Non-Clinical	6,446	7,079	633	9%
Provider Payments	19,024	19,295	271	1%
Total Expenditure	**46,869**	**47,620**	**751**	2%
Operating Surplus/(Deficit)	**601**	**172**	**429**	249%

Feb-13 *Monthly Result*	**Actual** $000	**Budget** $000	**Variance** $000	**Variance** %
Revenue				
Govt. & Crown Agency	46,224	46,311	(87)	(0%)
Patient/Consumer Sourced	57	75	(18)	(24%)
Other Income	1,176	1,225	(49)	(4%)
Total Revenue	**47,457**	**47,611**	**(154)**	(0%)
Expenditure				
Personnel	13,869	14,286	417	3%
Outsourced Personnel	372	265	(107)	(40%)
Sub-total Personnel	14,241	14,551	310	2%
Other Outsourced Services	1,286	1,270	(16)	(1%)
Clinical Supplies	3,872	3,790	(82)	(2%)
Infrastructure & Non-Clinical	6,657	7,057	400	6%
Provider Payments	18,307	18,987	680	4%
Total Expenditure	**44,363**	**45,655**	**1,292**	3%
Operating Surplus/(Deficit)	**3,094**	**1,956**	**1,138**	58%

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Feb-13 *Year to Date*	**Actual** $000	**Budget** $000	**Variance** $000	**Variance** %
Revenue				
Govt. & Crown Agency	373,426	369,978	3,448	1%
Patient/Consumer Sourced	474	600	(126)	(21%)
Other Income	9,809	9,776	33	0%
Total Revenue	**383,709**	**380,354**	**3,355**	1%
Expenditure				
Personnel	120,152	122,080	1,928	2%
Outsourced Personnel	3,244	2,118	(1,126)	(53%)
Sub-total Personnel	123,396	124,198	802	1%
Other Outsourced Services	10,745	10,159	(586)	(6%)
Clinical Supplies	32,141	30,684	(1,457)	(5%)
Infrastructure & Non-Clinical	56,659	57,221	562	1%
Provider Payments	154,258	155,395	1,137	1%
Total Expenditure	**377,199**	**377,657**	**458**	0%
Operating Surplus/(Deficit)	**6,510**	**2,697**	**3,813**	141%

Appendix D
Statement of Financial Performance (Divisional)

Jan 12	Provider Total				Governance Total				Funder				DHB Total (exc eliminations)			
$000	Actual Per 7	Budget Per 7	Variance		Actual Per 7	Budget Per 7	Variance		Actual Per 7	Budget Per 7	Variance		Actual Per 7	Budget Per 7	Variance	
REVENUE																
Government & Crown Agency	25,025	25,147	(122)	(0.5%)	206	209	(3)	(1.4%)	41,551	41,545	6	0.0%	45,949	46,193	(244)	(0.53%)
Patient / Consumer Sourced	50	75	(25)	(33.3%)	-	-	-		-	-	-		50	75	(25)	(33.33%)
Other Income	827	877	(50)	(5.7%)	643	647	(4)	(0.6%)	-	-	-		1,471	1,523	(52)	(3.41%)
TOTAL REVENUE	25,902	26,099	(197)	(0.8%)	850	855	(5)	(0.6%)	41,551	41,545	6	0.0%	47,469	47,791	(322)	(0.67%)
EXPENDITURE																
Staff																
Medical Staff	4,919	4,807	(112)	(2.3%)	-	-	-		-	-	-		4,919	4,807	(112)	(2.3%)
Nursing Staff	6,289	6,254	(35)	(0.6%)	-	-	-		-	-	-		6,289	6,254	(35)	(0.6%)
Allied Health Staff	2,207	2,198	(9)	(0.4%)	-	-	-		-	-	-		2,207	2,198	(9)	(0.4%)
Support Staff	169	118	(51)	(43.2%)	-	-	-		-	-	-		169	118	(51)	(43.2%)
Management & Admin Staff	1,661	2,034	373	18.3%	622	642	20	3.1%	-	-	-		2,283	2,677	394	14.7%
Outsourced Staff	340	227	(113)	(49.8%)	32	37	5	13.5%	-	-	-		371	264	(107)	(40.5%)
Total Staff	15,585	15,638	53	0.3%	654	679	25	3.7%	-	-	-		16,239	16,317	78	0.5%
Outsourced Services	1,319	1,221	(98)	(8.0%)	44	49	5	10.2%	202	202	-	0.0%	1,363	1,269	(94)	(7.4%)
Clinical Supplies	3,796	3,659	(137)	(3.7%)	1	-	(1)		-	-	-		3,797	3,659	(138)	(3.8%)
Infrastructure & non-clinicical expenses	6,172	6,648	476	7.2%	273	430	157	36.5%	-	-	-		6,446	7,079	633	8.9%
Internal Providers	-	-	-		-	-	-		20,631	20,506	(125)	(0.6%)	-	-	-	
External Providers																
Personal Health	-	-	-		-	-	-		12,441	12,540	99	0.8%	12,441	12,540	99	0.8%
Mental Health	-	-	-		-	-	-		982	1,019	37	3.6%	982	1,019	37	3.6%
Public Health	-	-	-		-	-	-		125	167	42	25.1%	125	167	42	25.1%
DSS	-	-	-		-	-	-		5,355	5,403	48	0.9%	5,355	5,403	48	0.9%
Maori Health	-	-	-		-	-	-		121	166	45	27.1%	121	166	45	27.1%
Total External Providers	-	-	-		-	-	-		19,024	19,295	271	1.4%	19,024	19,295	271	1.4%
Recharges	458	541	83	15.3%	(458)	(541)	(83)	15.3%	-	-	-		-	-	-	
TOTAL EXPENDITURE	27,330	27,708	378	1.4%	515	617	102	16.5%	39,857	40,002	145	0.4%	46,868	47,619	751	1.6%
SURPLUS / (DEFICIT)	(1,428)	(1,609)	181		335	238	97		1,694	1,543	151		601	172	429	

12.2

Feb 12 $000	Provider Total Actual Per 8	 Budget Per 8	 Variance		Governance Total Actual Per 8	 Budget Per 8	 Variance		Funder Actual Per 8	 Budget Per 8	 Variance		DHB Total (exc eliminations) Actual Per 8	 Budget Per 8	 Variance	
REVENUE																
Government & Crown Agency	25,850	25,347	503	2.0%	227	209	18	8.6%	41,519	41,545	(26)	(0.1%)	46,194	46,313	(119)	(0.26%)
Patient / Consumer Sourced	57	75	(18)	(24.0%)	-	-	-		-	-	-		57	75	(18)	(24.00%)
Other Income	877	905	(28)	(3.1%)	299	320	(21)	(6.6%)	-	-	-		1,176	1,224	(48)	(3.92%)
TOTAL REVENUE	26,784	26,327	457	1.7%	526	528	(2)	(0.4%)	41,519	41,545	(26)	(0.1%)	47,427	47,613	(186)	(0.39%)
EXPENDITURE																
Staff																
Medical Staff	4,139	4,243	104	2.5%	-	-	-		-	-	-		4,139	4,243	104	2.5%
Nursing Staff	5,532	5,598	66	1.2%	-	-	-		-	-	-		5,532	5,598	66	1.2%
Allied Health Staff	2,059	1,919	(140)	(7.3%)	-	-	-		-	-	-		2,059	1,919	(140)	(7.3%)
Support Staff	145	102	(43)	(42.2%)	-	-	-		-	-	-		145	102	(43)	(42.2%)
Management & Admin Staff	1,499	1,859	360	19.4%	495	565	70	12.4%	-	-	-		1,994	2,424	430	17.7%
Outsourced Staff	340	227	(113)	(49.8%)	31	37	6	16.2%	-	-	-		371	264	(107)	(40.5%)
Total Staff	13,713	13,949	236	1.7%	526	602	76	12.6%	-	-	-		14,239	14,551	312	2.1%
Outsourced Services	1,242	1,221	(21)	(1.7%)	44	49	5	10.2%	202	202	-	0.0%	1,285	1,269	(16)	(1.3%)
Clinical Supplies	3,873	3,791	(82)	(2.2%)	-	-	-		-	-	-		3,873	3,791	(82)	(2.2%)
Infrastructure & non-clinicical expenses	6,209	6,627	418	6.3%	448	430	(18)	(4.2%)	-	-	-		6,657	7,057	400	5.7%
Internal Providers	-	-	-		-	-	-		21,200	20,585	(615)	(3.0%)	-	-	-	
External Providers																
Personal Health	-	-	-		-	-	-		12,055	12,601	546	4.3%	12,055	12,601	546	4.3%
Mental Health	-	-	-		-	-	-		1,001	1,019	18	1.8%	1,001	1,019	18	1.8%
Public Health	-	-	-		-	-	-		133	167	34	20.4%	133	167	34	20.4%
DSS	-	-	-		-	-	-		4,980	5,037	57	1.1%	4,980	5,037	57	1.1%
Maori Health	-	-	-		-	-	-		110	166	56	33.7%	110	166	56	33.7%
Total External Providers	-	-	-		-	-	-		18,279	18,990	711	3.7%	18,279	18,990	711	3.7%
Recharges	458	541	83	15.3%	(458)	(541)	(83)	15.3%	-	-	-		-	-	-	
TOTAL EXPENDITURE	25,496	26,129	633	2.4%	560	540	(20)	(3.7%)	39,680	39,777	97	0.2%	44,334	45,658	1,324	2.9%
SURPLUS / (DEFICIT)	1,288	198	1,090		(34)	(12)	(22)		1,839	1,768	71		3,093	1,955	1,138	

Feb 12	Provider Total				Governance Total				Funder				DHB Total (exc eliminations)			
$000	Actual YTD	Budget YTD	Variance		Actual YTD	Budget YTD	Variance		Actual YTD	Budget YTD	Variance		Actual YTD	Budget YTD	Variance	
REVENUE																
Government & Crown Agency	213,107	210,239	2,868	1.4%	1,680	1,669	11	0.7%	333,013	332,358	655	0.2%	373,426	369,978	3,448	0.93%
Patient / Consumer Sourced	474	600	(126)	(21.0%)	-	-	-		-	-	-		475	600	(125)	(20.83%)
Other Income	6,599	6,893	(294)	(4.3%)	3,210	2,883	327	11.3%	-	-	-		9,809	9,776	33	0.34%
TOTAL REVENUE	220,179	217,732	2,447	1.1%	4,890	4,552	338	7.4%	333,013	332,358	655	0.2%	383,709	380,354	3,355	0.88%
EXPENDITURE																
Staff																
Medical Staff	36,181	36,391	210	0.6%	-	-	-		-	-	-		36,181	36,391	210	0.6%
Nursing Staff	47,247	48,020	773	1.6%	-	-	-		-	-	-		47,247	48,020	773	1.6%
Allied Health Staff	17,516	16,305	(1,211)	(7.4%)	-	-	-		-	-	-		17,516	16,305	(1,211)	(7.4%)
Support Staff	1,303	886	(417)	(47.1%)	-	-	-		-	-	-		1,303	886	(417)	(47.1%)
Management & Admin Staff	13,064	15,499	2,435	15.7%	4,841	4,978	137	2.8%	-	-	-		17,905	20,477	2,572	12.6%
Outsourced Staff	2,980	1,822	(1,158)	(63.6%)	264	295	31	10.5%	-	-	-		3,244	2,118	(1,126)	(53.2%)
Total Staff	118,290	118,924	634	0.5%	5,106	5,273	167	3.2%	-	-	-		123,396	124,197	801	0.6%
Outsourced Services	10,393	9,770	(623)	(6.4%)	352	389	37	9.5%	1,613	1,613	-	0.0%	10,745	10,159	(586)	(5.8%)
Clinical Supplies	32,139	30,682	(1,457)	(4.7%)	3	2	(1)	(50.0%)	-	-	-		32,141	30,684	(1,457)	(4.7%)
Infrastructure & non-clinicical expenses	53,689	53,780	91	0.2%	2,970	3,441	471	13.7%	-	-	-		56,659	57,221	562	1.0%
Internal Providers	-	-	-		-	-	-		172,760	172,675	(85)	(0.0%)	-	-	-	
External Providers																
Personal Health	-	-	-		-	-	-		102,079	101,964	(115)	(0.1%)	102,079	101,964	(115)	(0.1%)
Mental Health	-	-	-		-	-	-		7,892	8,151	259	3.2%	7,892	8,151	259	3.2%
Public Health	-	-	-		-	-	-		1,025	1,333	308	23.1%	1,025	1,333	308	23.1%
DSS	-	-	-		-	-	-		42,301	42,616	315	0.7%	42,301	42,616	315	0.7%
Maori Health	-	-	-		-	-	-		960	1,330	370	27.8%	960	1,330	370	27.8%
Total External Providers	-	-	-		-	-	-		154,258	155,395	1,137	0.7%	154,258	155,395	1,137	0.7%
Recharges	4,164	4,331	167	3.9%	(4,164)	(4,331)	(167)	3.9%	-	-	-		-	-	-	
TOTAL EXPENDITURE	218,674	217,486	(1,188)	(0.5%)	4,267	4,774	507	10.6%	328,631	329,682	1,051	0.3%	377,199	377,655	456	0.1%
SURPLUS / (DEFICIT)	1,505	246	1,259		623	(222)	845		4,382	2,676	1,706		6,510	2,699	3,811	

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Appendix E
Statement of Financial Position (Consolidated)

	Actual				
	Jun-11	Jun-12	Jan-13	Feb-13	Change
	$000	$000	$000	$000	$000
ASSETS EMPLOYED					
Current Assets	**59,099**	**74,894**	**81,204**	**83,216**	**8,322**
Bank/Cash (DHB)	2,385	784	58,614	60,517	59,733
Investments < 3 months (DHB)	2,200	4,415	1,650	1,900	(2,515)
Investments > 3 months (DHB)	36,300	49,700	0	0	(49,700)
Investments < 3 months (Trusts)	388	2,384	2,444	2,474	90
Other Current Assets	17,826	17,611	18,496	18,325	714
Current Liabilities	**(58,062)**	**(61,397)**	**(62,570)**	**(61,083)**	**314**
Capital Charge	(648)	0	(962)	(1,923)	(1,923)
Employee Entitlement Provisions	(21,261)	(23,492)	(23,805)	(23,947)	(455)
GST	(2,689)	(2,383)	(2,823)	(2,691)	(308)
Other Current Liabilities	(33,464)	(35,522)	(34,980)	(32,522)	3,000
Fixed Assets & Investments	**155,092**	**188,011**	**186,848**	**186,393**	**(1,618)**
Total Fixed Assets (refer to note)	152,253	186,480	184,248	183,793	(2,687)
Restricted Investments	2,000	0	0	0	0
Investments	839	1,531	2,600	2,600	1,069
Net Assets Employed	**156,129**	**201,508**	**205,482**	**208,526**	**7,018**
FUNDS EMPLOYED					
Share Capital	64,154	64,776	65,208	65,199	423
Revaluation Reserve	54,581	90,757	90,757	90,757	0
Trust and Special Funds	2,388	2,384	2,444	2,474	90
Retained Earnings	(21,916)	(15,193)	(11,785)	(8,712)	6,481
	99,207	**142,724**	**146,624**	**149,718**	**6,994**
Term Loans	55,417	57,201	57,275	57,225	24
Long Term Liabilities	1,505	1,583	1,583	1,583	0
Total Funds Employed	**156,129**	**201,508**	**205,482**	**208,526**	**7,018**
Note:					
Land	16,481	13,540	13,540	13,540	0
Buildings (including fitout)	106,683	143,440	139,679	139,098	(4,342)
Plant & Equipment	25,916	21,891	24,403	24,239	2,348
Work in Progress	3,173	7,609	6,626	6,916	(693)
Total	**152,253**	**186,480**	**184,248**	**183,793**	**(2,687)**

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Appendix F
Statement of Cash Flows

Feb-13 *($'000's)*	Qtr 1 Actual	Qtr 2 Actual	Jan Actual	Feb Actual	Qtr 3 Forecast	Qtr 4 Forecast	Full Year Forecast
Cash From Operating	1,880	6,818	3,130	2,851	6,301	3,231	18,230
Cash from Investing	(2,487)	(2,331)	(240)	(393)	(10,381)	(12,280)	(27,479)
Cash From Financing	(868)	(438)	(99)	(305)	(1,209)	(1,206)	(3,721)
Increase (Decrease) in Cash Held	-1,475	4,049	2,791	2,153	(5,289)	(10,255)	(12,970)
Add Opening Cash Balance	54,899	53,424	57,473	60,264	57,473	52,184	54,899
Closing Cash Balance	**53,424**	**57,473**	**60,264**	**62,417**	**52,184**	**41,929**	**41,929**
Net Debt Position:							
Funds Utilised	3,276	(773)	(3,564)	(5,717)	5,016	14,771	14,771
Useable Facility	56,700	81,694	81,694	81,694	81,694	81,694	81,694
Surplus / (Shortfall)	53,424	82,467	85,258	87,411	76,678	66,923	66,923
Reserved Funds	21,734	21,734	21,734	21,734	21,734	21,734	21,734
Available Facility	**31,690**	**60,733**	**63,524**	**65,677**	**54,944**	**45,189**	**45,189**

Note: Under NZ IFRS, the cash balance is deemed to be the total of cash / bank balances and investments < 3 months. In the table above, investments > 3 months have been included to give the whole picture of cash and investments.

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TO The Board

FROM General Manager
Planning & Support

DATE 19 March 2013

SUBJECT **Capital Expenditure Update and Substitutions 15 March 2013**

MidCentral District Health Board
Te Pae Hauora o Ruahine o Tararua

MEMORANDUM

Purpose

The purpose of this report is to update the Board on the status of Capital Expenditure Programme as at 15 March 2013, and to provide details of changes that have been made to the capital programme since the annual plan for 2012/13 was approved. No decision is sought.

Executive Summary

As the Board is aware, due to the DHB's previous financial position, capital expenditure had been managed very tightly in the years up to 30 June 2011. The plans for 2012 and 2013 and for the next few years forward show the momentum of our changing position with significant capital expenditure programmed.

This has been necessary to catch up on the backlog of assets needing replaced, to meet technology advances and to accommodate regional and national initiatives.

Some priorities with regard to capital expenditure have changed over 2012/13 since the approval of the annual plan and these are outlined within the substitutions report in Appendix 2. The changes were in line with the Delegations Policy, and were based on the principle that the total level of capital expenditure approved in the annual plan could not be exceeded, such that if any new items were to be included, there should be an offsetting reduction in other items. The changes within IT & ISSP relate to the changing priorities and linking more into national/regional initiatives.

This asset planning and capital programme is linking into the building seismic work currently being undertaken regarding building structure and services and also into the Board's investment planning strategy.

Recommendation

It is recommended:

that this report be received.

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Capital Expenditure Programme

Outlined below is a summary of the 2013 Capital Plan detailing the formal approvals obtained to date. Also the total of prior year approvals not expended as at 30 June 2012, and the total capital expenditure actually paid to 15 March 2013. (Detailed schedules making up these details are attached to this report under Appendix 1.)

Capital Expenditure Summary 15 March 2013		
	$'000's	**$'000's**
Approved Projects not expended as at 30 June 2012		9,500
MDHB Capital Plan 2012/13		25,748
		35,248
Intangible Assets Outside MDHB		
HBL	1,191	
CRISP	1,589	
		2,780
Total		**38,028**
Funded by:		
Depreciation 2012/13		15,896
MOH Equity Injection CAOH Project		571
Asset Sales (Kimberley & Horowhenua)		5,200
Surplus & Cash Reserves		16,361
Total		**38,028**
Capital Plan 2013 Formal Approvals to 15 March 2013		**18,147**
Total Capital Expenditure Paid to 15 March2013		**7,449**

Summary by Asset Categories

- **Buildings**

  The capital expenditure identified within the plan mainly relates to an upgrade programme of the lifts, replacement of the generator, replacing boiler diesel storage, hospital showers upgrade and other planned refurbishment linking to the priorities identified. Currently the Group Manager, Commercial Support, is working on all of the seismic work plans and once finalised these will be incorporated into the capital programme by substitution where capital investment is required.

  Likewise the investment planning strategy detail relating to facilities, once approved by the Board, will then be incorporated into the future Capital Planning outlines.

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- **Clinical Equipment**

  The main focus within the plan is to catch up on the backlog of replacement equipment that occurred due to the tight financial situation in the past, and the implementation of enhanced and increased services such as the upgrade from Analogue to Digital Mammography, the installation of the 4th Linear Accelerator and the upgrade of the Medical Imaging equipment..

  This capital planning work is being done by linking in with Spotless Services, utilising the detailed asset planning information that has been gathered over the past eighteen months.

  Due to Radiotherapy now having four Linear Accelerators within the planning cycle, there will be significant expenditure required every two to three to replace each piece of equipment in line with the replacement programme. This planning will also include looking at how this asset base is managed with the departure of Siemens as a supplier.

  The recently approved medical imaging equipment / building alterations in the sum of $4.93m is the most significant approval this year. There will also be a review as to whether some of this equipment could be financed by way of an operating lease rather than outright purchase. Should the equipment be purchased rather than leased, there is provision in the capital programme to cover this.

- **IT Software**

  The implementation of CRISP and other national initiatives programmed for the next three years will make up a significant part of the software focus over this period.

  The first part of the CRISP Programme, being the Clinical Workstation, has been trialled within MDHB and a complete site rollout is being planned very shortly.

  The other significant projects that are being undertaking within the 2012/13 year is the upgrade of the Website and systems for MDHB, the introduction of information technology to the school dental service, the implementation of the national maternity system, and work is starting regarding the scoping of the e-Pharmacy solution.

  The Website upgrade part one has been completed, which has enhanced capability and made it more user friendly for all stakeholders. The phase one of the dental system has gone well, allowing IT technology to be incorporated into the dental service across all of the DHB service area. This has greatly increased the capability of the dental service.

  However the delay in implementing phase two due to the national rollout will impact on the service's data collection capability, as it had been planned to move straight into phase two. This means the current manual systems will still

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have to be used to collect information until the implementation of Titanium happens. It is still hoped that this may take place in this financial year.

Previously the Central Region Information Systems Plan (CRISP) investment was through TAS Ltd as per the ownership model approved in the business case, and this had been shown separately as an investment. The only capital expenditure impact was for the DHB's infrastructure changes on site, as per the approved CRISP business case, and was shown on the capital approvals coming forward from 2011/12 at $1.03m. However due to professional advice received via HBL, following reviews by Deloitte and PricewaterhouseCoopers, the total CRISP programme, both regional and local, will now be shown as an intangible asset rather than an investment, and as such is now included in the capital programme. This will be consistent with the accounting treatment of HBL capital expenditure, and has been identified on the substitutions schedule.

- **IT Hardware**

  In 2012/13 to date, there has been significant investment to upgrade old systems, and to upgrade the PABX system and transition MDHB to wireless technology. The upgrade of the systems is taking place in line with the recommendation of the Datacom Ltd Infrastructure Assessment. This replacement and upgrade will have the effect of mitigating future risks and overcoming past instances of system breakdowns due to old equipment which was due for replacement. These changes will also allow better use of the IT infrastructure to enhance service delivery within the DHB. Significant investment is planned within IT infrastructure over the remaining period of this financial year and in the next two financial years.

- **Vehicles & Other Equipment**

  As the car fleet is managed through a lease option, the vehicle fleet is mainly comprised of special vehicles which are aligned to Breast Screening Coast to Coast (BSCC) and the school dental service. The BSCC trailer is planned for renewal within the approved Digital Mammography upgrade, and a procurement process is currently underway regarding this vehicle.

  The last two of the new dental caravans should be commissioned over the next month, and hopefully they will be in service in term 2. The older single dental seat caravans will require refurbishment but this is being planned for the 2014/15 year.

  In relation to our other equipment we are managing this equipment to ensure we are maintaining our assets at an appropriate level to maintain service delivery.

ASSET MANAGEMENT PLANNING

As a part of the 2013/14 planning round information to the Ministry of Health, an updated assessment of assets has been provided. This included a complete asset stock

take, an outline of planned capital intentions for the next ten years, aligning to the required service levels and meeting the required seismic guidelines for facilities.

This will be further updated over the next month as the seismic details and investment planning details are finalised, and as detailed information flows from the Regional Clinical Services Plan.

Work is ongoing in conjunction with Spotless Services to improve the data collection and accuracy of all information on building structures / fit-out and clinical equipment, linking projected maintenance costs to the asset life cycle.

A further asset update will be presented in November 2013.

Mike Grant
General Manager
Planning & Support

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Appendix 1

MidCentral District Health Board
Capital Expenditure Programme Status 15 March 2013

Plan 2012/13	Budget 2012/13 $'000's	Approval 2012/13 $'000's
MidCentral Health		
Digital Mammography	2,600	2,600
Linac Provision Fund	360	
Theatre Beds	360	
Theatre Lights	370	
Orthopantomogram	250	
Medical Imaging Business Case	4,930	4,930
Generator Replacement	760	760
Boiler House Diesel Storage	250	
ICU Refurbishment	300	
Hospital Shower Upgrades	250	
Lifts Upgrade (Stage 2)	320	
Emergency Department Upgrades	200	
Patient Monitors (New Investment)	545	545
Sanitiser Replacements	139	
Bed Replacements	425	
Other Projects	7,908	2,851
Total MidCentral Health	**19,967**	**11,686**
Governance		
Under $250K	1,449	139
Hospital Pharmacy	610	202
Dental System Phase 2	382	
WEB Upgrade	280	280
Network Infrastructure Upgrade (Including Wireless)	2,017	2017
Total Corporate	**4,738**	**2,638**
Enable		
E-Commerce & Digital Communication Implementation	1,043	1043
Total	**1,043**	**1,043**
Total Capital Expenditure 2012/13	**25,748**	**15,367**
Capital Investment Outside MDHB		
Investment in CRISP (Intangible Assets)	**1,589**	**1,589**
Investment in HBL (Intangible Assets)	**1,191**	**1,191**
	2,780	**2,780**
Total Capital Investment	**28,528**	**18,147**

Allocated	
MidCentral Health Provider	**19,967**
Governance	**7,518**
Enable	**1,043**
Total	**28,528**

Funding Sources Approved by Board	**$,000's**
Depreciation funding	15,896
Asset Sales	5,200
Cash Reserves Board	7,432
Total Funding	**28,528**

MidCentral District Health Board

Capital Plan Prior Years	**Approvals Unspent as at 30 June 2012**
CAOH Project Assets	948
Linac Provision Fund	287
Drug Distribution System	318
Gamma Camera	1,200
Linac 4 Project	1,193
Lift Upgrades (stage1)	626
Telemetry System- ED & MAPU	410
Fundus Camera & Field Analyser	200
CRISP- MDHB Internal Assets (Per Business Case)	1,031
Datacom Project Work	244
WEB Upgrade Stage 1	150
Business Intelligence	155
Maternity	190
SSU Tracking System	340
Dental System	112
Bids Under $250K	2,096
Total Capital Expenditure Prior Years	**9,500**
Funding Sources	
MOH Funding Enhancements Child & Adolescent Oral Health (Note 1)	571
Cash Reserves- Board	8,929
Total	**9,500**
Forecast Spend 2012/13 per Draft Annual Plan	
Carried Forward 2012	**9,500**
Capital Plan 2012/13	**28,528**
Total	**38,028**

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Appendix 2

MDHB Capital Substitution Reconciliation 2012/13		$'000's
Capital per Annual Plan 2012/13		**29,423**
Items Removed	(A)	(11,189)
		18,234
Items where values changed	(B)	2,177
		20,411
Items added not on original list	(C)	1,362
		21,773
Items transferred from 2011/12 as not approved by 30/6/2012 but still required	(D)	2,790
		24,563
CRISP -Trfr from Investments to Capital	(E)	1,589
		26,152
Items under $250k on that were on Capital List but below cut off funding line but can now be managed within approved capital spend.		2,376
	Total	**28,528**

(A) Items Removed	**$'000's**
Renal Satellite at WHDHP (Not Progressed)	(700)
Cardiology Lab & New Workstation (moved to 2013/14 OMT)	(3,400)
Heath Benefits Administration Systems- Now included in HBL Business case	(1,000)
Desktop Virtualisation (Moved to 2014/15)	(150)
Email Archiving (Moved to 2016/17)	(325)
Sanitisers Replacement (now being phased over three years Part 1 2012/13)	(196)
Clinical Records Scanning (Moved to 2014/15)	(900)
Storage Area Network (Moved to 2013/14)	(500)
Enable E-Commerce (part moved to 2013/14)	(554)
Women's Theatre Development (Not Progressed-Board Decision)	(3,464)
Total	**(11,189)**

(B) Items where value changed		**$'000's**
Digital Mammography	Board decision	600
Emergency Department Alterations Reduced		(800)
Sanitisers Upgrades (see above in (A) plan now to do in 3 stages)		185
Lifts Stage 2		120
Medical Imaging Business Case-2012 Items	Board decision	1,785
HBL Asset Capitalisation		(710)
Generator Replacement		560
Monitors & Bladder Scanners		437
Total		**2,177**

(C) Items added not on original list	**$'000's**
Hospital Shower upgrades	250
New Theatre Lights	370
Dental System (Tranferred back from 2013/14)	382
Theatre Beds	360
Total	**1,362**

(D) Items transferred from 2011/12 as not approved by 30/6/2012 but still required.	**$'000's**	
DSA Machine	1,100	Medical Imaging Approved
Medical Imaging equipment Rooms 10 & 11	1,000	Medical Imaging Approved
Ultra sound Medical Imaging	390	Medical Imaging Approved
ICU Refurbishment	300	
Total	**2,790**	

(E) CRISP Investment	**$'000's**
	1,589

In 2012/13 Annual Plan CRISP external Asset that is being managed by TAS Ltd was shown as an Investment and shown as such in the plan. Due to specialist accounting advice all DHB's were advised to now show as an intangible asset.
Due to changes in the capital plan is funding has now been able to be accommodated within the capital spend. This means the DHB has been able to retain more cash due to this.

MidCentral District Health Board
Three Year Capital Expenditure Programme
Budget 2012/13

Description	Forecast 2011/12	Budget 2012/13	Replacement 2012/13	New Investment 2012/13	Budget 2013/14	Budget 2014/15
Items greater than $250k						
ISSP Plan						2,000
HR Yourself	22					
Inter Rai	62					
Regional PACS Archive	275					
HR Performance	120					
Business Intelligence/Data Warehouse	250					
Maternity System	190					
Dental	385					
Sterile Tracking System	340					
Network Switches		23	x			
Desktop Virtualisation		150		x		
Email Archiving		325		x		
Pharmacy		610	x			
Clinical Records scanning		900		x		
PBX & Network Upgrades including Wireless -New		1,442		x	0	
PBX & Network Upgrades including Wireless- Replacement	786	570	x			
HBL Asset Capitalisation		1,901		x	869	
Health Benefits Administration Systems		1,000	x		1,000	
Medications Management				x	650	
Total ISSP	**2,430**	**6,921**			**2,519**	**2,000**
MCH Provider						
Prior years up to 2012						
ICU Refurbishment	300					
Orthopantomogram	250					
Linac Sinking Fund	566	360	x		360	360
Ultrasound-Radiology	300					
Theatre Electrical Upgrade	115					
CAOHS- Denistry Business Case	2,115					
Emergency Rooms 11 & 12 (Radiology)	1,000					
Lifts Upgrade	550	250	x			
Buildings Roofing Programme	300					
Telemetry Systems (ED & MAPU)	800					
Drug Distribution System	364					
Clinical Records Building (part)	69					
Gamma Camera	1,200					
Bed Replacement Programme	325	425	x			
DSA Upgrade	1,100					
4th Linac & Bunker	6,300					
2012-2013 Year						
Cardiology Equipment & Facilities		2,600		x		
Digital Mammography		2,000	x			
Radiology Room 6		500	x			
Clinical Equipment (Standardisation & Replacement Programme)		700	x		700	700
Philips Omnidiagnostic					700	
Treatment Planning System						800
Radiology-CT Simulator (Being Leased and new lease 1 January 2013)						
New Workstation- Cardiology		320		x		
Renal Satellite Facility WHDHB- Leasehold Improvements		700		x		
Sanitiser Replacement Programme		150	x		150	150
Building Alterations ED		1,000	x			
Boiler House Diesel Storage		250	x			
Women's Health Theatre Development		3,464		x	935	
Radiology Rooms 2& 10					1,000	
Radiology Rooms 4						600
Radiotheraphy- CT Scanner					1,000	
LA 1 replacement						3,500

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CT Scanner (Replacement- Planned to carry on Lease 2012/13)			x			
PN Hospital Reconfiguration						2,500
Theatre Electrics Phase 2					300	
Intravenous Pump Replacement					650	
Assets Under $250k	10,624	5,558	x		7,545	8,021
Standardised equipment replacement (AMP guidelines)		700	x		700	700
Corporate						
Under 250k	2,129	1,145	x		1,245	1,065
Web Upgrade	260	280	x		100	100
Storage Area Network		500	x			
IT Building Alterations					500	
Enable						
Prior Years	47					
Capital Plan (Items under $250k)	450	550	x		550	550
E-Commerce		900		x	900	
Call Centre Project		150		x		
Adjustments to be made to align to probable spend	(15,794)					
Demand for Capital Expenditure	15,800	29,423			19,854	21,046
Funding Sources						
Depreciation funding	11,423	*15,896*			16,500	17,100
MOH Funding Enhancements Child & Adolescent Oral Health ($3,896)	1,177	597				
Surpluses & Cash Reserves		10,930			3,354	3,946
Asset Sales	3,200	2,000				
Total Funding	15,800	29,423			19,854	21,046

7.36

TO The Board

FROM General Manager Planning and Support

DATE 24 March 2013

SUBJECT Pharmacy IT Systems

MidCentral District Health Board
Te Pae Hauora o Ruahine o Tararua

MEMORANDUM

1. Purpose

At the February Board meeting members sought further information on current planning activity around pharmacy IT systems and how these are connected.

This report provides an overview of the various pharmacy IT systems used in the primary and secondary settings.

2. Background

The attached report gives an overview of electronic medications management and explains the common terms used within the eMedicines programme. It then provides a commentary on the primary and secondary care current and future state processes, and the IT systems supporting them.

The "Go for Gold" programme is then explained.

In the supporting graphic (Appendix 1):

- Row 1 shows the prescribing processes used in the primary care setting. Row 2 shows the current and future pharmacy IT systems supporting those processes.
- Row 3 shows the prescribing, dispensing, administration and reconciliation processes used in the secondary care setting. Row4 shows the current and future pharmacy IT systems supporting those processes.

3. Recommendation

It is recommended:

that this report be received.

Mike Grant
General Manager
Planning and Support

7.37

eMedications Management

1. eMedicines Programme

The eMedicines Programme is part of the National Medication Safety Programme which is jointly sponsored by the National Health Board/National Health IT Board and the Health Quality & Safety Commission.

Medication errors and adverse drug events affect an unacceptable number of New Zealanders each year, with some resulting in permanent disabilities or death. The eMedicines Programme is introducing electronic systems to support the safe, effective and appropriate use of medicines.

The programme's goals are to:

- Reduce patient harm and loss of life by reducing adverse medication events.
- Improve patient outcomes by providing better information to enable staff to focus more on delivering care and by providing patients and their families with better resources to support their care.
- Better manage costs in DHB hospitals and in the community by reducing adverse medication events, improving medicines usage, and improving productivity.

2. eMedicines Terms

eMM	electronic Medicines Management.
eMR	electronic Medicines Reconciliation.
ePA	electronic Prescribing and Administration. Allows medication to be prescribed and administration to be recorded electronically in hospitals.
ePM	electronic Pharmacy Management.
NZePS	Community Electronic Prescription Service. Allows GPs to send prescriptions to community pharmacies electronically.
NZULM	NZ Universal List of Medicine. Combines standardised medicine descriptions with information from Medsafe and the PHARMAC Pharmaceutical Schedule to form an easily accessible one-stop shop for medicines information.
NZF	NZ Formulary. A concise, point of care reference addressing the day-to-day needs of those prescribing, dispensing and administering medicines in New Zealand.
CPSA	Community Pharmacy Services Agreement. A new national agreement between community pharmacies in New Zealand and their local DHBs. It is the biggest change to how pharmacy services are funded in the past couple of decades.
HQSC	Health Quality & Safety Commission.

3. Primary Care Processes and IT Systems

Current State

Two IT Systems are used:

1. GP practice management system.
2. Community pharmacy dispensing.

When a GP completes a prescription within their practice management system (e.g. MedTech32), a printed copy of the prescription is given to the patient. The patient then presents the prescription to the Pharmacy.

Future State

Four IT Systems will be used:

1. GP practice management system.
2. Community pharmacy dispensing.
3. (NEW) Community Electronic Prescription Service.
4. (NEW) Clinical Data repository (accessible by both the primary and secondary care).

When a GP completes a prescription, a record of the prescription is sent electronically to the Community Electronic Prescriptions Service. A printed copy of the prescription (now containing a barcode) is given to the patient.

The patient is able to present the prescription to any pharmacy within New Zealand. When the barcode is read, reconciliation between with Community Electronic Prescription Service and the community pharmacy dispensing system takes place and the patient is given their medications.

This pharmacy dispensing record is passed to a regional data repository for use by primary and secondary care clinicians. At MidCentral DHB this data repository is Medlab Central's' Eclair. Concerto, MidCentral's clinical portal, will also be configured to receive these dispensing records.

4. Secondary Care Processes and IT Systems

Current State

Three IT Systems are used:

1. Hospital pharmacy.
2. New Zealand Universal List of Medicines.
3. New Zealand Formulary.

On admission, manual medicines reconciliation is performed to verify what medications the patient is currently taking.

Clinicians manually prescribe medications which are supplied by the hospital pharmacy. Paper-based drug charts record the fact that medication was administered.

No medicines reconciliation takes place on discharge at present.

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Future State

Six IT Systems will be used:

1. (NEW)Concerto Clinical Portal for both admission and discharge medicines reconciliation.
2. (NEW) Electronic prescribing (part of an IT system called MedChart).
3. Hospital pharmacy.
4. (NEW) Electronic administration (part of an IT system called MedChart).
5. New Zealand Universal List of Medicines.
6. New Zealand Formulary.

On admission, medicines reconciliation is performed within the Concerto Clinical Portal for this process.

During a patient stay, clinicians use an electronic prescribing system to prescribe medication. Connectivity to the New Zealand Universal List of Medicines and the New Zealand Formulary is provided. Dosage and drug interaction decision support functionality is included and is highly effective in minimising drug errors.

Waitemata DHB is the first DHB in the Northern Region to start ePrescribing, now introduced to 55 beds in two wards at North Shore Hospital. Other DHBs have commenced implementing ePrescribing in North Shore, Taranaki and Dunedin hospitals.

Hospital pharmacy systems are linked to electronic prescribing and administration systems and used to manage stock, dispense prescriptions to both inpatients and outpatients, and manage claims for cancer drugs.

Electronic administration systems replace manual drug charts and in turn are linked to hospital pharmacy and electronic prescribing systems.

The Concerto clinical portal is used to reconcile medicines between admission, those taken during the hospital stay and prescribed on discharge. This information is automatically populated into the discharge summary.

5. Go for Gold Campaign

The Go for Gold campaign aims to have 100 percent of public hospitals participating in electronic medicines management from 2012 and to have achieved 'gold' level medication management by the end of 2014.

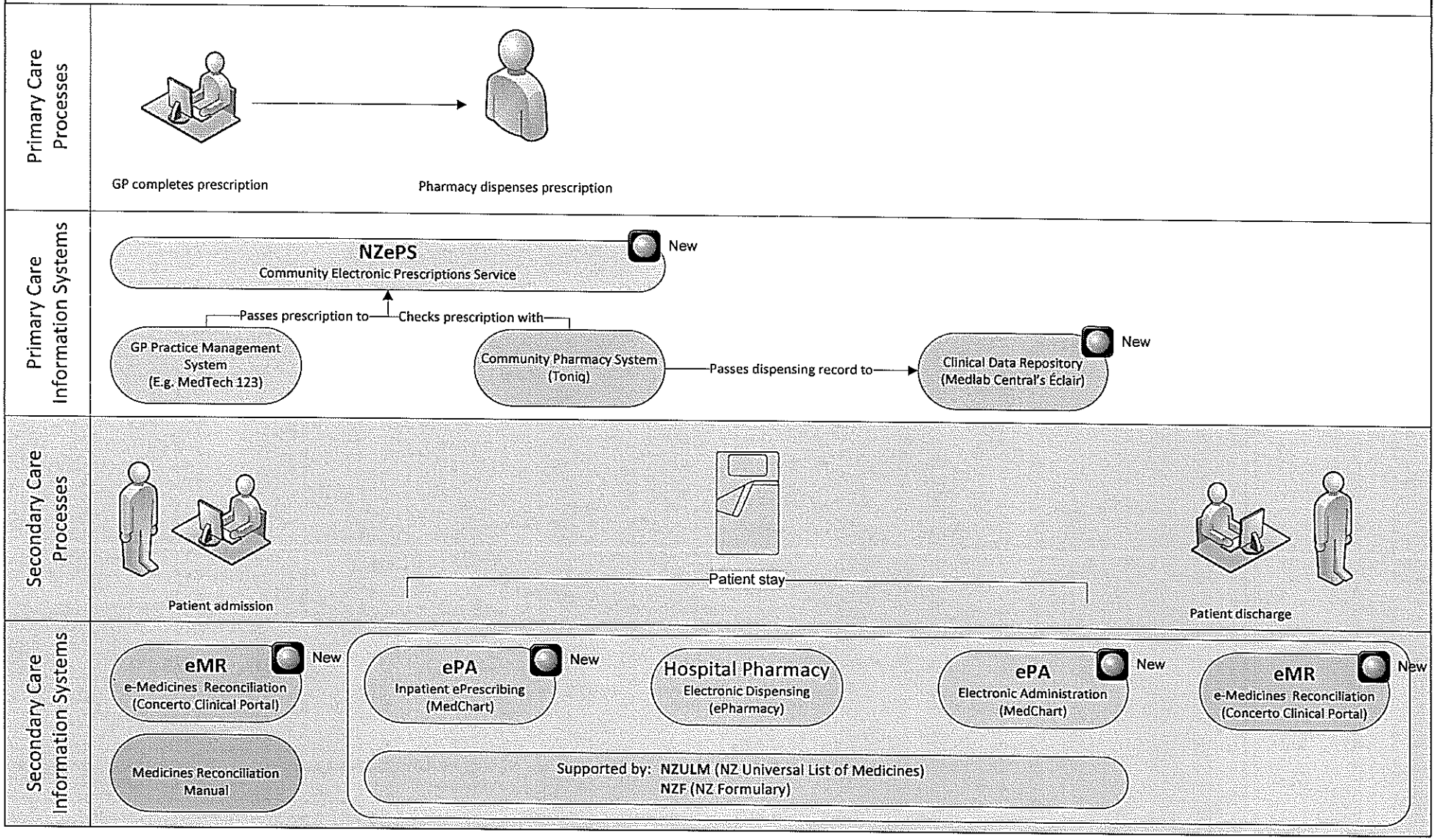
Gold level is when a hospital has implemented electronic medicine reconciliation (eMR) and electronic prescribing and administration (ePA). The widespread use of eMR and ePA will reduce the number of New Zealanders harmed each year by medication errors and adverse drug events.

This programme sits within the Health Quality & Safety Commission and is delivered jointly by the Commission and the National Health Board/National Health IT Board. The Commission was established under the New Zealand Public Health & Disability Amendment Act 2010 and has three main aims:

1. Improved quality, safety and experience of care.
2. Improved health and equity for all populations.
3. Better value for public health system resources.

Appendix A

eMedicines Management



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8.1

TO Board
Chief Executive Officer

MidCentral District Health Board
Te Pae Hauora o Ruahine o Tararua

FROM Manager, Administration & Communications

DATE 26 March 2013

SUBJECT **2013 DHB Elections**

MEMORANDUM

1. PURPOSE

The report seeks two decisions from the Board regarding the 2013 DHB elections. The decisions concern progressive processing of votes, and, the order of candidates' names on the voting paper

2. SUMMARY

The triennial DHB elections take place in October 2013. The process formally commences 26 July when nominations open. (NB: this date may come forward as a result of legislation currently before the House.)

The process is managed through the territorial local authorities and is co-ordinated by the DHB's Electoral Officer. Formal arrangements are put in place with the local authorities and DHB Electoral Officer.

Two Board decisions are required regarding the process, namely the order in which candidates' names appear in the order paper, and, when the processing of votes can commence.

Progressive processing of votes throughout the voting period supports early results and eases the workload. MDHB has historically endorsed progressive voting and it is proposed that this continue.

The status quo is also recommended in terms of the order of candidates' names on the voting paper, ie alphabetical. It is considered this makes the voting process easier for voters.

Under legislation currently before the House, responsibility for determining matters associated with early processing of votes would be vested in Electoral Officers in the future.

3. RECOMMENDATION

It is recommended:

that the order of DHB candidate names be printed in alphabetical order, by surname, on all voting documents;

that early processing of MidCentral DHB voting documents during the voting period be authorised; and,

COPY TO:

CEO's Department
MidCentral DHB
Heretaunga Street
PO Box 2056
Palmerston North
Phone +64 (6) 350 8967
Fax +64 (6) 355 0616

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that the report be received.

4. BACKGROUND

Elections for membership of DHB's Board are held every three years in conjunction with those for local authorities.

Mr John Annabell, Palmerston North City Council is MidCentral's DHB Electoral Officer (DHBEO). Mr Annabell has had this role since 2001 and has provided excellent service to MidCentral DHB during this time.

Local Territorial Authorities conduct the elections on behalf of DHBs. Responsibilities and payment arrangements are documented in a Memorandum of Understanding which is agreed between the DHB and each Territorial Authority. A template for the MoU is developed nationally between the Society for Local Government Managers and the Ministry of Health

DHBs are responsible for meeting the costs of their election.

Voting documents are produced for each election. This term relates to the voting papers proper, ie does not include candidate information booklets.

5.2 Order of Candidates' Names on Voting Document

It is the DHB's responsibility to determine the order in which candidate names appear on the voting document. There are three options:

- alphabetical order of surname
- pseudo-random order
- random order

In the absence of a decision by the DHB, the default legislative position is for candidates' names to be listed alphabetically.

Research indicates that candidates listed at the top of voting papers have an advantage, and that this advantage increases with the number of candidates involved in the election. Over the past three elections, the number of candidates for MDHB has ranged between 13 and 15. The results of the past election are as follows, with the three highest polling being listed 1st, 10th, and 13th on the voting document.

2010 Election Results	
Order of Candidates Selected	*Listing in Voting Paper*
Anderson Diane (elected)	1
Naylor Karen (elected)	10
Robson Barbara (elected)	13
Burnell Lindsay (elected)	3
Chapman Ann (elected)	5
Drummond Jack (elected)	7
Kelly Pat (elected)	9
Temple-Camp Cynric (excluded)	15
Campbell Graeme (excluded)	4
Jefferies Jim (excluded)	8
Baker Andre (excluded)	2
Paewai Stephen (excluded)	12
Dennison Vaughan (excluded)	6
Smith Stu (excluded)	14
Orzecki Richard (excluded)	11

5.2.1 Option 1, Alphabetical Order of Surname

Candidates are listed in alphabetical order by surname.

This is the simplest method for the elector, and is the system used at general elections. If voters have decided who to vote for prior to voting, alphabetical order makes it easier to find the candidates' names on the voting document.

This is the order which was used in the two DHB elections to date, and the default situation should the DHB not make a determination re the order of candidates' names.

There is a view that candidates with a surname starting with a letter late in the alphabet are disadvantaged under this method.

5.2.2 Option 2, Pseudo-Random Order

Under this option, the names of candidates are listed in a random order. This random order is the same on all voting documents.

The names of all candidates are placed in a suitable container, mixed together, and then drawn out, with the candidates' names being placed on all voting documents in the order in which they are drawn.

The "draw" is publicly advertised, and any person is entitled to attend.

For the voter, this system may not be as user friendly as they have to search for their preferred candidates' names.

Under this method, all candidates have the same change of being listed first on the voting documents. There is a view that those drawn first are advantaged as they will appear on the top of all voting documents.

5.2.3 Option 3, Random Order

Under this option, the names of candidates are listed is random order, and the order varies for each voting document.

Using computer technology, the names of candidates are laser printed in a different order on each paper.

This option is perhaps fairest to all candidates though probably not as user friendly for voters.

5.2.4 Discussion

In selecting an option, consideration has been given to making things as uncomplicated as possible for voters so that it is easy for them to have their say.

- DHB elections will be run using the Single Transferable Voting process. Three of the five territorial local authority elections in our district (Horowhenua, Manawatu and Tararua) will use First Past the Post.

- Practice is that the candidates profile booklet are printed in alphabetical order.

It is considered that an alphabetical order will be easiest for voters. This enables them to easily work between the candidate profile booklet and the voting form, particularly if a large number of candidates stand for election. It also means that though two different voting systems are being used, there is consistency wherever possible.

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Cost is also a factor to take into consideration. Random order will incur additional printing costs.

5.3 Processing of Votes

It is now standard practice for votes to be processed during the voting period. To enable this practice to continue for the 2013 elections, the Board must formally pass a resolution to this effect.

It should be noted that legislation currently before the House proposes that responsibility for this decision rest with Electoral Officers in future. The indicative timeframe for a decision on this Bill is May 2013.

It is recommended that the Board approve early processing of votes.

5.4 Next Steps

Formal arrangements between the DHB and local territorial authorities regarding the 2013 elections is the next step. A national template is used which is negotiated between the Ministry of Health and the New Zealand Society of Local Government Management .

Formal notification regarding the opening of the nomination period is required.

Information for potential candidates will be developed.

Regular reports will be provided to the Board from July onward.

Jill Matthews
Manager
Administration & Communications

P.S

TO Board

FROM Chief Executive Officer

DATE 26 March 2013

SUBJECT **Board's Work Programme, 2012/13**

MidCentral District Health Board
Te Pae Hauora o Ruahine o Tararua

MEMORANDUM

1. Purpose

This report provides an update of progress against the Board's 2012/13 work programme. It is provided for the Board's information and discussion.

2. Summary

Reporting is occurring in accordance with timeline.

A schedule of all reports scheduled for consideration at the Board's next meeting is set out below. If there are any new items which members require, or any issues they would like canvassed in future reports, please advise.

- CEO's operating report
- 2013/14 Annual Plan: final documents and update
- centralAlliance
- Manawhenua Haoura:
  - six-monthly update re 2012/13 work programme
  - draft 2013/14 work programme
- Insurance
- 2013/14 reporting framework
- Enable New Zealand's annual reporting requirements

I seek feedback from the Board regarding its expectations regarding the style, content and timing of these reports, and any other reporting requirements members may have.

Board and committee commitments for the remainder of this financial year are set out overleaf:

COPY TO:

CEO's Department
MidCentral DHB
Heretaunga Street
PO Box 2056
Palmerston North
Phone +64 (6) 350 8910
Fax +64 (6) 355 0616

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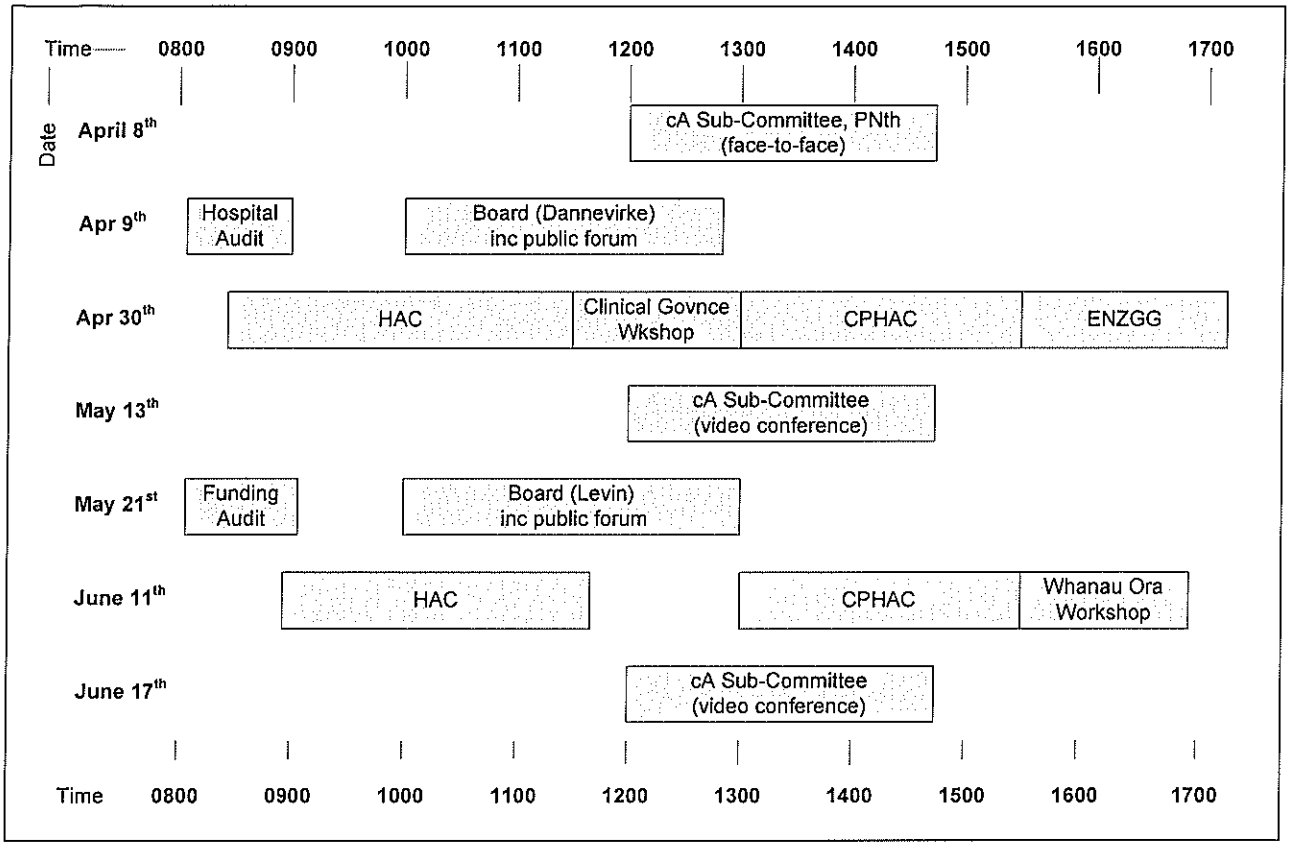


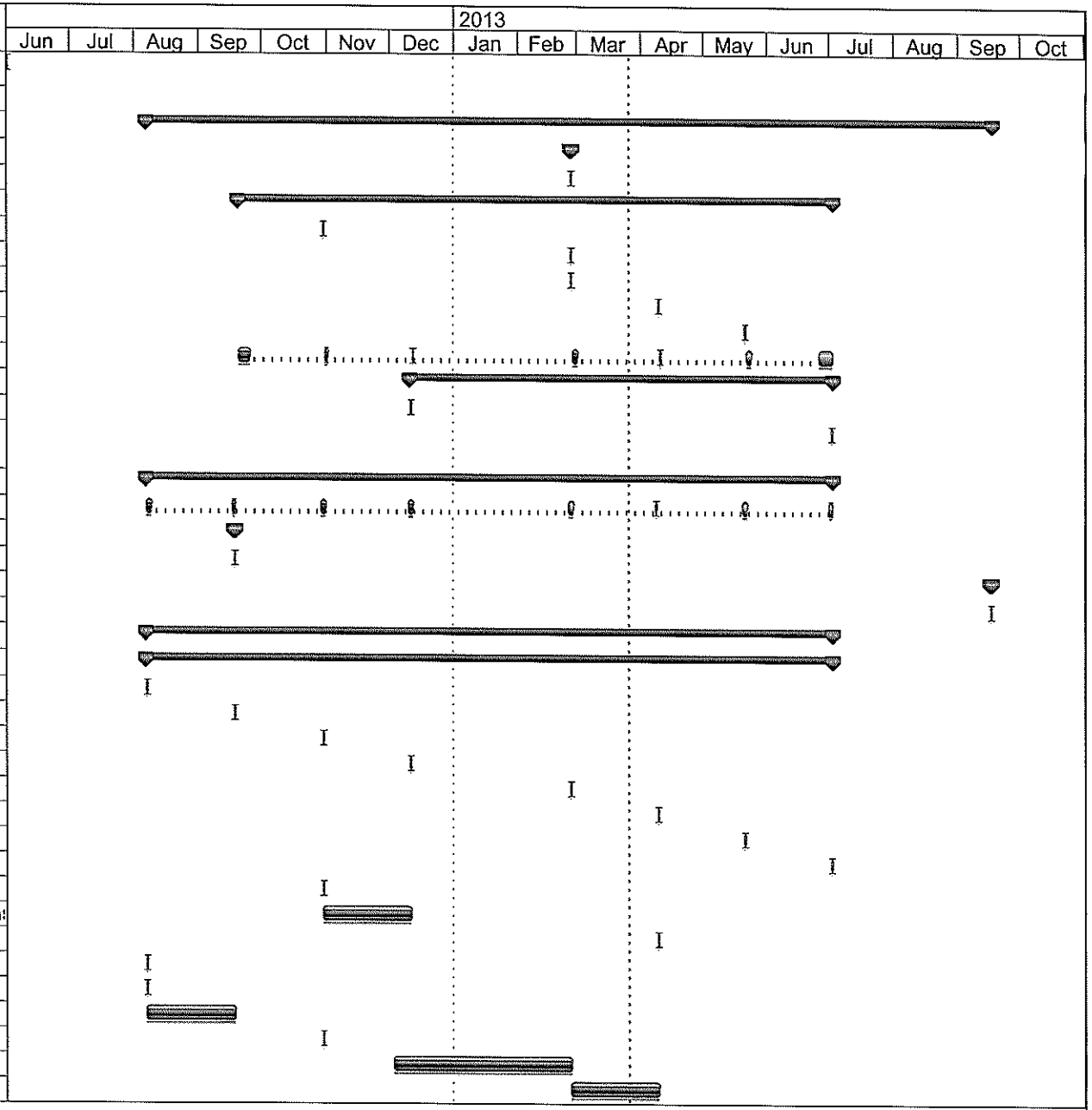
3. Recommendation

It is recommended:

that the updated work programme for 2012/13 be noted.

Murray Georgel
Chief Executive Officer

ID		Task Name
1		**BOARD, 2012/13**
2		
3		**STRATEGIC PLANNING**
4	✓	**2013/14 RSP Development**
5	✓	Final draft of RSP
6		**2013/14 Annual Plan Development**
7	✓	Annual planning assumptions
8	✓	Planning workshop
9	✓	Annual Plan, draft 1
10	✓	Annual Plan, draft 2
11		Annual Plan, Final
12		Annual planning updates
13		**2012/13 Annual Plan Implementation**
14	✓	Living within our means (exc ENZ): update 1
15		Living within our means (exc ENZ and incl benfits/learnings from HBL implementation other
16		**Sub-Regional Plan**
17		Project updates and workshop notes
18	✓	**2011/12 Annual Report**
19	✓	Draft report & accounts
20		**2012/13 Annual Report**
21		Draft report & accounts, and letter of rep from mgmt
22		**OPERATIONAL REPORTS**
23		**CEO's Operating Report**
24	✓	- update 1 (results for May & June)
25	✓	- update 2 (results for July)
26	✓	- update 3 (results for Aug & Sep)
27	✓	- update 4 (resutls for Oct)
28	✓	- update 5 (results for Nov & Dec)
29	✓	- update 6 (results for Jan & Feb)
30		- update 7 (results for March)
31		- update 8 (results for Apr & May)
32	✓	six-monthly capex update 1
33	✓	six-monthly capex update: further info re substitution
34	✓	six-monthly capex update 2
35	✓	Insurance update
36	✓	HBL Update
37	✓	Approach to programmed project management
38	✓	Staff survey results
39	✓	Revenue banking proposal
40	✓	Revenue banking: outcome of negotiations



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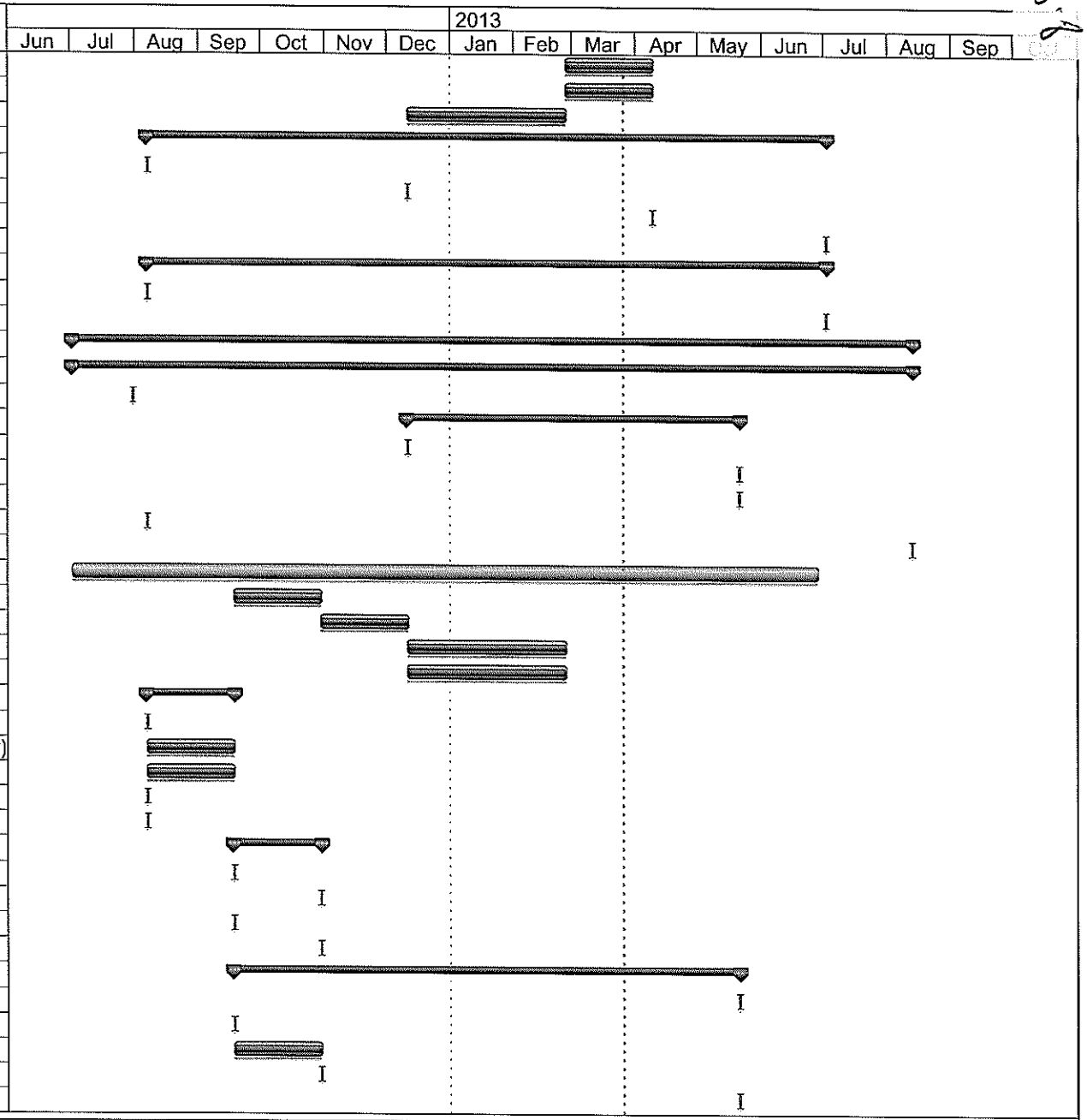
ID	Task Name
41	Loan rollover proposal
42	Clarification re IT - pharmacy
43	Case study re Mrs Robin's experience
44	**Contracts**
45	Update 1
46	Update 2
47	Update 3
48	Update 4
49	**Quality**
50	Annual report from Clinical Council
51	Annual report from Clinical Council
52	**GOVERNANCE**
53	**Iwi Partner (Manawhenua Hauora)**
54	Annual get-together
55	**2012/13 Work Programme Implementation**
56	Update 1
57	Update 2
58	2013/14 Work Programme - draft
59	Maori responsiveness framework: update
60	Maori Health Plan 2012/13: update
61	Minutes
62	Regional governance arrangements: update
63	Regional governance arrangements: update
64	Regional governance arrangements: update
65	CRISP arrangements: update
66	**Policy & Terms of Reference**
67	Delegations policy: annual review
68	Delegations policy: annual review (inc copy of policy)
69	Copy of delegation schedules
70	Board members' expense policy
71	Consultation policy
72	**Associated Organisations**
73	TAS: annual update
74	TAS: AGM arrangements
75	Allied Laundry: annual update
76	Allied Laundry: AGM arrangements
77	**Governance Arrangements & Processes**
78	Insurance
79	Insurance: final arrangements
80	Insurance: cover details for surplus properties
81	2013 meeting arrangements
82	2013/14 reporting framework



ID	Task Name
83	Enable New Zealand annual reporting requirements
84	**ITEMS CARRIED FORWARD**
85	**2011/12 Annual Plan Implementation**
86	Streamlining/active mgmt of projects: update 2