

MIDCENTRAL DISTRICT HEALTH BOARD

Minutes of the MidCentral District Health Board meeting held on 1 July 2014 at 10.00am at
MidCentral District Health Board Offices, Board Room, Gate 2, Heretaunga Street,
Palmerston North

Unconfirmed Minutes

PRESENT

Phil Sunderland (Chair)
Diane Anderson
Adrian Broad
Lindsay Burnell
Barbara Cameron
Ann Chapman

Kate Joblin
Nadarajah Manoharan
Karen Naylor
Richard Orzecki
Barbara Robson

IN ATTENDANCE

Murray Georgel, Chief Executive Officer
Mike Grant, General Manager, Planning & Support
Scott Ambridge, General Manager, Enable New Zealand
Jill Matthews, Principal Administration Officer
Nicholas Glubb, Operations Director, Specialist Community & Regional Services
Brian Woolley, Manager, Knowledge & Information Management
Vivienne Ayres, Planning & Accountability
Jordan Dempster, Communications Officer
Ken Clark, Chief Medical Officer (item 8.2 only)

Public (1)
Media (0)

1. APOLOGIES

An apology for lateness was received from Barbara Cameron.

2. NOTIFICATION OF LATE ITEMS

There were no late items.

3. CONFLICT OF INTEREST REGISTER

3.1 Amendment to the Register of Interests

Adrian Broad advised he had been appointed to the role of Manager, Manawatu Horowhenua Tararua Diabetes Trust.

3.2 Declaration of Conflicts in Relation to Today's Business

The following conflicts were declared:

- Richard Orzecki: agenda items 9.1.1 to 9.1.3 regarding Manawhenua Hauora. He held the role of Chair, Manawhenua Hauora. Also, item 8.2 regarding the Clinical Leadership Council of which he was a member.

- Murray Georgel: agenda item 8.1 which discussed matters regarding HBL, and agenda item 9.4 regarding HBL's procurement proposal. He was a Director of HBL.

It was noted that the CEO's interest in HBL had also been declared at the Group Audit meeting earlier in the day. It was further noted that his directorship of HBL was as a DHB CEO. The Chair advised he considered Mr Georgel could participate in discussion of these items. As a member of the management team he did not have voting rights. The auditors in attendance at the Group Audit Committee were also of this view. The interest was similar to that of cross DHB membership.

4. MINUTES OF THE PREVIOUS MEETING

4.1 Minutes

It was resolved:

that the minutes of the previous meeting held on 20 May 2014 be confirmed as a true and correct record.

4.2 Matters Arising from the Minutes

4.2.1 Public Forums

A member questioned how the public forums were organised, given the lack of civic leaders in attendance at the forum held in Feilding and the low of number of public attendees.

The CEO advised that local civic leaders were invited to the forums but were not always able to attend.

Members advised that public attendance increased when there was a local health issue of importance. When DHBs were in their establishment days, public interest in their work and public meetings was higher.

The Chair noted that he and the CEO met annually with local MPs, and territorial local authority leaders.

5. BOARD COMMITTEES

5.1 Funding Audit Sub-Committee

It was resolved:

that the unconfirmed minutes of the Funding Audit Sub-Committee meeting held on 20 May 2014 be received and the recommendations contained therein approved.

5.2 Matters Arising

There were no matters arising from the minutes.

5.3 Hospital Advisory Committee

It was resolved:

that the unconfirmed minutes of the Hospital Advisory Committee meeting held on 10 June 2014 be received and the recommendations contained therein approved.

5.4 Matters Arising

5.4.1 Child & Adolescent Oral Health Services

The Operations Director, Specialist Community & Regional Services advised that testing of the remaining mobile caravans for formaldehyde had been completed. The findings for the last group of four mobiles to be tested were levels of zero to very close to zero. However, given some staff had experienced symptoms, predominantly respiratory, from the two mobiles that had been withdrawn from service. Care was being taken in re-introducing those two mobile units back into service. The levels for these two mobiles have been confirmed as being within the established standards for a safe working environment.

Meantime, arrangements had been made to use a fixed clinic in Levin, and the possibility of using a Pahiatua fixed clinic was being explored.

Questions were raised regarding the new model of care being used by the Child & Adolescent Oral Health Service (noting this was a national service model), particularly around “did not attend” (DNA) rates, travel requirements for families, and whether children could be both assessed and treated at mobile units. These questions were in response to a National Programme feature on the Canterbury situation.

Management advised that the new model of care involved broadening the service’s client base to include pre-school children. There was a strong focus on encouraging this age group to enrol. Also, a structured approach had been taken to managing appointments, given that the client population was not just within a school environment. There was more family engagement in the registration process. Previously the service had school students in the classroom and could simply go and get them directly for appointments. These new arrangements have led to the level of DNAs rising.

Regarding the ability to both assess and treat, management advised there was a mixed model in place within the district. All mobiles had the ability to assess and treat. In rural clinics, assessment and treatment was carried out at the one clinic. In urban areas, treatment was largely carried out at the fixed clinics, including those attached to Integrated Family Health Centres.

It was agreed that an update on DNA rates, scheduling, assessment and treatment matters be provided in management’s next operating report for the Hospital Advisory Committee.

5.4.2 Employment Negotiations

The CEO advised that an offer had been made for clerical and administration MECA. A meeting with PSA had either just been held or was pending to provide further information to the PSA before it took the offer to its members. Updates on the other MECAs current for review would be provided to the next HAC meeting.

5.5 Community & Public Health Advisory Committee

It was resolved:

that the unconfirmed minutes of the Community & Public Health Advisory Committee meeting held on 10 June 2014 be received and the recommendations contained therein approved.

5.6 Matters Arising

5.6.1 Cancer Nurses

A question was raised regarding the primary care cancer nurse roles and how these worked with other cancer nurses in the district, such as the hospital’s clinical nurse specialists and cancer

nurse co-ordinators, and the primary care Iwi Navigators. Management undertook to provide an update on this matter to the next meeting of the Community & Public Health Advisory Committee.

5.6.1 *St John Ambulance Funding*

Management advised that both DHBs received funding for ambulance services via their base funding. For the 2014/15 year MDHB would receive \$270k. Thereafter, this funding would be absorbed into base funding. The Ministry of Health had advised current expenditure was around \$220k.

A member questioned how the ambulance service worked, particularly the difference with the Wellington Free Ambulance Service. Management undertook to provide information on this in its next report to CPHAC.

6. **WORK PROGRAMME**

The possibility of quality improvement being incorporated into the governance training programme was raised. The Chair advised that in addition to local training, a regional training exercise would take place. This was being developed in conjunction with the Technical Advisory Service (TAS) and Ministry of Health. The Chair was also involved in the development, and quality would be incorporated. At this stage, the regional training day would likely take place in September.

The gantt chart of board reports for the 2014/15 year was discussed. The consensus view was this chart was very helpful and should remain in its current form.

It was resolved:

that the updated 2014/15 work programme be noted.

7. **STRATEGIC MATTERS**

7.1 **2013/14 Annual Plan: Update re Living within our Means**

Clarification was sought around the statement that the HBL finance, procurement and supply chain shared services programme was to be the subject of a detailed re-planning exercise. The General Manager, Planning and Support advised this was a large piece of work which had started with a high level business case. It was now moving into implementation planning. This was usual for programmes of this size, being around \$100m. The re-planning was primarily around the financial system and included re-consideration of the timeframe for the roll-out of this programme.

It was resolved:

that the report be received.

8. **OPERATIONAL MATTERS**

8.1 **CEO's Report**

8.1.1 *Health & Safety Legislation*

The CEO advised that the DHB was not anticipating making a submission on the proposed legislation. However, it would be closely reviewing the new requirements and would keep the board informed.

8.1.2 National Infrastructure Platform

The CEO advised that this business case would be submitted to the Board's meeting in August 2014.

8.1.3 Regional Strategy & Priorities

The outcomes from the recent regional planning forum were discussed. Members re-iterated their support for the agreement reached that regional work would take priority over sub-regional activity. The Chair stated that this principle would be part of the Regional Governance Group agenda.

8.1.4 Central Regional Safety & Quality Alliance

A member requested that the terms of reference for the committee include the requirement that the committee's membership have a consumer representative.

8.1.5 Storage Area Network (SAN)

The CEO advised that a partial outage of the SAN had occurred during the week commencing 23 June. This impacted a number of systems across the organisation. A briefing paper on this outage had been provided to members.

The Manager, Knowledge & Information Systems gave a comprehensive update on how the outage had occurred, the systems impacted, and the restoration and remedial action taken.

Barbara Cameron entered the meeting.

Mr Woolley advised the DHB's risk mitigation plans around the SAN and IT infrastructure continued to be implemented. This included development of a business case for replacement of the SAN

Regarding the national infrastructure platform, management explained that while IBM was the preferred service provider. The brand of equipment used would be at their discretion.

The Board noted that the replacement infrastructure was in process, including the SAN. It requested that management advise if anything was required from a governance perspective to help expedite this work.

The CEO advised that the business case was being finalised, including the outcome from the independent review, and this would be presented to the Board at its next meeting. If any aspects required more immediate attention, this would be notified to the Board outside the meeting process.

8.1.6 Web Patient Administration System (WebPAS)

The decision to install a "clean" version of WebPAS for the northern part of the Central Region was questioned as to any additional costs this would involve. The General Manager, Planning & Support advised that the approach would be within the project's budget.

8.1.7 Clinical Portal Usage

Increasing use of the clinical portal was noted by the Board and it questioned whether the benefits of this were being documented.

Management advised that anecdotal feedback from clinicians was very positive, including the reaction when the system was unavailable due to the recent SAN outage.

Formal reporting of the benefits would occur through the post event audit process.

8.1.8 *Seismic Related Works*

The seismic rating of the renovated board office was questioned. The CEO advised the work had been done to building code requirements. However, he did not know the exact seismic rating and would advise this in due course.

8.1.9 *Laundry Building*

The CEO drew the Board's attention to the error which had occurred around the lease arrangement for the laundry building. He advised that this was being rectified.

It was resolved:

that the report be received.

9. GOVERNANCE MATTERS

9.1 Manawhenua Hauora

9.1.1 *Minutes*

Richard Orzecki advised that the new contracting arrangement had been supported by Manawhenua Hauora and the documentation had been signed and returned to the DHB.

It was resolved:

that the minutes be received.

9.1.2 *2014/15 Work Programme*

The CEO presented the proposed work programme for 2014/15.

Richard Orzecki advised that Manawhenua Hauora had considered the programme and had some suggested changes. These were related to the Ministry of Health's feedback re Maori Health Plans for the region, and the inclusion in some of the vision and values for a Maori health plan.

It was resolved:

that the proposed work programme for 2014/15, as contained in the agenda, be approved, subject to the support of Manawhenua Hauora; and,

that the Chair and CEO be delegated authority to negotiate any changes of a non-material nature submitted by either party.

9.1.3 *Annual Hui with Manawhenua Hauora*

It was resolved:

that the report be received and the arrangements for the annual hui with Manawhenua Hauora be noted.

9.2 Shared Banking and Treasury Services – Authorised Officers

The General Manager, Planning & Support outlined the national DHB banking arrangements

which had been secured through an HBL initiative.

It was resolved:

that Chris Channing replaces Bob Brown as an Authorised Officer.

9.3 Enable New Zealand Banking Arrangement Changes

The General Manager, Enable New Zealand advised the key changes were inclusion of himself as General Manager (replacing the previous General Manager), and the Senior Financial Officer role.

Members noted that Enable New Zealand had been a division of MDHB for some time and questioned why this change was only just been made. The CEO advised that this matter had been overlooked, and once identified was being corrected.

It was resolved:

that the banking arrangement with the Bank of New Zealand change from being with Enable New Zealand Limited to that of Enable New Zealand, division of MidCentral District Health Board; and,

that the present account signatories be replaced by those stated in management's report dated 20 June 2014, for the new arrangement.

9.4 Phase 2 of the Finance, Procurement & Supply Chain Programme - Procurement

The General Manager, Planning & Support advised this report related to the procurement component of this HBL work stream. Procurement was the most advanced part of this work stream and HBL was now seeking DHB support for it to procure capital operating equipment and operating expenditure valued at greater than \$100k for any one contract. The proposal had the support of DHB chief financial officers. It had also been considered by MDHB's Group Audit Committee who supported the resolution.

The level of risk around the initiative was questioned. Management advised this had been mitigated. MDHB had budgeted the costs of the project in 2014/15 but no benefits. In developing the 2015/16 budget, MDHB would be reasonably well aware of the ongoing benefits.

It was noted that while the contract value had been identified as \$100k for any one contract, the contract tenure had not been identified.

The CEO advised that HBL's procurement activities in other areas has resulted in savings of around \$70-80m for the sector over each of the past three years.

In making its decision, the Board noted the background to this project as follows:

- The Board had approved the FPSC business case in August 2012.
- The Shared Services Head Agreement between all DHBs and HBL, together with the corresponding back to back agreements between HBL and Health Alliance FPSC, sets the contractual framework for the establishment of the Shared Service to deliver the FPSC programme and any other services as may be agreed in the future.
- Each Shared Services is the subject of a separate Shared Service Schedule. At this time, only the Procurement Shared Service Schedule was attached to the Head Agreement.

- Further approval of MidCentral DHB would be required for the addition/amendments of the Finance, Supply Chain and updates to the Common Support service schedules, and for any amendment to the Procurement Shared Service Schedule.
- The Governance Framework established under the Head Agreement confers on the board of HBL authority to make strategic decisions which have been endorsed by the Shared Service Council (which includes representatives of all DHBs). Such decisions may create obligations for DHBs.
- This function requires DHBs to make a delegation to the board of HBL, and the Minister to approve the board of HBL as a class of persons to whom DHBs may make such a delegation.

It was resolved:

that the Board:

authorise the Chair of the Board to execute the Shared Services Heads Agreement with HBL, incorporating the Procurement Service Schedule, substantially in the form attached to this Resolution.

2. Authorise [any two conjointly of]:

- (a) The Board Chair;*
- (b) The Board Deputy Chair;*
- (c) The Chair of the Board's Group Audit Committee; and*
- (d) The Chief Executive Officer*

to take such actions required to be taken on behalf of the DHB as may be necessary under or in connection with the Shared Services Head Agreement and associated Schedules.

3. Delegate to the directors of HBL, acting as the Board of HBL, the functions, duties and powers conferred on the behalf of HBL by the Governance Framework established under the Shared Services Head Agreement, with such delegation to be exercised in accordance the Governance Framework, and to amend the DHB's delegation policy accordingly, with such delegation and amendment to take effect upon the approval by the Minister in accordance with the resolution 4 below.

4. Authorise the Chair of HBL, on behalf of MidCentral DHB, to request the Minister to approve:

- (a) Pursuant to clause 39(5) of Schedule 3 of the New Zealand Public Health and Disability Act 2000, the directors of Health Benefits Limited, acting as the Board of Health Benefits Limited, as a class of persons to whom the Board of MidCentral DHB may delegate any of the functions, duties or powers of the Board or of MidCentral DHB which are conferred on the directors of Health Benefits Limited by the Governance Framework established under the Shared Services Head Agreement, with such delegation to be exercised in accordance with the procedures set out in the Governance Framework; and*
- (b) Pursuant to clause 39(2) of Schedule 3 of the New Zealand Public Health and Disability Act 2000, the amendment of delegation policy of MidCentral DHB by incorporating the approval in paragraph (a) above.*

9.5 Year End Audit Process

It was resolved:

that the Board Chair, Deputy Board Chair and the Chair of the Group Audit Committee (two signatures required) be authorised to sign the letter of representation in respect of the financial return to the Ministry of Health.

8. OPERATIONAL MATTERS CONTINUED

8.2 Clinical Leadership Council’s Annual Report

The Board noted the increased membership and representative cover on the Council. In respect to an issue raised regarding the Council’s awareness of financial restraints, management advised that it was kept informed of the DHB’s position.

The Board challenged the Council to provide leadership and advice in the areas such as improving Maori health, suicide and care in aged care facilities. Management advised that the Council advised on the DHB’s annual plan. It also provided the framework for clinical pathways in the district and its work in the area of clinical governance was significant.

Ken Clark, Chief Medical Officer (CMO) entered the meeting. He acknowledged that his report was largely process focused. He stated that clinical governance across the district was benefiting from the Clinical Council, particularly now with its increased membership. Clinical governance was increasing, being relatively advanced in secondary care, developing in primary care, and rudimentary in some NGOs and community based provider. Clinical governance in aged residential care had been provided largely by the funder (the DHB’s funding unit). Through the forum provided by the Council, clinical governance across these sectors was now being linked up and moving to the next level. The CMO cited the benefits gained through community pharmacies’ involvement in the Council.

The CMO advised a formal memorandum between MidCentral Health and Crest Hospital was being signed regarding credentialing of the private hospital’s senior doctors. For some years, an informal MoU has been in place regarding the sharing of information. The CMO further advised he was formally acting in an advisory capacity for Crest Hospital’s CEO on clinical governance matters.

It was resolved:

that the report be received.

The CMO left the meeting.

10. LATE ITEMS

There were no late items.

11. DATE OF NEXT MEETING

Tuesday, 12 August 2014, Council Chambers, Tararua District Council, Gordon Street, Dannevirke.

S.10

12. EXCLUSION OF THE 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:

| <i>Item</i> | <i>Reason</i> | <i>Ref</i> |
|---|--|--------------------------|
| <i>"In committee" minutes of the previous meeting</i> | <i>For reasons stated in the previous agenda</i> | |
| <i>"In Committee" minutes of committee meetings:</i> <ul style="list-style-type: none"><i>• Hospital Advisory Committee, 10 June 2014</i><i>• Community & Public Health Advisory Committee, 10 June 2014</i> | <i>For the reasons set out in the Committee's order paper of 10.6.14 meeting held with the public present</i> <i>For the reasons set out in the Committee's order paper of 10.6.14 meeting held with the public present</i> | |
| <i>Operational Matters</i> <ul style="list-style-type: none"><i>• CEO's Report – briefing for the incoming Minister of Health, and, annual planning documents</i> | <i>Subject of negotiation, and subject of obligation of confidence</i> | <i>9(2)(j) & ba)</i> |
| <i>Governance Matters</i> <ul style="list-style-type: none"><i>• External committee member appointments</i> | <i>To protect personal privacy</i> | <i>9(2)(a)</i> |

Confirmed this 12th day of August 2014.

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Chairman