

MIDCENTRAL DISTRICT HEALTH BOARD

Minutes of the MidCentral District Health Board meeting held on 18 September 2012 at 10.00 am at MidCentral District Health Board Offices, Board Room, Gate 2, Heretaunga Street, Palmerston North

PRESENT

Phil Sunderland (Chair)
Diane Anderson
Lindsay Burnell
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
Nicholas Glubb, Operations Director, Specialist Community & Regional Services
Lyn Horgan, Operations Director, Hospital Services
Muriel Hanratty, Director, Patient Safety & Clinical Effectiveness
Jeff Small, Group Manager, Commercial Support Services
Vivienne Ayres, Planning & Accountability
Dennis Geddis, Communications Officer

Public (1)
Media (1)

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 to the Register of Interests.

3.2 Declaration of Conflicts in Relation to Today's Business

Barbara Robson declared her interest with agenda item 7.1, CEO's report, sub-section 4.2 – Health Identity Programme. Mrs Robson was a consumer representative on the Ministry of Health's Health Identity Governance Group.

4. MINUTES OF PREVIOUS MEETING

4.1 Minutes

It was resolved:

that the minutes of the previous meeting held on 7 August 2012 be confirmed as a true and correct record.

4.2 Matters Arising from the Minutes

There were no matters arising from the minutes.

5. BOARD COMMITTEES

5.1 Hospital Audit Sub-Committee

It was resolved:

that the unconfirmed minutes of the meeting of the Hospital Audit Sub-Committee held on 7 August 2012 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 meeting of the Hospital Advisory Committee held on 28 August 2012 be received and the recommendations contained therein approved.

5.4 Matters Arising

There were no matters arising from the minutes.

5.5 Community & Public Health Advisory Committee

It was resolved:

that the unconfirmed minutes of the meeting of the Community & Public Health Advisory Committee held on 28 August 2012 be received and the recommendations contained therein approved.

5.6 Matters Arising

There were no matters arising from the minutes.

5.7 Enable New Zealand Governance Group

It was resolved:

that the unconfirmed minutes of the meeting of the Enable New Zealand Governance Group held on 28 August 2012 be received and the recommendations contained therein approved.

5.8 Matters Arising

There were no matters arising from the minutes.

6. STRATEGIC MATTERS

6.1 2013/14 Annual and Regional Planning Update

The CEO advised the Ministry of Health had sought DHB feedback on the 2012/13 process and would be seeking to accommodate this where possible. The 2013/14 process was expected to start slightly earlier than usual. It was intended that the Minister's letter of expectations would be available prior to Christmas.

Mike Grant, General Manager, Planning & Support entered the meeting.

The CEO drew members' attention to the Minister of Health's request of other health agencies, such as HBL and the National Health Committee, to provide details of key initiatives and their likely impact on DHBs. This information was to be provided early in the planning process and would be of great assistance to MDHB's planning.

In respect of the National Health Committee, the CEO advised that their work and priorities would likely have a greater impact on DHBs in the future. The Committee had a very small budget and resources and would require support of DHBs and other organisations in implementing their initiatives. The Committee's core role was around the value of specific therapies and whether there was more effective/efficient therapies than those that were currently used.

It was resolved:

that the report be received.

6.2 2011/12 Annual Report

The Chair, Group Audit Committee reported on the Committee's deliberations regarding the 2011/12 Annual Report. Key points were as outlined below.

- The external auditors, Deloitte, had recorded their appreciation to staff.
- The audit was substantially complete, and Deloitte was not expecting any changes.
- The key areas of focus were as discussed at previous audit meetings, namely: the uplift of values of \$39m (including the amounts that had not been fully included in previous years), the statement of service performance had been audited against existing standards, and work to improve the statement of intent had occurred and this should receive a "good" rating.
- No issues had been found in terms of sensitive expenditure.
- Procurement and the contract management system; this had been raised in the past and improvements were planned for 2014.
- The capital plan had not been updated and would need to be revisited in 2012/13.
- The auditors were comfortable with the valuation of the Central Region's Information System Plan (CRISP) investment, and would focus on this in future years.
- No material weakness had been identified in terms of controls.
- Some minor matters had been identified and would be raised with management.
- A number of specialists had been used informing the auditor's opinion.
- The standards for reporting will change for 2014, and the 2013 numbers may need to be assessed using both methodologies.
- In summary, the procurement process will remain on the external auditor's brief for 2012/13, and, no material errors had been identified during the 2011/12 audit.
- The Committee had requested a minor refinement to wording around the Year in Review - National Health Targets, reflecting that this was not a singular event confined to 2011/12

and would remain a priority in future years. A small change to the commentary around “certainty” for surgery had also been requested

- Management had been requested to provide a letter of representation to the Board in respect of both MidCentral District Health Board and Enable New Zealand Limited.
- All recommendations, with minor amendments, had been endorsed.
- The Committee had met with Deloitte in absence of management, and the auditors had confirmed there were no issues with the audit. There was still some weaknesses around procurement and contracting and a plan was in place to deal with this.

In respect of management providing letters of representation to the board, it was noted these would be included on future work programmes.

The Board requested the following changes be made to the Annual Report:

- *2011/12 in Review:*
 - amend statement regarding regional women’s health services to reflect this was a two stage process, and that an engagement process had occurred
- *Statement of Service Performance*
 - correct use of terms around cervical smears and mammograms
 - inclusion of commentary around client-focused outputs in respect of assessment, treatment and rehabilitation services if possible.

The report was considered complete, and readable from a public perspective. The concept of using posters to display some of the report’s content was supported, particularly the “where the money goes” and “a day in the life” components.

The excellent results achieved during 2011/12 were noted.

It was further noted that the Annual Report was subject to final audit.

The General Manager, Planning & Support confirmed that inter-district flow information for the 2011/12 year was to be finalised later in September. This would not materially impact MDHB’s financial results.

The issue of capital charge was discussed. The CEO advised that MDHB’s assets had increased significantly in value, rising by \$39m. This would attract a capital charge. However, extra funding would be provided to cover this cost. No additional funding would be received to offset the depreciation impact.

Management confirmed that Board Members would be advised of any material changes to the Annual Report, and that the final document would be issued to them once available.

It was resolved:

that the 2011/12 annual report including the accounting policies be approved, subject to any feedback from the Board and Group Audit Committee being incorporated, and final audit approval;

that the Chair and Deputy Chair be given delegated authority to approve any changes that are required to be made to the annual report;

that the Chair and Deputy Chair be authorised to sign the 2011/12 annual report on behalf of the Board;

that the Chair and Deputy Chair be authorised to sign the letter of representation in respect of the 2011/12 external audit on behalf of the Board subject to management providing a similar letter to the Board;

that the Chair and Deputy Chair be authorised to sign the annual report and letter of representation in respect of Enable New Zealand Limited, subject to management providing a similar letter to the Board.

7. OPERATIONAL MATTERS

7.1 CEO's Report

7.1.1 Travel and Accommodation

The CEO advised that he had requested Central Region's Technical Advisory Service (TAS) to develop a submission on the national travel and accommodation policy. It was noted that community feedback received during the regional women's health service engagement process would be useful in this regard.

A member noted the recent issue raised publicly in Palmerston North regarding the lack of timely public transport between the Highbury suburb and the hospital. Members Burnell and Kelly registered their interest in this matter as councillors of Horizons Regional Council and the Palmerston North City Council respectively. Mr Kelly stated that the Regional Council was undertaking a review of public transport arrangements and the City Council had suggested the community make a submission as part of this process. The City Council appreciated the need to advocate on the community's behalf.

The issue of support for mothers of young babies was raised, with members referring to the recent publicity on this matter which indicated some hospitals provided support to breastfeeding mothers only. The Operations Director, Specialist Community & Regional Services advised there were a range of circumstances where support was provided to mothers and other caregivers at MidCentral Health. All parents/caregivers received free parking while at hospital with their children. All parents/caregivers of babies in the neonatal unit were supplied meals when "staying in" with their children. All parents/caregivers could use breakfast facilities in the children's ward when "staying in" with their children. Breastfeeding mothers in the children's ward were provided meals on the basis that they required sustenance. It had been agreed by the service that existing arrangements would be reviewed via the child health governance meeting.

Barbara Robson declared her interest as a consumer representative on the panel that adapted the international documents for the baby friendly hospital initiative in New Zealand. Mrs Robson stated her personal viewpoint on the matter.

7.1.2 Central Region's Information Systems Plan (CRISP)

Management undertook to advise details of the timeline for the rollout of Concerto across the whole organisation.

The CEO advised the opportunity to bring forward the delivery of a regional Radiology Information System/Picture Archiving and Communication System (RIS/PACS) had arisen as all DHBs in the region would be in a similar position using the same version of Carestream. Rather than operating these in silos, there was the opportunity enable to the system to work on a regional basis.

The CEO advised that once regional solutions were in place there was the need to ensure the day-to-day functionality of these was maintained, ie a regional capacity for information and communication technology. Responsibility for this was currently being explored and there were many options, including a lead DHB, a virtual team, and creating a regional team from existing staff. From a policy (governance) perspective, Boards had supported CRISP. Therefore in terms of implementation of the regional IT capacity, the CEO advised he would act and would be conferring with his colleagues.

7.1.3 Visit of Director-General of Health

The positive comments made by the Director-General of Health during his recent visit were noted.

7.1.4 Financial Position

The CEO advised that the financial results for July had been positive, and were slightly less so for August. There were no issues, just those of timing.

7.1.5 Aged Residential Care

The increase in demand for dementia services was discussed. The General Manager, Funding & Support advised that this was impacted by supply and demand issues. There had been a notable price increase for dementia services. As a result some providers had reconfigured their services to provide more dementia care. Other issues which impacted demand were the increasing proportion of the population who were elderly, and the incident rate for dementia. Mr Grant advised there was no issue for concern in respect of MDHB.

7.1.6 Enable New Zealand

It was noted that “Enable New Zealand” should be referred to in full at all times to avoid issues around trademarks.

7.1.7 Vacancy on MidCentral DHB’s Board

It was noted that the vacancy caused by the resignation of Mavis Mullins had yet to be filled.

A member noted that appointments to vacancies on other boards within the region had been made.

It was resolved:

that the report be received.

7.2 Approach to Project and Programme Management

The Board expressed its support for this initiative. The General Manager, Planning & Support confirmed that implementation of the next two phases was expected to be completed in 4-6 months. Reports on progress would be reported back to the Board via the Group Audit Committee.

It was resolved:

that the report be received.

8. GOVERNANCE MATTERS

8.1 Manawhenua Hauora Minutes

Richard Orzecki, in his role at Chair, Manawhenua Hauora, presented the minutes. He noted that the relevancy of the minutes was reduced due to the amount of time that had elapsed since the meeting in question. This was also an issue for Manawhenua Hauora in respect of the MDHB minutes it received.

Mr Orzecki advised that all Manawhenua Hauora signatories had now signed the Memorandum of Understanding.

It was resolved:

that the minutes be received.

8.2 Central Region's Technical Advisory Service: Annual Update

It was resolved:

that the report be received.

8.3 Allied Laundry Services Limited: Annual Update

The future of Allied Laundry Services Limited (ALSL) was discussed in respect of the current national procurement work being undertaken by HBL. It was noted that ALSL was participating in HBL's selection process for support services. Future capital investment was raised in this regard and members noted that some short term investment may be required to enable business-as-usual functions to continue to function effectively. Long term, a source of capital funding to support new business could be by way of new shareholder contribution into the service in line with how ALSL had been established.

Discussion occurred around equating laundry volumes and costs to inpatient throughput. The CEO advised information re volumes and costs per kilowatts used had been provided on a "commercial, in confidence" basis to HBL and he would arrange for this to be copied members on the same basis.

The Board noted that Messrs Georgel and Small were directors of ALSL. The CEO advised that if HBL selected a different model for laundry service provision, it was expected ALSL and its owners would be appropriately rewarded and recompensed.

It was resolved:

report from the Group Manager, Commercial Support Services dated 31 August 2012

that the report be received and further that approval be given to Allied Laundry Services Limited retaining \$119k profit from the 2011/12 financial year.

8.4 Delegations Policy: Annual Review

The proposal to increase the CEO's delegated authority for capital expenditure outside the annual plan was discussed. It was noted that this expenditure could be outside the capex appropriation but in practical terms this scenario was unlikely given historical capex spending patterns. Members noted that the increased delegation was to enable business-as-usual to continue when unplanned breakdowns occurred. The increased value of the delegation reflected current costs.

Management confirmed that such capital expenditure outside the annual plan of a material nature would be reported to the Board.

It was noted that capital expenditure above the delegated authority required board approval. In emergency circumstances, this may be obtained via special meetings or other means.

It was resolved:

that the Delegations Policy be left unchanged;

that the delegated limit to the Chief Executive Officer for capital expenditure outside the annual plan be increased from \$250,000 to \$500,000; and,

that the divisional financial schedules be noted.

8.5 2012/13 Work Programme

The Board supported the proposed green fields workshop led by Helen Bevan, National Health Service. It was noted this would be an informal workshop involving board and committee members, and senior clinical and operational leaders. It was agreed that the following questions could be posed to Ms Bevan:

- how enduring had her service transformation initiatives been
- from a governance perspective, what does quality improvement look like

The CEO advised that a workshop around clinical governance was still being pursued.

Members noted the new arrangements for the renal workshop.

It was resolved:

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

9. LATE ITEMS

There were no late items.

10. DATE OF NEXT MEETING

Tuesday, 30 October 2012, Pahiatua Town Hall, Main Street, Pahiatua.

11. 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:

<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, 28 August 2012</i> • <i>Community & Public Health Advisory Committee, 28 August 2012</i> 	<i>For the reasons set out in the committee's order paper of 28.8.12 meeting held with the public present</i>	
<ul style="list-style-type: none"> • <i>Enable New Zealand Governance Group, 28 August 2012: quarterly contracts update</i> • <i>Remuneration Committee, 31 August 2012: CEO's performance review and measures, remuneration review</i> 	<i>For the reasons set out in the committee's order paper of 28.8.12 meeting held with the public present</i> <i>Subject of negotiation</i>	<i>9(2)(j)</i>
	<i>To protect personal privacy</i>	<i>9(2)(a)</i>
<i>Strategic Matters</i>		
<ul style="list-style-type: none"> • <i>Regional Governance Arrangements</i> 	<i>Subject of negotiation</i>	<i>9(2)(j)</i>
<i>Operational Matters</i>		
<ul style="list-style-type: none"> • <i>CEO's Report: National update – HBL contracts update</i> 	<i>Subject of negotiation</i>	<i>9(2)(j)</i>
<i>Governance Matters</i>		
<ul style="list-style-type: none"> • <i>Insurance Contract Update</i> 	<i>Subject of negotiation</i>	<i>9(2)(j)</i>

Confirmed this 30th day of October 2012.

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Chairman