

MIDCENTRAL DISTRICT HEALTH BOARD

Minutes of the Board meeting held on 20 August 2019 at 9.00am at MidCentral District Health Board, Board Room, Gate 2, Heretaunga Street, Palmerston North

PART 1

Dot McKinnon (Chair)
Diane Anderson
Barbara Cameron
Ann Chapman
Brendan Duffy

Michael Feyen
Nadarajah Manoharan
Karen Naylor
Barbara Robson

IN ATTENDANCE

Kathryn Cook, Chief Executive
Craig Johnston, General Manager, Strategy, Planning & Performance
Neil Wanden, General Manager, Finance & Corporate Services
Keyur Anjaria, General Manager, People & Culture
Stephanie Turner, General Manager, Māori
Judith Catherwood, General Manager, Quality & Innovation
Steve Miller, Chief Digital Officer
Lyn Horgan, Operations Executive, Acute & Elective Specialist Services (part meeting)
Celina Eves, Executive Director, Nursing & Midwifery
Jonathon Howes, Corporate Communications Manager
Jeff Brown, Acting Chief Medical Officer (part meeting)
Jill Matthews, Manager, Administration & Governance Services
Emergency Department Staff: Drs Helen Cosgrove and David Prisk, Angela Joseph and Janine Jackson (part meeting)
Stephen Paewai, Acting Chairperson, Consumer Council (part meeting)
Simon Allan, Chairperson, Clinical Council (part meeting)

New Zealand Nurses Organisation representatives: Wendy Blair and Donna Ryan (part meeting)

Public: 3

Media: 1

1. ADMINISTRATIVE MATTERS

1.1 Apologies

Apologies were received from Board Members Adrian Broad and Oriana Paewai.

Michael Feyen entered the meeting.

1.2 Late Items

There were no late items.

1.3 Conflicts and/or Register of Interests Update

Barbara Cameron advised that her involvement with Oranga Tamariki had concluded.

1.4 Minutes of the Previous Meeting

It was resolved:

that the minutes of the previous meeting be approved as a true and correct record. (Moved Brendan Duffy; seconded Barbara Robson)

1.5 Matters Arising

1.5.1 Capital Expenditure Plan and Funding

The impact of the Government's funding for replacement linear accelerators on the DHB's capital expenditure plan and funding was discussed. Management advised the final capital plan would be submitted for the Board's consideration with the 2019/20 Annual Plan and could be debated at that time.

Management undertook to provide a report detailing the revised cash flow and other financial implications of this funding.

1.5.2 Treaty of Waitangi Policy

Management advised that the external consultancy costs involved in the review of this policy were not significant and were within budget. It was noted that a major review of the policy was being undertaken.

Stephanie Turner entered the meeting.

2. PARTNERSHIP

2.1 Clinical Council Report

Dr Simon Allan presented his report. He advised that with the new integrated service model structure in place there was immense potential for gains to be made. The Clinical Council priority areas of focus were:

- the establishment of a clinical governance framework within which teams could work with autonomy, receiving the information they needed, including consumer feedback, to focus their services and achieve the culture change required
- IT changes to support happiness in the workplace through the free flow of information.

The role of the Clinical Council as a key influencer was discussed. The Board endorsed the Council's focus points, the partnership approach being taken with the Consumer Council, and its intent to ensure equity was imbued in everything it did

Jeff Brown entered the meeting.

The Clinical Council's desire for greater connection and interaction with clinical staff was also supported.

Members expressed their support for the Chronic Pain Service proposal.

It was agreed that the Cluster Health and Wellbeing Plans required a monitoring framework with clear measures.

It was resolved:

that the Clinical Council Chairman's report be noted. (Moved Karen Naylor; seconded Brendan Duffy)

Simon Allan left the meeting.

2.2 Consumer Council Report

Stephen Paewai presented the Clinical Council's report and extended John Hannifin's apologies.

The Consumer Council's role and influence across the health system was discussed, and it was agreed that this would further evolve as the Clusters developed.

The Council's priority of mental health services was supported.

Members expressed their support of the newly established Consumer Panel, and the arrangements being put in place by the Council to ensure regular reporting of Panel Members' work and the provision of support to them.

The Consumer Council's Acting Chairperson undertook to arrange for a update to be included in the next report to the Board regarding the Council's work in relation to the primary health model of care. The General Manager, Quality & Innovation advised that meantime an update on this matter would be provided to the Health & Disability Advisory Committee as part of the Primary, Public & Community Health Cluster's report.

It was resolved:

that the Consumer Council Chairman's report be noted. (Moved Dot McKinnon; seconded Nadarajah Manoharan)

2.3 Partnering to Respond to Significant Acute Demand

Wendy Blair, NZNO addressed the meeting regarding the concerns held by the Emergency Department's nursing staff that the department's staffing and facilities were inadequate to meet current and expected future demand. The Department's Clinical Head, Dr Helen Cosgrove, and Charge Nurse Angela Joseph also addressed the meeting, together with the Operations Executive, Acute & Elective Specialist Services and the Executive Director, Nursing & Midwifery. Key points raised were:

- the current high level of demand for ED services was not expected to reduce
- the current facility and staffing arrangements were inadequate to meet demand
- the people presenting to ED required ED care
- the department was often operating at "orange" or "red" capacity, and the additional support required in these situation was not always available
- improved patient flows into and out of the hospital were required, in addition to staffing and facility improvements
- the impact on staff was significant
- the risk for compromised standard of care.

The Board expressed its appreciation to both NZNO and the department's staff.

It was acknowledged that staffing levels had been increased and agreed that short, medium and long-term solutions were required. It was agreed management would report to the Health and Disability Advisory Committee on this matter. It was further agreed that the development of an acute services block was the long-term solution and work on the development of a business case, including securing Government support for this project, was a priority.

Members encouraged management to benchmark with similar-sized DHBs regarding ED services.

Management advised work was being undertaken at Bay of Plenty DHB to put CCDM into the Emergency Department. The implementation of a new duty manager model of care would enable MDHB to better respond to VRM incidents.

It was resolved:

that this report be noted and the steps being taken to address increasing demand for emergency department service be endorsed. (Moved Brendan Duffy; seconded Karen Naylor)

NZNO representatives, ED staff and Lyn Horgan left the meeting.

3. WORKFORCE

3.1 Six Monthly Workforce Update

The General Manager, People & Culture presented his report. He confirmed the data was for the January - June 2019 quarter and was provided by TAS. Due to an oversight, the workforce update had not been submitted to the Board in August as scheduled. The next update would be provided in December and would provide the results for the period ended 30 September 2019.

The General Manager advised a correction to the report. The staff overtime for the nursing and midwifery occupational group was 0.1 percent.

The staff turnover result was noted and management undertook to check the availability of this information by service area, such as in the Emergency Department.

The increase in Corporate and Other staff as noted in both the report and the DHB's 2019/20 Statement of Intent was discussed, and further detail regarding the increase was sought. Management undertook to provide this as well as information regarding the large range of roles included in this staff category. It was noted that administration staff were required to support new services, such as the in-house MRI and implementation of the national bowel screening programme.

Management also undertook to identify the number of Enable New Zealand staff included in the Corporate and Other staff grouping.

Support for Lead Maternity Carers (LMCs) in terms of the Nursing and Midwifery accords was questioned. Management advised that as contractors, LMCs were not included in the accords. However, a national workforce plan for this staff group was being developed. Locally, MidCentral DHB worked closely with the LMCs.

Management confirmed that data for the quarter ended 30 June 2019 regarding the level of annual leave in excess of two years would be provided to the next Finance, Risk & Audit Committee as part of the performance improvement plan report.

It was resolved:

that the June 2019 workforce update be noted. (Moved Dot McKinnon; seconded Brendan Duffy)

3.2 Care Capacity Demand Management Programme

The Executive Director, Nursing and Midwifery presented her report.

The organisation's response to departments operating at "orange" or "red" status was discussed and the Executive Director advised escalation planning was underway. These would be formally in place by the end of December 2019. Formal reporting of instances where additional staffing could not be provided in response to "orange" and "red" situation was questioned, including through to governance level. Management advised that this occurred through to the Executive Director, Nursing & Midwifery, and that actions other than increased staff were deployed as appropriate, such as discharge planning. It was agreed that if the non-ability to respond appropriately to these situations became a consistent issue, it would be reported through to FRAC as a risk.

The Chief Executive advised that nursing staff within acute and elective specialist service areas had been increased recently in line with CCDM findings and demand. While additional nursing staff were not in the 2019/20 budget, the DHB had committed to make resources available which would require resources to be reallocated.

It was resolved:

that progress with Care Capacity Demand Management (CCDM) be endorsed. (Moved Dot McKinnon; seconded Nadarajah Manoharan)

4. PERFORMANCE

4.1 Chief Executive's Report for July 2019

4.1.1 Linear Accelerators

The distributed provider model for radiation therapy was discussed. The Chief Executive advised MidCentral DHB would purchase and own the linear accelerators to be placed in outlying districts, but not necessarily the buildings.

4.1.2 Financial Pressures

The opportunity to benchmark with and learn from other DHBs was raised. Management advised that collective work was occurring across all DHBs. The key areas of focus were understanding drivers of FTE and volume growth, and preparing the organisation to face considerable change in future years.

Members supported benchmarking with similar-sized DHBs.

It was noted that the additional Government funding for mental health and addiction services would be targeted to specific programmes of work.

4.1.3 Orientation

The development of an orientation programme for incoming DHB boards was noted. Members requested that early advice of orientation dates be provided to candidates so they could make this time available.

It was resolved:

that the report be noted. (Moved Dot McKinnon; seconded Ann Chapman)

4.2 Board's Work Programme 2019/20

Management advised discussions were to take place with Whanganui DHB on 21 August to arrange a joint board planning workshop.

It was resolved

that progress against the Board's 2019/20 work programme be endorsed.

5. FINANCE, RISK & AUDIT

5.1 Finance, Risk & Audit Committee

It was resolved:

that the minutes of the previous meeting be noted.

5.2 Finance Update Report for MidCentral DHB – July 2019

The General Manager, Finance & Corporate Services presented his report.

5.2.1 2018/19 Year End Financial Forecast

The General Manager, Finance & Corporate Services advised MidCentral DHB's year-end financial forecast had been signed by the Minister of Health.

5.2.2 Annual Plan 2019/20

The General Manager, Finance & Corporate Services advised that the Annual Plan had not yet been approved by the Minister of Health. Further, that no DHB's Annual Plan had been approved to date.

It was resolved:

that the Board:

- *note that this is an update paper and the full July Finance Report will be provided to FRAC's September 2019 meeting.*
- *note that the operating result for July 2019 was an operating deficit of \$3.527m, which was \$0.117m favourable to the month and year to date budget.*
- *note that the year-end financial forecast is for a deficit of \$12.1m*
- *observe that total available cash and equivalents is \$30.080m as at 31 July 2019. (Moved Dot McKinnon; seconded Nadarajah Manoharan)*

5.3 Performance Improvement Plan (PIP)

The General Manager, Quality & Innovation presented her report. She clarified that the workforce management initiative was focused on effective and efficient services. Staffing needs such as those identified through the CCDM process and the equivalent in allied health would be implemented.

It was resolved:

that the Board:

- *note the progress made to date*
- *endorse the Performance Improvement Plan. (Moved Brendan Duffy/ seconded Dot McKinnon)*

5.4 Travel, Accommodation and Other Sensitive Expenditure Policy

It was resolved:

that the Board approve the revised Travel, Accommodation and Other Sensitive Expenditure Policy. (Moved Brendan Duffy; seconded Barbara Robson)

5.5 Holidays Act Remediation

The General Manager, Finance & Corporate Services presented his report.

It was noted that the Central Region's Technical Advisory Service (TAS) would be leading the implementation of the work programme associated with this project and its audit team's capacity to be do so was questioned. Management advised that a consultant, separate to the internal audit team, would be undertaking this work.

It was resolved:

that the Board:

- *note the progress towards achieving compliance with the Holidays Act 2003*
- *note that a Baseline Document has now been agreed between DHBs, the Council of Trade Unions and Memorandum of Understanding Ministry of Business Innovation & Employment*
- *note that the remedial activity is now expected to increase the cost for MDHB to \$9.4m at current estimate*
- *agree that the further \$5.1m be reflected as an increase in provision in the 30 June 2019 accounts*
- *approve the signing of the Memorandum of Understanding by the Chief Executive. (Moved Brendan Duffy; seconded Ann Chapman)*

6. HEALTH & DISABILITY

6.1 Health & Disability Advisory Committee

It was resolved:

that the minutes of the previous meeting be noted.

7. LATE ITEMS

There were no late items.

8. DATE OF NEXT MEETING:

24 September 2019, Boardroom MidCentral District Health Board, Gate 2 Heretaunga Street, Palmerston North

9. 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>"In committee" and "board only" minutes of the previous meeting</i>	<i>For the reasons set out in the order paper of the 21.5.19 meeting held with the public present</i>	
<i>Committee Minutes</i>		
<ul style="list-style-type: none"> • <i>Finance, Risk & Audit Committee, 30.7.19</i> <ul style="list-style-type: none"> ○ <i>2019/20 Annual Planning & Budgeting</i> ○ <i>Enable New Zealand revenue and contracts, and PHARMAC update</i> ○ <i>In-sourcing of compounding services</i> ○ <i>Insurance Update 2019/20</i> ○ <i>Low voltage substation & 11Kv network update</i> 	<ul style="list-style-type: none"> <i>Under negotiation</i> <i>Commercially sensitive information, and, subject of negotiation</i> <i>Contract negotiations</i> <i>Contract negotiations</i> <i>Subject of negotiation</i> 	<ul style="list-style-type: none"> <i>9(2)(j)</i> <i>9(2)(j)</i> <i>9(2)(j)</i> <i>9(2)(j)</i> <i>9((2)(j)</i>
<ul style="list-style-type: none"> • <i>Health & Disability Advisory Committee, 11.6.19</i> 	<i>For the reasons set out in the Order Paper of 6.8.19 meeting held with the public present</i>	
<ul style="list-style-type: none"> • <i>Remuneration Committee, 6.8.19</i> <ul style="list-style-type: none"> ○ <i>CEO's performance and remuneration reviews</i> 	<i>To protect personal privacy</i>	<i>9(2)(a)</i>
<i>Governance</i>		
<ul style="list-style-type: none"> • <i>Insurance Update 2019/20 Financial Year</i> 	<i>Contract negotiations</i>	<i>9(2)(j)</i>
<ul style="list-style-type: none"> • <i>New Zealand Health Partnerships Review</i> 	<i>Subject of negotiation</i>	<i>9(2)(j)</i>
<i>Board only time</i>		
<ul style="list-style-type: none"> • <i>General</i> 	<i>No decision</i>	

(Moved Dot McKinnon; seconded Brendan Duffy)

Confirmed this 24th day of September 2019.

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Chairperson