

MIDCENTRAL DISTRICT HEALTH BOARD

Minutes of the MidCentral District Health Board meeting held on 17 December 2013 at 10.10am
at MidCentral District Health Board Offices, Board Room, Gate 2, Heretaunga Street,
Palmerston North

PRESENT

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

Kate Joblin
Nadarajah Manoharan
Karen Naylor
Richard Orzecki
Barbara Robson

Unconfirmed Minutes

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
Dennis Geddis, Communications Officer
Ken Clark, Chief Medical Officer (part meeting)
Jeff Small, Group Manager, Commercial Support Services
Lyn Horgan, Operations Director, Hospital Services
Nicholas Glubb, Operations Director, Specialist Community & Regional Services
Muriel Hancock, Director, Patient Safety & Clinical Effectiveness
Brian Woolley, Manager, Knowledge and Information Management Services
Vivienne Ayres, Planning & Accountability

Public (1)
Media (0)

Opening the meeting the Chair welcomed new and returning members to the first meeting of the 2013-16 term.

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

The following amendments to the Register of Interest were advised:

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- Ann Chapman – now part owner of the Otaki Mail
- Barbara Robson – the Central Region DHBs' Consumer Forum has been dis-established so this interest no longer existed
- Kate Joblin – relinquished Chair role at Whanganui DHB

3.2 Declaration of Conflicts in Relation to Today's Business

In respect of agenda item 7.5 – Changes to MDHB's core data network, wireless and telephony infrastructure – Ann Chapman noted her interest. The paper contained reference to Geni and her son was an employee of that company.

4. MINUTES OF PREVIOUS MEETING

4.1 Minutes

It was resolved:

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

4.2 Matters Arising from the Minutes

4.2.1 Car Parking

Members requested that management's review of the paid car parking regime include all rationale for this scheme as identified in the business case.

Lindsay Burnell noted his interest as a Councillor of Horizons, which had responsibility for public transport, and requested that the views of Palmerston North City Council also be included in the review as regards to street parking. Adrian Broad noted his interest as a Palmerston North City Councillor.

It was noted that the review report was not scheduled on the work programme. The CEO advised that this report would be provided in the New Year.

5. BOARD COMMITTEES

5.1 Funding Audit Sub-Committee

It was resolved:

that the unconfirmed minutes of the meeting of the Funding Audit Sub-Committee held on 5 November 2013 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 26 November 2013 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 26 November 2013 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 26 November 2013 be received and the recommendations contained therein approved.

5.8 Matters Arising

There were no matters arising from the minutes.

6. WORK PROGRAMME

It was resolved:

that the updated work programme for 2013/14 be noted.

7. STRATEGIC MATTERS

7.1 2013/14 Annual Plan Implementation: Living Within Our Means Update

The need for a revised business case for a fit for purpose ICT infrastructure and network to support communications, information and medical technology into the future was questioned. The General Manager, Planning and Support advised the original business case was based on a move to a wireless and digital environment. MDHB had been advised by technical experts that the level of investment required was based on current configuration. Subsequent, it became apparent that the current configuration was not fit for purpose and did not provide sufficient "future proofing" going forward. Mr Grant noted that MDHB had not invested in the network for 13 years.

The timeline for implementation of the new maternity clinical system was questioned by a member given the midwifery staffing issues which had been experienced in the maternity unit. The General Manager, Planning and Support advised initially the April 2014 implementation timeframe was dependent upon securing appropriate project management support. This had been secured. However, the timeframe was open for discussion with the service management.

The original timeline for implementation of ePharmacy was questioned. Management advised the timeline had slipped. Originally a late December 2013 completion date was set. However, it implementation would now occur in early 2014. The essential deadline was around the patient

management system. ePharmacy was required prior to this being implemented and it would be done based on a regional solution.

It was resolved:

that the report be received.

7.2 centralAlliance

The CEO advised that the proposed centralAlliance work programme for 2014/15, which would form part of the Annual Plan, had been considered by the centralAlliance sub-committee. The work programme would be submitted to the Board in the New Year. It would include the development of a strategic plan and the timeline for developing this strategy document was currently being reviewed in line with Whanganui DHB's request for an earlier completion date.

It was noted that the DHBs' Iwi partners, Manawhenua Hauora and Hauora a Iwi, had attended the recent face-to-face meeting of the centralAlliance sub-committee. This arrangement was to continue.

It was resolved:

that the report be received.

7.3 Central Region's Information Systems Plan (CRISP)

Management advised that the CRISP plan had been realigned and was supported by all six Central Region DHBs. The reconfigured approach, which was based on a northern alliance (Hawke's Bay, MidCentral and Whanganui DHBs) and a southern alliance (Capital & Coast, Hutt Valley and Wairarapa DHBs) would be formally signed by the Chair, CEO, Chief Information Officer and Chief Financial Officer of each DHB. The approach was consistent with the original approval by the Minister of Health. The critical components of the CRISP programme, from MDHB's perspective, was the 3DHB patient administration system and the clinical portal.

Costs had been recalibrated and the timeline truncated over two years (rather than four) and was more in line with the original business case (within 10% of both capital and operating costs). The total costs and apportionment to DHBs remained relatively the same, though the cash flow was different due to the truncated timeframe. The CEO advised that detailed re-based financial information was available to members and he would arrange for this to be distributed.

The process for getting the full support of all six DHBs to CRISP was discussed, including the role of the Regional Governance Group. It was noted that once formal agreement had been reached, responsibility for monitoring its implementation moved to the Central Regional Technical Advisory Service (TAS) Board.

It was agreed that a briefing paper be prepared for the Board's next meeting in respect of CRISP. This would include all aspects of the programme, including deliverables (as per both the original and recalibrated business cases), quality assurance arrangements, independent advice received during the process (Ernst Young), governance arrangements, timeline, and financials.

It was noted that the quality assurance aspect of the project had been put on hold while the re-baselining and other matters had been addressed.

Members requested that the timeline be more explicit, particularly in relation to the timing of MDHB's part of the programme.

The issue of which DHB was responsible for any privacy breaches where these involved the staff of one DHB and the information of another was raised. The CEO advised that currently the

employing DHB was responsible. Looking forward, all DHBs would have the same policies, etc in this regard along the same lines as the HBL policy pack for financial information systems. It was suggested that it may be useful to ask TAS to start considering these matters as part of the regional audit programme.

The importance of achieving CRISP was discussed. The Chair and Deputy Chair stressed that all six DHBs needed to make this their priority. It was noted that the CRISP timeline was included in the formal documentation to be signed by all six DHBs.

The work of Murray Milner, RGG Chair (and Chair, National Health IT Board) in assisting with CRISP was noted. It was further noted that his term as RGG Chair was nearing an end. The Chair advised RGG members were very aware of the need to recruit an appropriately skilled Chair and this work was underway. It was further noted that the TAS Board would be playing a larger role re CRISP and that this included independent board members.

It was resolved:

that the report be received.

7.4 ePharmacy Implementation Business Case

The General Manager, Planning and Support presented the business case. He advised that the vendor was the same as for the patient administration system. The cost was in the vicinity of \$900k, and was approximately \$300k more than the original approval within the 2012/13 Annual Plan. However, through reprioritising other projects and moving them to outer years, the capital cost could be funded within the capital environment.

Mr Grant advised that a selective procurement process had been used because there was only one product in New Zealand and the system had to be aligned to the WebPAS. Legal advice on the procurement process had been taken.

Given CRISP was still be formally approved by all six DHBs, the level of risk around approving ePharmacy at the current time was questioned. Management advised there was no risk. ePharmacy was required to be in place before Web PAS. MDHB's current PAS was a burning platform.

As ePharmacy was a regional solution, it would require the support of the National Health IT board and other DHBs within the region. Management advised that discussions with other DHBs had commenced.

Management confirmed that the benefits outlined in the business case would be measured in line with the post event audit process. Members emphasised the need to ensure systems were put in place to capture this information and to establish a baseline, particularly as regards improvements in reducing medication errors, etc.

It was resolved:

that approval is given for execution of the MidCentral ePharmacy Implementation Project and obtaining National Health IT Board endorsement for the project; and

initial establishment of the regional platform at MidCentral while a detailed planning exercise is undertaken to establish a firm roadmap and costs for migration to the CRISP Regional Server Platform.

7.5 Changes to MDHB's Core Data Network, Wireless & Telephony Infrastructure

Ann Chapman restated her interest, noting that her son worked for Geni. It was agreed that this did not present a conflict. Mrs Chapman did not participate in the discussion.

4-6

The General Manager, Planning and Support presented the business case and outlined the background of this project.

In response to a question, management advised that the tender specifications were ambiguous around whether a "like for like" or "future proofed" system was required. The tender documents were for a digital system. In considering changes to the original business case, MDHB had sought specialist advice and had then had this peer reviewed. This type of process was now being used for other IT projects.

It was noted that further investment in IT infrastructure would be required over the next three years.

Members questioned how this project related to regional and sub-regional work. Management advised that local networks are the responsibility of each DHB. The local network must be able to collect, store and transfer data within the organisation. Within the region, Hawke's Bay DHB's IT infrastructure was probably slightly ahead of MDHB's. The regional and sub-regional work related to regional repositories and the "pipelines" or links with the local networks. The regional/sub-regional work was also around IT software programmes.

Ken Clark entered the meeting.

It was resolved:

that capital funds of up to \$1,352,900 be approved for scope changes required to implement a redesigned core data network and associated changes to the proposal wireless and telephony infrastructure.

Muriel Hancock left the meeting.

7.6 Master Health Service Plan Update

The General Manager, Planning and Supported reported that the Capital Investment Committee had supported MDHB's Strategic Assessment at its meeting on 4 December. Members congratulated all involved in this work.

The level of board involvement in this project was fully discussed, including the development of a vision and guiding strategy for the district. Another area of particular interest was consumer engagement and it was felt a higher level of board involvement was required. The General Manager, Planning and Support advised that the project was an early stage, and that there would be ample opportunity for Board involvement, including workshops.

Members agreed that a board member with particular expertise in community engagement be appointed to the project's Consumer Advisory Panel. Board Member Barbara Robson was asked about her availability to undertake this role and she advised she would give it consideration.

The consumer workshop held on 11 December was raised. Management advised that this had gone well. It was with individual consumers. Community engagement would be occurring at a later stage.

It was resolved:

that the report be received, and that a Board Member with particular expertise in community engagement be appointed to the Consumer Advisory Panel, and that this be Barbara Robson subject to her availability.

8. OPERATIONAL REPORTS

8.4 Stocktake of Clinical Governance

Dr Ken Clark presented his stocktake of clinical governance. Members acknowledged the tremendous amount of work done in this area over the past decade.

Discussion ensued around the level of clinical staff participation in clinical governance, and the importance of ensuring the work environment enabled staff members to raise issues of concern without fear of retribution. Dr Clark advised that in terms of participation, staff fell into three groups being, actively involved, aware of what is happening but not actively involved, and fail to register what is happening. His aim was for all staff to be within groups one and two.

Regarding the work environment, Dr Clark advised there were roles at all levels of the organisation that staff could go to with concerns or for advice.

Looking forward, Dr Clark advised implementing the results of the recent internal audit around clinical audit would be a priority. Further primary and secondary integration was another area of focus. MidCentral DHB had made good advances in this area. Consistency of clinical governance between MidCentral DHB and Whanganui DHB was also a focus area.

The potential for Palmerston North Hospital to increase its role as a teaching hospital was discussed.

It was suggested that the Office of the Privacy Commissioner be included in the stocktake.

It was resolved:

that the report be received.

The meeting adjourned for lunch at 12.15pm, and reconvened at 12.45pm.

Lindsey Burnell left the meeting. Ken Clark, Nicholas Glubb, Brian Woolley and Vivienne Ayres left the meeting. Muriel Hancock re-entered the meeting.

7. STRATEGIC MATTERS CONTINUED

7.7 Adult Ambulatory Care Facility Review Update

Management advised that discussions had been occurring with the New Zealand Blood Service regarding the use of the building they currently leased. These discussions had been taking place over the past two months and involved both the local manager and the national procurement manager.

It was resolved:

that the report be received.

8. OPERATIONAL REPORTS

8.1 CEO's Report

8.1.1 Pharmacia

The regulatory framework regarding medical devices was raised. Management advised that it was unaware of any intended change to this.

8.1.2 *National Health Targets*

The Chair and CEO advised that the new faster cancer treatment target would be replacing the current cancer health target. This had an impact for all DHBs as there was considerable work involved in capturing the data and ensuring its integrity.

MidCentral DHB's performance regarding shorter stays in Emergency Department (ED) was raised. The CEO advised that a clinically led approach was underway and a work programme had been developed. This has many facets including systems, processes, attitudes/behaviours, and resources. The work programme would be rolled out in the new year.

8.1.3 *Information Systems*

The General Manager, Planning and Support advised the upgrade to Windows 7 and Office 2007 was proceeding well. In terms of MDHB's computers, it was on track to completing this work by April 2014. Issues around instrumentation or technology which was running on Windows XP was less straightforward.

The use of IT analytical tools, particularly as regards social media, as a way of monitoring community interest in issues was raised.

8.1.4 *Manawhenua Hauora*

Richard Orzecki advised the six-monthly review meeting had been very constructive.

He further advised that Manawhenua Hauora was looking to complete a review of it in 2014.

8.1.5 *Seismic Related Works*

Management advised that compliance requirements had now been addressed in respect of Board Office. Work would continue in the new year. Demolition would occur in early February.

8.1.6 *Kimberley Centre and Horowhenua Hospital*

The Group Manager, Commercial Support Services advised newspaper advertising had commenced. The agents, Harcourts, were looking to go out nationwide and to Australia in the new year. The tender process would close in the first week of April. The initial press releases issued on this matter had resulted in a lot of interest in Kimberley Centre, as well as some interest in Horowhenua Hospital.

8.1.7 *Maori Leadership*

The Maori leadership arrangements were noted.

8.1.8 *Financial Matters*

The new table outlining treasury policy and ratios was noted.

A member questioned how MDHB's capital expenditure was funded, and whether it was funded by borrowings against future generations. It was noted that MDHB's loans were for 7.5 years, and that the DHB had cash reserves.

The impact of the high New Zealand dollar was discussed. Management advised that the impact was not significant as was the case when the dollar deteriorated.

Nicholas Glubb re-entered the meeting.

The General Manager, Planning and Support advised the preliminary results for November was \$200k adverse to budget on a consolidated basis.

Personnel costs were discussed and members noted these were tracking above budget. Management advised that recruitment of five senior medical officers within mental health services would reduce locum costs. Staffing levels were right on budget, with full employment and very few vacancies. Careful management was needed so as to the avoid the financial reviews required in recent years.

It was resolved:

that the report be received.

Lyn Horgan left the meeting.

8.3 Stocktake of Consumer/Community Engagement

The Director, Patient Safety & Clinical Effectiveness presented the stocktake. She drew members' attention to the Consumer Advisory Group being established as part of the Master Health Service Plan and the possibility that this would grow into a consumer group for the wider organisation. This concept was supported by the Board.

It was noted that the Regional Consumer Advisory Committee had been disestablished.

A member noted that the Ministry of Health was looking to see consumer appointed to maternity quality and safety committees. Management advised that the Ministry had been advised of the arrangements in place at MDHB.

It was resolved:

that the report be received.

9. GOVERNANCE ISSUES

9.1 Board Membership of Committees

It was resolved:

that the report be received, and the committee membership arrangements for the 2013-16 term be noted; and,

that the Board's audit committee arrangements continue.

9.2 HBL Finance, Procurement & Supply Chain Policies

Management advised that this matter had been considered by the Group Audit Committee. The Committee had focused on the Credit Control Policy. The Committee was supportive of the recommendations, noting that the Board's approval would be required before any action was taken.

It was resolved:

that the Board of MidCentral DHB:

notes that approval of the Board for MidCentral DHB to enter into the formal agreement between all DHBs and HBL for the provision of the Finance Procurement & Supply Chain shared services will be sought at a later date;

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notes that implementation of the FPSC policy pack will be required when the FPSC shared service is rolled out to MidCentral DHB under the FPSC implementation plan; and

notes that MidCentral DHB may implement the FPSC policy pack earlier than required under the implementation plan, except that the proposed delegated financial authority policy cannot be implemented until it is approved by the Minister of Health.

9.3 Conflict of Interest, Secondary Employment, Appointments and Employee Representation on MidCentral District Health Board and Committees, and Outside Organisations and Committees

The issue of staff taking up secondary employment in private practice raised, particularly whether or not their DHB remuneration was adjusted accordingly. The CEO advised this was dependent on whether the employee's MDHB work schedule was affected.

It was resolved:

that the Board's policy be noted, and reviewed in three year's time.

Lyn Horgan returned to the meeting.

9.4 2013 DHB Elections

It was resolved:

that the report be received.

9.5 Manawhenua Hauora Minutes

Management confirmed that no work had occurred regarding the primary maternity facility business case at this time. The project had been delayed due to resource issues and the amount of other work currently underway.

It was resolved:

that the minutes be received.

10. LATE ITEMS

There were no late items.

11. DATE OF NEXT MEETING

Tuesday, 25 February 2014, MidCentral District Health Board Offices, Board Room, Gate 2, Heretaunga Street, Palmerston North.

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:

<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, 26 November 2013</i> • <i>Community & Public Health Advisory Committee, 26 November 2013</i> • <i>Enable New Zealand Governance Group, 26 November 2013: contracts update, and, Ministry of Health RFP Update</i> 	<i>For the reasons set out in the Committee's order paper of 26.11.13 meeting held with the public present</i> <i>For the reasons set out in the Committee's order paper of 26.11.13 meeting held with the public present</i> <i>Subject of negotiation</i>	9(2)(j)
<i>Strategic Matters</i> <ul style="list-style-type: none"> • <i>2014/15 Planning</i> • <i>Regional ICT Transition Plan</i> • <i>ePharmacy Implementation Business Case – detailed financials</i> • <i>Seismic Upgrading – Hospital Administration Building</i> 	<i>Subject of negotiations</i> <i>Subject of negotiations</i> <i>Subject of negotiations</i> <i>Subject of tender process and negotiations</i>	9(2)(j) 9(2)(j) 9(2)(j) 9(2)(j)

Confirmed this 25th day of February 2014.

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Chairman