

MIDCENTRAL DISTRICT HEALTH BOARD

Minutes of the MidCentral District Health Board meeting held on 14 April 2020 at 9.00am via Zoom Video Conferencing

PART 1

MEMBERS

Brendan Duffy, Chairperson	Materoa Mar
Heather Browning	Karen Naylor
Vaughan Dennison	Oriana Paewai
Lew Findlay	John Waldon
Norman Gray	Jenny Warren
Muriel Hancock	Tony Hartevelt (ex officio)

IN ATTENDANCE

Kathryn Cook, Chief Executive
Jeff Brown, Acting Chief Medical Officer
Celina Eves, Executive Director, Nursing & Midwifery
Gabrielle Scott, Executive Director, Allied Health
Tracee Te Huia, General Manager, Māori Health
Nicki Williamson, Committee Secretary

IN ATTENDANCE (part meeting)

Neil Wanden, General Manager, Finance and Corporate Services
Judith Catherwood, General Manager, Quality & Innovation
Keyur Anjaria, General Manager, People & Culture
Darryl Ratana, Deputy Chief Financial Officer
Bruno Dente, External Auditor - Deloitte

1. KARAKIA

The meeting opened with the organisational karakia.

2. ADMINISTRATIVE MATTERS

2.1 Apologies

There were no apologies.

2.2 Late Items

There were no late items.

2.3 Register of Interests Update

There were no additions to the Register of Interests.

2.4 Minutes of the Previous Meeting

It was resolved:

that the minutes of the previous meeting be approved as a true and correct record. (Moved Karen Naylor; seconded Muriel Hancock)

2.5 Matters Arising

There were no matters arising.

Neil Wanden and Darryl Ratana joined the meeting.

3. PERFORMANCE REPORTING

3.1 Chief Executive's Report for February and March 2020

The Chief Executive presented this report. The report was taken as read.

The finance and corporate team had been largely ring-fenced from the COVID-19 work to allow them to concentrate on critical business for the organisation.

There had been no feedback from the Ministry on the draft annual plan sent to them on 4 March. No further annual plan reports were required until mid June.

A query was resolved around relocating MAPU, it would still remain separate but be co-located in a pre-fabricated pod.

It was resolved:

*that the Minister's Letter of Expectations has been received and is consistent with our expectations
that the update of key local, regional and national matters be noted. (Moved Brendan Duffy; seconded Jenny Warren)*

3.2 Finance Report – February 2020

The Deputy Chief Financial Officer presented the report. The trend at the end of February was tracking to budget and the result had been a positive one. COVID-19 was only emerging in February and had not impacted the result.

The COVID-19 direct impact costs would show from March. Some COVID-19 impacts were being shown through the normal codes eg profit and loss for elective revenue was not being allocated to COVID-19 costs at this stage. How some of the indirect costs were treated going forward would depend on guidance from the Ministry.

The February report reflected the continuing effect of the three areas that were having difficulties achieving budget, however other areas were outperforming which was offsetting this in other areas.

It was resolved that the Board:

note that the result for February 2020 is an operating surplus of \$0.661m, which is \$0.335m favourable to budget for the month

note that the year to date result is a deficit of \$6.640m and is \$0.218m favourable to budget

note that the year-end financial forecast is for an operating deficit of \$12.1m, subject to the impact of COVID-19

observe that total available cash and equivalents of \$25.242m as at 29 February 2020 is sufficient to support liquidity requirements

approve the February financial report. (Moved Lew Findlay; seconded Oriana Paewai)

3.3 Performance Improvement Plan (PIP)

The General Manager, Quality and Innovation presented the report. The report was taken as read. At the end of February there were areas that had improved, most notably acute and elective flow, shorter stays and readmission rates. Challenges had continued with delivering ESPI 5 and delivering savings outside of the budget. Work was continuing with the analytics team on providing equity reporting.

Due to COVID-19 some areas of performance were likely to decrease especially ESPI 5 and there was a high risk that ESPI 2 would be impacted. Annual leave was another metric that would be negatively impacted as staff either cancelled their holidays as they couldn't travel, or were required in the work force.

There were some areas that COVID-19 would have a positive impact on eg shorter stays and readmission rates. It was anticipated that the quarterly report on relative stay index would also show improvement.

Future plans had been impacted, it was normally around this time of year that the PIP metrics for the following year were decided on, however that required engagement from the clinicians who were working on the COVID-19 response. The plan was created in May 2019 and the areas identified for focus were confirmed at that time. Moving forward the PIP for 2020/21 would have a different area of focus.

It was confirmed that the OPAL changes were ongoing areas of improvement such as rapidly moving people to rehabilitation to deliver better outcomes for them and reducing the transition time for patients from acute to aged residential care centres.

It was resolved that the Board:

note progress made to date in the delivery of the Performance Improvement Plan

note the behind target performance of the Savings Plan (Initiatives in Progress)

note the impact of COVID-19 and necessary planning work, will impact deliverables in the PIP

endorse the PIP report and the mitigation plans in place to improve performance. (Moved Brendan Duffy; Seconded Materoa Mar)

4. DISCUSSION / DECISION PAPERS

4.1 External Audit – Engagement Letter and Audit Plan

The General Manager, Finance & Corporate Services introduced the external auditor from Deloitte, Bruno Dente. The report was taken as read. The audit plan had been written prior to COVID-19 so that would need to be incorporated in to the plan. The

two main areas of audit risk focus were the valuation of land and buildings and Holidays Act compliance.

There was discussion about the audit programme and any implications under the Treaty and WAI2575. Equity and fairness was the subject of an internal audit that was due on the current internal audit programme although the internal auditors were currently having difficulties engaging someone with the appropriate experience to conduct the audit. The General Manager, Māori Health was to continue this discussion with the internal auditors.

Management were asked to advise the external audit costs that had been signed off by the previous Board.

It was resolved that the Board:

*note the audit planning report
approve the Board Chair signing the audit engagement letter (Moved Karen Naylor; Seconded Materoa Mar)*

4.2 Appointment of Internal Auditors

The General Manager, Finance & Corporate Services presented this report. There were two key issues; did the Board want to retain CTAS (TAS) as the Internal Auditor and for the Board to be aware of the proposed rate increase for internal audits.

Management still considered the proposed rate to be very reasonable when compared to alternatives. A major reason for the rate increase was that when TAS were contracting external expertise the experts daily rate was often more than twice the daily rate that TAS were charging the DHB. Where TAS had been slow to deliver to the DHB, it had often been due to being under resourced.

It was agreed that whilst TAS were a good option, it was always prudent to review options and speak with other out of region DHBs, however with the current COVID-19 situation, now was not the best time to undertake a review.

There was general discussion about the internal audit process covering benchmarking, which didn't actively happen, however TAS audited other local regional DHBs and that knowledge was used in their thinking, application and recommendations to us. The number of internal audits was questioned and whether six was enough each year. Management felt that the number of audits reflected the required substance and depth for proper review.

The General Manager, People and Culture joined the meeting.

The Board noted that TAS Māori representation and knowledge needed to be increased and upskilled.

It was resolved that the Board:

*note the proposed increase in CTAS rates from \$860 to \$1,000 per day
approve that the regional internal audit arrangement continue for the 2020/21 year on that basis. (Moved Materoa Mar; Seconded Muriel Hancock)*

4.3 Staff Engagement Survey 2020

The General Manager, People and Culture presented this report. The report was taken as read.

Discussion on the report included; that the ethnicity field shouldn't be a voluntary field when we were trying to increase the DHBs response towards equity. The field could include an 'I don't wish to disclose' option, could the survey investigate the impact that the current COVID-19 pandemic has had on staff. We should be seeking to maximize survey participation by using all communication mechanisms including using our union partners to support the survey. The General Manager, People and Culture took on board the feedback and would amend the survey tool accordingly.

It was resolved that the Board:

note the costs associated with the survey
note the changes that have been incorporated since the last survey
approve administering the staff engagement survey 2020
approve the indicative timeline for the staff survey 2020 (Moved Heather Browning; Seconded John Waldon)

4.4 COVID-19 Update

The Chief Executive presented this report. It was a comprehensive report that gave the Board some sense of the work that had been happening in the COVID-19 area. The report was taken as read.

Areas of the report that were discussed included:

Maternity – the early discharges post labour, what support packages were in place, the extra strain being put on whanau, would early discharges impact on attachment and breast feeding. Dr Jeff Brown responded that although early discharges were preferred and recommended, they were not mandatory, lots of support was being wrapped around those who did discharge early. Yes, there would be an impact on breast feeding, but it was necessary to help save lives during this unprecedented situation.

There had been no increase in the numbers of neo-natal unit babies re-presenting to the hospital compared to pre COVID-19 levels.

The financial impact on GPs was noted. There had been additional payments to GPs to support the viability of the sector. There were some benefits that had been realised during COVID-19 such as the increase in virtual / online appointments. It would be important to keep that momentum post COVID-19.

PPE to Aged Residential Care Units – Within 24 hours of receiving masks from the MoH MDHB had distributed them to all providers. The Te Uru Whakamauora Healthy Ageing and Rehabilitation team was in very close contact with all aged care facilities and none of the facilities in the District had fed back any concerns or complaints about lack of PPE to the DHB.

A member raised that some providers were not wearing masks during home visits due to lack of PPE. The Chief Executive asked for more details to be provided so that this could be followed up. The correct use of PPE was discussed, when it was appropriate to wear masks at home visits, the correct donning and doffing of PPE and hand hygiene.

A member asked if a MidCentral district aged care facility had a COVID-19 case, were we set up to deal with it, could we transfer large numbers of old people if necessary? The Chief Executive replied that the response would depend largely on staffing levels and the current situation at that time. The DHB had a designated COVID-19 ward and the cases in the district were currently low enough that we could manage the situation described above.

The Board asked if there been any indication from the Ministry about funding for COVID-19. The Ministry had acknowledged that we would receive some funding for costs but probably not all costs. We had been asked to keep accurate records of all costs.

The Board asked if there been any increase in family harm incidents, mental health issues, or increased suicide attempts or successes. These figures were not known but would be provided to the Board in the May report. Other reporting requested to be provided in May included the number of staff who were completely off work because of COVID-19, the number of staff who were working from home, the number of staff who were working 'normally' on site and the number of staff who had received a flu vaccine.

Annual leave was discussed. Staff were being encouraged to take time off for their own wellbeing to ensure they were rested and refreshed.

Questions were asked on the following three areas:

1. Would workers in aged care facilities be tested for COVID-19? The Chief Executive responded that this was dependent on Government recommendations however the Prime Minister was seeking independent advice on the same subject.
2. When would the hospital begin to return to "normal" business? The Chief Executive replied that as there wasn't a significant volume of COVID-19 in the community, the hospital was already undergoing a planned re-opening with careful monitoring of who we were seeing and sending appointments out to.
3. How were the staff coping with the situation? The Chief Executive advised that a huge amount of effort had gone into, and was ongoing, in psycho/social work and staff resources. There was a lot of anxiety amongst the workforce but the staff were feeling the culture of the organization and knew they could come to work with issues and raise them. The spiritual team had become more visible to the organisation and were also supporting managers to do staff welfare checks.

The General Manager, Quality and Innovation was working on a post COVID-19 recovery plan. The plan would be provided to the Board for review and oversight.

The Board agreed that a post COVID-19 evaluation was crucial that would be held separately from a Board meeting with the management team.

The Board asked for their thanks to be passed on to all teams for their COVID-19 efforts.

It was resolved that the Board:

*note the progress in response to the COVID-19 pandemic as at 8 April 2020.
(Moved Brendan Duffy; Seconded Heather Browning)*

5. INFORMATION PAPERS

5.1 Holidays Act Compliance

The Deputy Chief Financial Officer presented this report. The report was taken as read. The process to resource appropriate expertise had been difficult but an excellent project manager had now been recruited who was making good progress.

The first steering group meeting would be held during April. Data was being extracted from the payroll system to measure against the baseline and to ensure that the payroll system had the capability to be compliant going forward. At this point in time, no payroll system in the health sector had been certified as being fully compliant due to the complexities of the Holiday Act requirements. The team were working towards the payroll system being compliant by the end of the year.

The whole of sector liability for holidays was currently estimated at \$750m. Whilst MDHB had made provision in the accounts for our liability of approximately \$10m, the sector was looking to the Government for funding assistance.

The members requested that the memorandum of understanding was made available to them through the Sharednet governance site.

It was resolved that the Board:

*note the update on the Holidays Act and the ongoing work management is undertaking to resolve the non compliance
note that the accrual of liability as at March 2020 is \$9.4m with a further \$0.5m accrued towards rectification costs. (Moved Brendan Duffy; Seconded John Waldon)*

5.2 Minutes of the Health & Disability Advisory Committee Meeting

It was resolved:

that the minutes of the Health & Disability Advisory Committee held on 4 February 2020 be received and noted. (Moved Brendan Duffy; Seconded Jenny Warren)

5.3 Minutes of the Finance, Risk & Audit Committee Meeting

It was resolved:

that the minutes of the Finance Risk and Audit Committee held on 25 February 2020 be received and noted. (Moved Brendan Duffy; Seconded Lew Findlay)

5.4 Report from the Manawhenua Hauora Meeting

The report was taken as read. It was noted that all recruitment was on hold due to COVID-19. There was a need to ensure that Manwhenua Hauora was aligned with the Board in a transparent way at each Board meeting.

It was noted that at the National Iwi Chairs Forum, there had been direct engagement with the Prime Minister and the national response eg having the rules for tangihanga/funerals amended, advocating for better access to testing for Māori which had all been a huge step forward.

It was resolved:

that the Board note the content of this report management progress the items raised in this report and report their recommendations back to the Board as appropriate. (Moved Materoa Mar; Seconded Norman Gray)

5.5 Board's 2019/20 Work Programme

The Chief Executive presented this report. The report was taken as read. Although the committee meetings are suspended during COVID-19 the work programmes were still being progressed and the Māori equity dashboard work would be emailed out to the group.

It was resolved:

that progress against the Board's 2019/20 work programme be endorsed. (Moved Brendan Duffy; Seconded Vaughan Dennison)

6. LATE ITEMS

There were no late items.

7. DATE OF NEXT MEETING:

Tuesday, 26 May 2020

8. 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 03.03.20 meeting held with the public present</i>	
Business Plan for SPIRE	Negotiating position paper	9(2)(j)
Contract Renewal for 2020/21	Negotiating position paper	9(2)(j)
Substation update	Contractual paper	9(2)(j)
Health & Disability Advisory Committee (HDAC) minutes, 04.02.20	For the reasons set out in the order paper of 17.03.20 held with the public present.	
Finance, Risk & Audit Committee minutes 25.2.20	For the reasons set out in the order paper of 25.02.20	
Board only time	No decision sought	

(Moved Lew Findlay; seconded Vaughan Dennison)

Confirmed this 26th day of May 2020.

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Chairperson