

# About MidCentral District Health Board

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Further detail regarding MidCentral's plans and performance is contained in the following documents:

- MidCentral DHB's 2013/14 Annual Plan
- 2013/14 Funding Arrangements (a companion document to the Annual Plan)
- MidCentral DHB's 2012/13 Annual Report
- Regional Service Plan 2013/14

These can be accessed from the DHB's website ([www.midcentralthb.govt.nz](http://www.midcentralthb.govt.nz)); by emailing [jill.matthews@midcentralthb.govt.nz](mailto:jill.matthews@midcentralthb.govt.nz); or telephoning (06) 350 8967.

NB: figures quoted in this Information Pack are based on the 2013/14 Annual Plan unless otherwise stated.

# About MidCentral District Health Board

## The DHB in Summary

MidCentral District Health Board is the Crown entity responsible for planning and purchasing most health services for its district.

It was established under the New Zealand Public Health and Disability Act 2000 that came into force on 1 January 2001. It operates under this Act, and the Crown Entities Act 2004.

MidCentral District Health Board is responsible for ensuring the people of its district have access to a wide range of health and disability support services.

Currently around 160,000 people live in MidCentral's district and the DHB is responsible for "improving, promoting and protecting" their health and the health of the communities in which they live.

This involves assessing the health status of the district, and determining what funds must be directed to preventing illness via primary health and public health services, while continuing to provide and improve existing hospital and other services.

The quantity, value and diversity of health and disability support services is large, and MidCentral DHB receives around \$578 million each year. The DHB ensures services are available to its communities either by contracting with external providers (such as GPs, rest homes, dentists, pharmacists, and Maori and mental health providers) or providing the services directly (eg hospital services).

Some of the services provided directly by MidCentral DHB are for a larger region. This includes cancer and renal services, public health regulation, and specialist equipment services.

Residents of MidCentral's region currently enjoy a health status in line with the national average.

## Our Vision and Priority Areas

MidCentral District Health Board's vision is:

*"Quality living - healthy lives"*

The DHB believes achieving this vision will mean:

- people enjoy healthy lifestyles within a healthy environment
- the healthy will remain well
- health and disability services are accessible and delivered to those most in need
- the health and wellbeing of Maori is improved
- the quality of life is enhanced for people with diabetes, cancer, respiratory illness, cardiovascular disease and other chronic (long duration) conditions
- people experiencing a mental illness receive care that maximises their independence and wellbeing
- the needs of specific age-related groups, eg older people, children/youth, are addressed
- the wider community and family supports and enables older people and the disabled to participate fully in society and enjoy maximum independence
- oral health is improved
- people's journey through the health system is well managed and informed.

The vision is a broad view of the future.

## Who We Serve

MidCentral District Health Board serves a wide geographical district stretching across the North Island from the west to the east coast and is distinguished by the Tararua and Ruahine ranges that traverse the centre of the district. MidCentral's district comprises the following territorial local authority districts:

- Horowhenua district
- Manawatu district
- Palmerston North City
- Tararua district
- The Otaki ward of Kapiti Coast district



Four Iwi have manawhenua status within the district: Muaupoko; Ngati Kahungunu; Ngati Raukawa; and Rangitaane. (Manawhenua status means that the Iwi is recognised as having tribal authority within a region.)

Muaupoko and Ngati Raukawa Iwi are located on the western side of the mountain ranges and Ngati Kahungunu Iwi is located on the eastern side. Rangitaane Iwi covers both sides of the ranges from the Manawatu district (including Palmerston North) across to Pahiatua and Dannevirke areas.

MidCentral district's health status is similar to other regional district health boards.

The district's population is estimated to grow over the next 20 years, but at a slower rate than the national average.

Between 2006 and 2012, the local population is forecast to grow by 2.7% (NZ – 5.6%). By the year 2026, population growth of 8.8% is forecast locally compared to national growth of 18.9%. (NB: this is based on 2006 census data.)

MDHB has a higher older population compared to NZ, particularly in Horowhenua, Kapiti and Tararua. It also has a higher Maori population than the national average.

(Note: A detailed health needs assessment of MidCentral's population exists, and this can be accessed from the DHB's website, [www.midcentraldhb.govt.nz](http://www.midcentraldhb.govt.nz))

<b>MidCentral DHB's Population Profile at a Glance (based on 2006 Census Results)</b>							
	NZ	MDHB	Manawatu	PN City	Tararua	Horo-whenua	Kapiti*
<b>Total</b>	<b>4,027,947</b>	<b>158,838</b>	<b>28,251</b>	<b>75,540</b>	<b>17,631</b>	<b>29,865</b>	<b>7,551</b>
<b>Age 65+</b>							
No.	495,603	22,347	3,636	8,748	2,460	5,979	1,524
%	12.3%	14.1%	12.9%	11.6%	14.0%	20.0%	20.2%
<b>Gender</b>							
No Female	2,062,326	81,837	14,199	39,192	8,859	15,564	4,023
% Female	51.2%	51.5%	50.3%	51.9%	50.2%	52.1%	53.3%
No Male	1,965,618	77,007	14,055	36,348	8,775	14,301	3,528
% Male	48.8%	48.5%	49.7%	48.1%	49.8%	47.9%	46.7%
<b>Ethnicity</b>							
By No:							
European	2,609,592	113,472	21,552	52,512	12,927	21,555	4,926
Maori	565,326	26,715	3,867	11,316	3,489	6,078	1,965
Pacific People	265,974	4,608	408	2,754	225	1,011	210
Asian	354,552	7,002	351	5,409	225	765	252
MELAA	34,746	963	45	801	33	69	15
Other	430,881	19,971	4,338	9,225	2,154	3,396	858
By %:							
European	67.6%	73.4%	77.9%	71.4%	75.4%	74.4%	68.0%
Maori	14.6%	17.3%	14.0%	15.4%	20.4%	21.0%	27.1%
Pacific People	6.9%	3.0%	1.5%	3.7%	1.3%	3.5%	2.9%
Asian	9.2%	4.5%	1.3%	7.4%	1.3%	2.6%	3.5%
MELAA	0.9%	0.6%	0.2%	1.1%	0.2%	0.2%	0.2%
Other	11.2%	12.9%	15.7%	12.5%	12.6%	11.7%	11.8%
<b>Household Income</b>							
Median	\$51,400		\$47,700	\$47,800	\$41,100	\$33,100	\$37,800

\*MidCentral DHB portion only

MELAA = Middle Eastern, Latin American, African

Note: this data has been randomly rounded to protect confidentiality. Individual figures may not add up to totals and values for the same data may vary in different components of the table. For the ethnicity data, a person can have more than one ethnicity, so the total number of ethnicity responses will be more than the total number of people living in that geographical location.

## What We Do

As a District Health Board, MidCentral has three key functions:

- Planning and purchasing health and disability services\*.
- Providing health and disability services through Crown owned hospital and associated services.
- Governing and managing the District Health Board.

(\*Note: Responsibility for public health services and disability support services for persons under 65 years have not yet been devolved to District Health Boards and currently rests with the Ministry of Health.)

## How We Do It

To carry out its functions MidCentral District Health Board is organised into two divisions:

- Planning & Support Division
- Provider Division

Approximately 2,200 staff members (full time equivalents) are employed.

- Medical staff: 294
- Nursing staff: 950
- Allied Health Staff: 397
- Support Staff: 48
- Management/Administration: 509

(Note: The staff categories are defined by the Ministry of Health. Figures as per 2013/14 Budget)

MidCentral District Health Board has long term assets valued at approximately \$150 million and receives annual revenue of around \$578 million.

Further information about these divisions, and the work they do, is set out on the following pages.

## Financial Projections

MidCentral District Health Board is forecasting a surplus in 2013/14 and outlying years. It is setting aside a small level of monies each year (up to 2% of total revenue) to fund future investment in services, technology, workforce and facilities. The development of an Investment Plan, identifying key projects, is underway.

Details of what MidCentral DHB does with its \$578m revenue is set out overleaf.

## Where the Money Goes

<b>What Services Are Purchased (\$m)</b>			
2011/12 Actual	2012/13 Budget	2013/14 Budget	
			<i>Hospital-based Services</i>
67.1	69.1	70.5	Surgical specialties, ICU and anaesthetics
46.8	46.2	48.7	Medical services
36.1	34.5	36.2	Regional cancer treatment service
29.3	28.6	29.3	Elder health and rehabilitation and therapy
28.8	29.1	30.0	Women's and child health
25.2	25.3	25.9	Mental health
15.2	15.0	16.8	Emergency department
9.4	8.3	8.7	Clinical support
6.4	6.6	6.7	Public health
4.0	4.4	4.2	Dental health
1.5	1.5	1.6	Rural health
16.9	23.8	21.6	Other
<b>286.7</b>	<b>292.4</b>	<b>300.2</b>	<b>Total hospital-based services</b>
			<i>Community-based Services</i>
45.5	46.9	45.9	Pharmaceuticals
42.7	45.4	45.2	Residential care
28.2	28.7	28.0	Primary practice
10.5	10.3	10.9	Laboratories
11.5	11.8	11.7	Home support
8.2	9.2	8.9	Mental health
4.4	4.6	4.6	Chronic disease management
24.4	27.9	28.5	Other
<b>175.4</b>	<b>184.8</b>	<b>183.7</b>	<b>Total community-based services</b>
30.0	32.4	36.1	Disability services and needs assessment
3.0	3.3	3.1	Primary Health Nursing / Supportlinks
46.2	48.5	47.7	Inter-district flows
7.2	7.2	7.9	Governance
<b>548.5</b>	<b>568.6</b>	<b>578.7</b>	<b>Total DHB Expenditure</b>
<b>Who Provides Them (\$m)</b>			
286.7	292.4	300.2	MidCentral Health
75.4	80.2	79.7	GPs, PHOs, non-govt owned providers
45.5	46.9	45.9	Community pharmacies
46.2	48.5	47.7	Other DHB's
42.7	45.4	45.2	Rest homes
30.0	32.4	36.1	Enable New Zealand
10.5	10.3	10.9	Community laboratories
7.2	7.2	7.9	MidCentral DHB - governance
3.0	3.3	3.1	Primary Health Nursing / Supportlinks
1.3	2.0	2.0	Iwi/Maori health providers
<b>548.5</b>	<b>568.6</b>	<b>578.7</b>	<b>Total DHB Expenditure</b>

MidCentral DHB Contact

Website: [www.midcentraldhb.govt.nz](http://www.midcentraldhb.govt.nz)

Telephone: (06) 350 8061  
(Board Office, Monday to Friday, 8am – 5pm)

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Postal Address: PO Box 2056, Palmerston North 4440

## About MidCentral's Planning & Support

The planning and support division comprises two units: the Funding Unit, and, the Corporate Unit.

### Role of the Funding Unit

The Funding Unit plans and purchases (funds) health and disability services for residents/population of the MidCentral District. In some instances (eg Public Health) the purchasing of services is undertaken by the Ministry of Health or another District Health Board on behalf of MidCentral District Health Board.

While the Funding Unit's responsibilities are primarily for the MidCentral district, it also has responsibilities for specific national or regional contracts.

The Funding Unit also has responsibility, together with other DHBs in the central region, for ensuring a strong regional health structure.

### Staff Levels within the Funding Unit

The Funding Unit is a relatively small unit, comprising approximately 11.5 staff (full time equivalents).

### Areas of Service & Services Provided by the Funding Unit

The Funding unit currently has responsibility for purchasing health services and monitoring contracts valued at around \$570 million per annum. The services funded are as follows:

- Support Services for Disabled and Older People
- Maori Health
- Mental Health
- Personal Health
- Primary Health Services
- Secondary and Tertiary Health Services

Details of what services are provided and who provides them are published annual. MDBH produces a Funding Arrangements document which is a companion document to the Annual Plan. This document can be found on MDHB's website.



## How the Funding Unit Does its Job

Planning and funding of health and disability services is guided by Government priorities and carried out within national policies, such as the National Service Framework and Service Coverage Schedule.

### *Approach to Funding*

MidCentral District Health Board receives an allocation of money from the Ministry of Health to meet the cost of providing personal and mental health services for our population and disability support services for those aged 65 years and over. MidCentral DHB is required to operate within the allocated funds and to maintain its deficit-free status.

The Funding Unit undertakes an assessment of the district's health status on a regular basis. The latest review was undertaken in 2009 and shows that:

- The health status of MidCentral's residents is improving.
- The health status in most of MidCentral's territorial authorities is also improving.
- The conditions that are the biggest cause of mortality in MidCentral district (and New Zealand) are circulatory disease, cancer, respiratory disease, injuries, and endocrine disease (of which diabetes is the major contributor). However, this may understate the impact of diabetes, which also increases the risk of circulatory disease.
- People who experience health status disadvantage in MidCentral district are: Maori, Pacific peoples, people who are socio-economically disadvantaged, and Horowhenua residents.
- In general, the health status of those population groups with poorer state of health has been improving although the gap compared with MidCentral's residents overall is still present.
- In general, people with disadvantaged health status experience the same health conditions as the population overall, but to a greater degree.
- The health status of MidCentral's socio-economically disadvantaged people appears to be worse than New Zealand's socio-economically disadvantaged people (mortality comparisons across time).
- The New Zealand Health Survey 2006 found that people who live in socio-economically disadvantaged neighbourhoods were more likely to smoke, more

likely to be sedentary, and were less likely to have a primary care provider.

- There are signs of improving access to health services.
- Increasing hospitalisation rates for disease groups linked with long term conditions (for example, heart disease) and falling mortality rates for the same disease groups suggest improving health service access for people experiencing long term conditions.
- There is evidence that health service under-use by people in most need of services is closing (avoidable hospitalisation patterns compared to avoidable mortality patterns).
- There is evidence of increasing levels of illness for some acute diseases
- There is evidence of increasing levels of acute medical illnesses not necessarily associated with long term conditions, for example, lung infections and skin infections (individual disease hospitalisation rate analysis across time).
- Asthma hospitalisations have also been increasing. Most asthma hospitalisations are for children although older people are at higher risk (individual disease hospitalisation rate analysis across time).

## Approach to Prioritisation

The population within the MidCentral district generally has the same (or slightly better) health status as the New Zealand average. This suggests that the health priority areas for MidCentral will be similar to the national priority areas.

The Funding Unit's approach to prioritisation – for a new service or the continuation of an existing service - is to follow a prioritisation framework.

Using information from a health needs assessment and the prioritisation process, the Funding Unit must rank the priority services to make purchasing recommendations to the Board through its Community and Public Health Advisory Committee.

## Approach to Monitoring Performance

All Funding Unit contracts with providers include reporting mechanisms designed to give information on provider performance. The DHB has worked through its contracts to ensure that reporting measures and contract targets provide robust and useful information.

Many primary health care providers are paid under regulatory arrangements based on national frameworks. These are typically fee-for-service arrangements. The DHB monitors service performance in these areas through statistical reports, many of which are produced by TAS on behalf of MidCentral DHB.

Regular audits of providers are carried out. Special and issues based audits are also undertaken as required. The audit process is managed by the Central Region's Technical Advisory Service on behalf of MidCentral. The registered auditors are all qualified to carry out service-based, financial or cultural audits.

Non-District Health Board owned providers will be monitored through contractual reporting requirements and regular meetings. District Health Board owned providers will be monitored through an internal reporting framework.

## About the Corporate Unit

Corporate Services supports the governance and management activities for the District Health Board's activities. It provides the following services to all Divisions of the organisation, enabling them to carry out their work.

- Information systems
- Financial and asset management systems
- Health service contracting, and
- Health statistics
- Planning, including investment planning

In addition, Corporate Services has a major part in responding to statutory requirements and the requirements of external stakeholders, such as the Ministry of Health and the community.

## About MidCentral's Provider Division

### Overview

As well as being responsible for funding and planning health services, MidCentral District Health Board is a provider of services.

MidCentral District Health Board, through its provider

division, operates both:

- MidCentral Health – the district’s publicly owned hospital and associated health service, and
- Enable New Zealand, a provider of disability information, support and assessment services.

The role of these two provider units is covered below.

## About MidCentral Health

MidCentral Health provides hospital and associated services. Its own vision is to be the best provider of health and disability services.

Currently around 1,800 full time equivalent staff are employed directly by MidCentral Health, another 300 staff work full time under commercial contracts (outsourced services such as catering).

Staff are categorised into five professional groupings, being medical, nursing, allied health, support, and management/administration personnel.

## Who MidCentral Health Serves

MidCentral Health provides comprehensive secondary care, and some lower tertiary health services to the Manawatu, Palmerston North, Horowhenua, Taranaki districts and the Otaki ward of the Kapiti Coast district. Some specialist health services and public health services are also provided to neighbouring districts such as Whanganui and Taranaki. The Palmerston North based Regional Cancer Treatment Service provides medical oncology, haematology and radiation oncology services to people who live in a wide geographical area, including the bottom half of the North Island (except Wellington).

MidCentral Health operates under an internal service level agreement for services with the Funding Division, but it is not restricted to, providing services exclusively for the Funding Division or just for the residents of this district.

More than half of the District Health Board’s resident population live outside Palmerston North city, and therefore some distance from the district’s base hospital in Palmerston North. MidCentral Health recognises its responsibilities by providing visiting specialist and outreach community-based services to its rural communities and by establishing strategic alliances with rural-based primary providers, supported by access to centralised inpatient treatment and care at Palmerston

North Hospital.

## What MidCentral Health Does

MidCentral Health's prime purpose is to provide specialist:

- medical and surgical services
- maternity services
- child health services
- mental health and alcohol and drug services
- oncology services
- disability support services
- public health services
- clinical support & community-based services

These broad categories include a range of services.

With the exception of public health services, which has the general population as its client base, people are usually referred to specialist services by a primary health care practitioner such as a general practitioner. The clinical assessment, treatment and care provided by MidCentral Health is at the secondary and lower tertiary intervention levels.

Hospital inpatient beds are currently available in two facilities: Palmerston North Hospital and Horowhenua Health Centre. Outpatient and community services are also provided from these sites, as well as several other sites throughout the district, such as Pahiatua, Feilding and Dannevirke, where facilities are often shared with local general practitioners.

MidCentral Health works alongside, and in support of, primary providers such as general practitioners and independent midwives. It also maintains close links with other secondary and tertiary health providers.

Within MidCentral Health, there is a Patient Safety & Clinical Effectiveness Unit. This provides support to all services, including quality, infection control, occupational health and safety, risk management, clinical records, and a clinical library.

## How MidCentral Health

MidCentral Health provides services costing around \$292 million per annum. Its largest service delivery agreement is with the District Health Board's Funding Unit for

## Does its Job

providing most of the services described in this section. It also provides services under contract with other organisations, including:

- Accident Compensation Corporation
- Other District Health Boards
- The Ministry of Health
- Clinical Training Agency

## About Enable New Zealand

Enable New Zealand is among the largest disability support services providers in New Zealand. It enjoys a unique position in the disability sector as the only national provider of disability information services throughout New Zealand and the largest of the two providers of the Ministry of Health's Equipment and Modifications Service (including funding for equipment, housing modifications and vehicles) for disabled people.

Enable New Zealand is also the largest of the two providers of Rehabilitation Equipment Services for ACC.

These services and the position that Enable New Zealand has within MidCentral District Health Board, also puts MidCentral District Health Board in a unique position in the Health and Disability sector.

Enable New Zealand employs 148 staff across four sites (including Palmerston North, Horowhenua, Christchurch and Hamilton.)

Staff numbers are composed of a range of skill sets from allied health professionals to stores and administrative staff.

Enable New Zealand's net operating revenue is around \$45m per annum.

## Who Enable New Zealand Serves

Enable New Zealand serves people who have disabilities. In the range of contracts held for service provision the service boundaries vary as follows:

- Nationwide
  - Disability Information Services
  - Spectacle subsidy for children
  - Housing modifications for ACC
- All regions from south of, and including Pokeno (Waikato to Stewart Island)

- Provision of Equipment and Modification Services for the Ministry of Health.
- All regions excluding Northland, Auckland and Waikato
  - Provision of Management of Rehabilitation Equipment Services for ACC
- MidCentral District Health Board District
  - Needs Assessment and Service Coordination for people with disability aged less than 65 years within MidCentral's district including Palmerston North, Manawatu, Horowhenua and Tararua.

There are a number of smaller contracts held for small and specialised regional services.

### The Services Enable New Zealand Provides

Enable New Zealand's core business is to manage the provision of:

- Equipment and modification services including equipment, vehicle and housing modifications
- Generic disability information
- Information of disabilities and disability support services
- Management of rehabilitation equipment and housing modifications for ACC

Enable New Zealand provides services under contract for:

- Health & Disability National Services Directorate of Ministry of Health
- Accident Compensation Commission
- Ministry of Social Development

## About MidCentral's Governance

### About Governance

A Board of eleven members is responsible for the governance of MidCentral District Health Board. Seven members are elected as part of the triennial local authority election process, and the Minister of Health appoints four members.

### What Governance Does

The Board's mandate is stated in the New Zealand Public Health and Disability Act 2000. The Board is responsible to the Minister of Health.

Its key responsibilities are:

- Setting the strategic direction and developing policy that is consistent with the statutory framework
- Appointing the Chief Executive
- Monitoring the performance of the organisation and its Chief Executive
- Ensuring compliance with legal requirements, the Government's accountability framework and the Crown's expectations
- Maintaining appropriate relationships with the Minister, Parliament and the public
- Accountability for the performance and management of the organisation.

### Board/Committee Structure

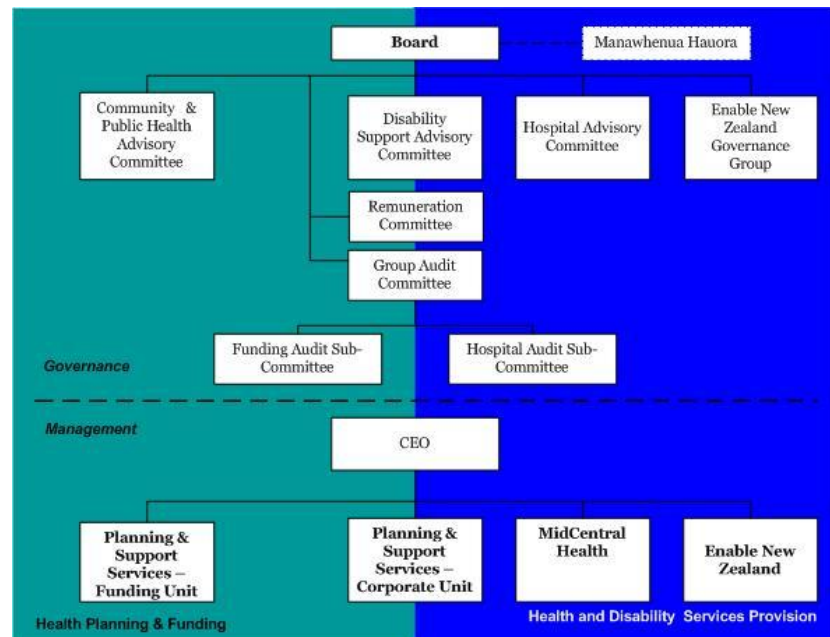
Three statutory committees of the Board have been established to help the Board carry out its functions. These are: the Community and Public Health Advisory Committee, the Disability Support Advisory Committee, and the Hospital Advisory Committee. The role of these committees is in accord with the NZ Public Health and Disability Act 2000.

A governance committee exists to oversee the performance of Enable New Zealand. This committee is separate from the Hospital Advisory Committee whose role is to govern the operations of the hospital and associated services provider, MidCentral Health. This separation in governance duties recognises the different roles of MidCentral Health and Enable New Zealand.



In accordance with good business practice and to meet the requirements of the Public Finance Act, separate audit committees have been established for the Board and Corporate Services Division, the Funding Division and the Provider Division. It also operates a Remuneration Committee.

The following chart provides a diagrammatic representation of the organisational structure at Board (governance) level.



## Board Membership

The Board comprises up to 11 members. Seven members are elected via the triennial local authority election process. The Minister of Health appoints up to four members.

## Committee Membership

The Board appoints, where necessary, external experts to its three Advisory Committees and the Enable New Zealand Governance Group to ensure that the membership has the skills necessary to undertake their role. At the current time, there are three external positions on each of the Hospital, Community and Public Health, and Disability Support Advisory Committee. Two external positions exist on the Enable New Zealand Governance Group. These positions are skills-based, and are publicly advertised. The term of appointment is for three years.

## Function of each Committee

Each Committee has its own Terms of Reference and these are reviewed regularly – see attached. Each Committee also has an annual work programme. This is established by the Board on an annual basis, and includes monitoring arrangements in respect of Annual Plan initiatives.

## Board Training

An annual training programme is put in place to support the Board, and this includes keeping up-to-date with advances in health and disability care, topical issues, and health trends. Cultural training is undertaken by members.

## Board/Committee Meetings

Board and Committee meetings are held on Tuesdays, between the hours of 8.30am and 6pm.

Start times and frequency is as follows:

	Frequency	Start time
Board	8 per year	10.00am
Community & Public Health Advisory Committee (CPHAC)	8 per year	1pm
Disability Support Advisory Committee (DSAC)	3 per year	3.30pm
Enable New Zealand Governance Group (ENZGG)	4 per year	3.45pm
Hospital Advisory Committee (HAC)	8 per year	8.45am
Audit Committees:		
- Group	4 per year	8.30am
- Funding	2 per year	8.30am
- Hospital	2 per year	8.30am

Meetings of the CPHAC, DSAC, ENZGG and HAC are held on the first Tuesday of the meeting cycle. Board and Audit Committee meetings are held three weeks later.

## Community Engagement

MidCentral District Health Board is committed to working with its community in the achievement of its vision, and has an open and transparent decision-making process.

Formal consultation is undertaken as required in accordance with Ministerial direction. Community feedback on all matters is welcomed, and MidCentral DHB endeavours to keep the community informed at all times of its plans, progress, and achievements. It does this through consultation, communication, engagement, and release of information.

Meetings of its Board, the Hospital Advisory, the Community & Public Advisory, and the Disability Support Advisory Committees are open to the public. At least one Board meeting per year is held in each of the three outlying areas. Three public forums are held per year as part of the Board's formal meeting process. Members of the public are invited to raise issues direct with the Board at the forums.

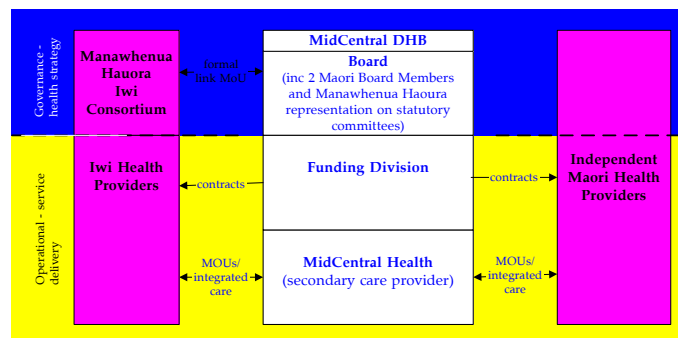
## Employment Issues

Management matters, including the employment of staff, are the Chief Executive's responsibility. MidCentral has a large staff and having sound industrial relations strategies is critical. The District Health Board aims to ensure that the right number and skills mix of people are employed, and, all employment bargaining occurs in good faith; both of which must be undertaken within funding.

The DHB has a Workforce Development Strategy.

## Iwi Partnership

To give effect to the principles of Partnership, Protection and Participation, the Board has established a formal relationship with Manawhenua Hauora at the governance level, underpinned by a Memorandum of Understanding. The purpose of this relationship is to provide leadership and guidance to MidCentral District Health Board on the health and disability needs and priorities of Iwi/Maori within the district, together with advice on strategies to improve Maori health outcomes.



Manawhenua Hauora is a consortium of all four Iwi who have manawhenua status in the Manawatu, Horowhenua, Tararua and Otaki districts. The roopu comprises representatives from Ngati Raukawa, Muaupoko, Rangitaane and Ngati Kahungunu. Manawhenua Hauora was established to advance iwi Maori health and work together to achieve the best possible health outcomes for iwi Maori people residing in Manawatu, Horowhenua, Otaki and Tararua districts.

The shared commitment to this relationship is contained in a Memorandum of Understanding between the Board and Manawhenua Hauora. This is reviewed triennially.

MidCentral District Health Board and Manawhenua Hauora share these fundamental principles:

- a commitment to advancing iwi Maori health
- building on the gains and understandings already made in improving iwi Maori health
- recognising and respecting the principles of the Treaty of Waitangi within the framework of the New Zealand Public Health and Disability Act 2000.
- to work to achieve the best outcomes for iwi Maori health and to reduce iwi Maori health inequalities.

The Memorandum of Understanding is put into effect through an annual work programme. This work programme is agreed between Manawhenua Hauora and MidCentral DHB.

Over the past two years the emphasis has been on the creation of a Maori Responsiveness framework to monitor Maori health gain in the district, and the development of a Maori Primary Health Strategy.

The focus is now on smoking cessation rates, oral health for children and adolescent, women's health, and Whanau Ora.

Progress against the work programme is reviewed six-monthly, and regular reporting exists to the Board and various statutory committees.

In addition to this formal Iwi partnership arrangements, the various divisions of MidCentral DHB have links with both Iwi health and independent Maori health providers.

## Key Governance Accountability Documents

### *Crown Funding Agreement (CFA)*

The Board is responsible to the Minister of Health. A "Crown Funding Agreement" is agreed annually between the DHB and the Minister. This document outlines the money to be provided by the Crown in return for the provision, or arranging for the provision, of specific services. The CFA also contains the other two key accountability documents, being the Annual Plan and Regional Service Plan.

### *Annual Plan*

The Annual Plan sets out outputs and associated performance expectations to be achieved across the three main aspects of the District Health Board's role if funding, hospital governance/management, and governance/

management of the DHB. It also contains a Statement of Service Performance.

Each year, the Minister of Health sets out his expectations of DHBs in a “letter of expectations”. The Annual Plan is aligned to these expectations.

The Annual Plan is linked to the Regional Service Plan, so that the various outputs and performance expectations lead to the achievement of the district’s long term health outcomes.

#### *Annual Report*

Each year, District Health Boards are required to publish an Annual Report, in accordance with the NZ Public Finance Act 1989. This report includes a Statement of Financial Performance and a Statement of Service Performance. These statements are audited by the Office of the Auditor-General, and reflect the service and financial measures contained in the Annual Plan and the actual results for the year.

#### *Regional Service Plan*

The 20 DHBs in New Zealand are grouped into four regions. MidCentral DHB is within the central region, together with Capital & Coast, Hawke’s Bay, Hutt Valley, Wairarapa and Whanganui DHBs.

Each region is required to develop a Regional Service Plan.

Regional service plans have a five to ten year focus. They require the Minister of Health’s endorsement so as to ensure they are aligned to the Government’s overall policies.

#### *National Health and Disability Strategies*

District Health Board planning is to be consistent with national health strategies and guidelines, including:

- The New Zealand Health Strategy
- The New Zealand Disability Strategy
- The Primary Care Strategy
- The Maori Health Strategy
- The Health of Older Persons Strategy
- The National Health Workforce Strategy

## centralAlliance

MidCentral and Whanganui DHB's have established an alliance between both organisations to support shared planning and provision of services. This is underpinned by a Foundation Agreement.

The two DHB's already have a number of shared services in place, including:

- Allied Laundry Services Ltd
- Payroll information systems
- Public Health Services
- Regional Women's Health (in development)

Through the alliance a work programme has been developed to guide further shared service arrangements. The road map is included in each DHB's Annual Plan.

The alliance will not change each DHB's responsibilities under legislation to plan, provide and govern health and disability services in their respective districts. Each DHB will remain autonomous – legally and structurally independent to each other.

## Regional Collaboration

Central Region DHB's (Capital and Coast, Hawke's Bay, Hutt Valley, MidCentral, Wairarapa, and Whanganui) continue to build on a strong foundation of regional collaboration, to collectively achieve a shared vision, financial security and improve productivity.

In accordance with national direction, the central region is develops a Regional Services Plan each year. This includes not only hospital service provision, but primary care and key enablers, such as information systems and transport and accommodation.

A regional governance and decision-making framework supports regional decision making while still recognising the autonomy of the local DHB Boards.

## National Collaboration

DHBs work collectively around national contracts, workforce matters, and networking. This work is organised by DHB Shared Services which operates out of the Central Region's Technical Advisory Service.

The cost of operating DHB Shared Services is met by DHBs. It undertakes a lot of project work on behalf of DHBs and the cost of these is met by participating DHBs.

MidCentral District Health Board also participates in

national procurement and other activities led by the Ministry of Health and National Health Board.

## 2013/14: The Current Year

MidCentral District Health Board's key activities for 2013/14 are outlined in its Annual Plan.

### Overview

The Annual Plan advances MidCentral DHB's vision of "quality living – health lives" by:

- a. ensuring people within the district enjoy timely and equitable access to health services
- b. improving quality, safety and experience of care for users of health services
- c. ensuring best value is made of all resources.

To do this, MidCentral DHB key strategies remain:

- growing a robust primary care sector, including development of Integrated Family Health Centres and implementation of the new Community Pharmacy Services Agreement.
- integrating primary and secondary care services, both in terms of clinical leadership and decision-making, and, clinical care pathways
- managing unplanned and acute demand through minimising the level and impact of long term conditions, ensuring a range of after-hours services and support is available throughout the district, and supporting the district's older population
- increasing MidCentral Health's capacity for elective services
- ensuring services are located as close to home as possible
- ensuring all children have the opportunity to receive their free health care entitlements, and youth are supported to lead healthy lives and fulfil their potential
- developing an investment plan for MidCentral DHB which can be self-funded through ongoing productivity improvements
- improving accountabilities and incentives for primary care funding

- ensuring the sustainability of service provision arrangements across the Central Region and the centralAlliance sub-region through collaboration

The following tables set out our actions over the next three years to advance these strategies, the national health targets and the Government's priority areas. In summary:

- MidCentral DHB will work with other DHBs within the Central Region to implement the Regional Services Plan, including increasing the capacity of its cancer and cardiology services. The Central Region's Information Systems Plan will also be implemented, and local initiatives include the replacement of the patient information management system and a new pharmacy information system.
- Local health and disability services will continue to be developed. MidCentral DHB will continue its investment in primary care capacity and infrastructure. Investing in this area not only reduces demand for hospital services, it enables people to receive care as close to home as possible. A new governance model will be implemented, alongside an accountabilities and incentives framework for general practice. The "productive general practice" model will be rolled out and integrated family health centre development supported. The new Community Pharmacy Services Agreement will be implemented locally in line with national timelines.
- Enhanced services for the district's youth will be put in place. Horowhenua is a target area, followed by Tararua.
- The "health home" and other programmes will be implemented to ensure all children in the district receive the care they require.
- The level of elective work undertaken will increase, particularly endoscopy and cardiac services. Ongoing improvements to supporting systems will be made, such as patient-focused booking, and the development of progressive care units. Cancer services will also be advanced.
- Managing acute/unplanned care will be further improved, both within the hospital and the community. MidCentral Health will implement its "winter plan" to enable it to better cope with the annual influx of patients with minimal disruption to elective and other services. In the community, clinical networks and pathways will be developed.
- District-wide clinical network groups and the collaborative clinical pathway programme (through Map



of Medicine) will provide a structured approach to the ongoing development of health services in the district. These structures are clinician-led and feature a strong focus on integration and system-wide initiatives.

- Increased support for older people will be put in place, including a dementia pathway.
- The centralAlliance with Whanganui DHB will continue, with more clinical services aligning after-hours arrangements and support systems. The regional women's health service will be implemented.
- Concurrently there will be an ongoing focus on financial sustainability, particularly the need to continue to build up cash reserves to fund our investment plan for service development (and associated capital works such as the redevelopment of the base hospital). Productivity gains will continue to be sought.

## Terms of Reference for MidCentral DHB's Governance Committees

The terms of reference for the following DHB governance committees are attached.

- Community and Public Health Advisory Committee
- Disability Support Advisory Committee
- Hospital Advisory Committee
- Enable New Zealand Governance Group
- Group Audit Committee
- Funding Audit Sub-Committee
- Hospital Audit Sub-Committee
- Remuneration Committee

The Terms of Reference for the three statutory committees, Community and Public Health Advisory Committee, Disability Support Advisory Committee and Hospital Advisory Committee have been jointly developed with MidCentral District Health Board's alliance partner, Whanganui District Health Board.

## Community & Public Health Advisory Committee: terms of reference

### 1. Committee of the Board

The Community and Public Health Advisory Committee is a committee of the Board, established in accordance with Section 34 of the New Zealand Public Health and Disability Act 2000 (the Act). These Terms of Reference are supplementary to the provisions of the Act and Schedule 4 of the Act.

### 2. Functions of the Community and Public Health Advisory Committee

- a. To provide advice to the Board on the needs, and any factors that the committee believes may adversely affect the health status of the resident population of the district health board.
- b. To provide advice to the Board on priorities for use of the health funding provided.
- c. To ensure that the following maximise the overall health gain for the population the committee serves:
  - i. All service interventions the district health board has provided or funded or could provide or fund for the care of that population.
  - ii. All policies the district health board has adopted or could adopt for the care of that population.
- d. Such advice must not be inconsistent with the New Zealand Health Strategy.
- e. To consider annual purchasing plans and recommend same to the Board for approval.
- f. To recommend policies relating to the planning and purchasing of health services for the district.
- g. To develop an annual workplan for the Board's consideration and approval.
- h. To report regularly to the Board on the committee's findings (generally the minutes of each meeting will be placed on the agenda of the next Board meeting).

### 3. Delegated Authority

The Community and Public Health Advisory Committee shall not have any powers except as specifically delegated by the Board from time to time. The following authorities are delegated to the Community and Public Health Advisory Committee:

- a. To require the Chief Executive Officer and/or delegated staff to attend its meetings, provide advice, provide information and prepare reports upon request.
- b. To interface with any other committee(s) that may be formed from time to time.

### 4. Membership and Procedure

Membership of the Community and Public Health Advisory Committee shall be as directed by the Board from time to time. All matters of procedure are provided in Schedule 4 of the Act, together with Board and Committee Standing Orders.

### 5. Meetings

The Community and Public Health Advisory Committee shall hold meetings as frequently as it considers necessary or upon the instruction of the Board. It is anticipated that eight meetings will be held annually.

*(Note: For the purposes of this document, the definition of 'public health' is incorporated in the Act, which means the health of all of the community in the district health board's region).*

## Disability Support Advisory Committee: terms of reference

### 1. Committee of the Board

The Disability Support Advisory Committee is a committee of the Board, established in accordance with Section 35 of the New Zealand Public Health and Disability Act 2000 (the Act). These Terms of Reference are supplementary to the provisions of the Act and Schedule 4 of the Act.

### 2. Functions of the Disability Support Advisory Committee

- a. To provide advice to the Board on the disability support needs of the resident population of the district health board.
- b. To provide advice to the Board on priorities for use of the disability support funding provided.
- c. To ensure that the following promote the inclusion and participation in society, and maximise the independence of people with disabilities within the district health board's resident population:
  - i. The kinds of disability support services the district health board has provided or funded or could provide or fund for those people.
  - ii All policies the district health board has adopted or could adopt for those people.
- d. Such advice must not be inconsistent with the New Zealand Disability Strategy.
- e. To advocate to external parties and organisations on the means by which their practices may be modified so as to assist, on a population basis, those experiencing disability.
- f. To consider and recommend the disability support component of the annual purchasing plan and the annual provider business plan.
- g. To recommend policies relating to the planning and purchasing of disability support services for the district.
- h. To develop an annual workplan for the Board's consideration and approval.
- i. To report regularly to the Board on the committee's findings (generally the minutes of each meeting will be placed on the agenda of the next Board meeting).

### 3. Delegated Authority

The DSAC shall not have any powers except as specifically delegated by the Board from time to time. The following authorities are delegated to the DSAC:

- a. To require the Chief Executive Officer and/or delegated staff to attend its meetings, provide advice, provide information and prepare reports upon request.
- b. To interface with any other committee(s) that may be formed from time to time.

### 4. Membership and Procedure

Membership of the DSAC shall be as directed by the Board from time to time. All matters of procedure are provided in Schedule 4 of the Act, together with Board and Committee Standing Orders.

### 5. Meetings

The DSAC shall hold meetings as frequently as it considers necessary or upon the instruction of the Board. It is anticipated that at least three to four meetings will be held annually.

(Note: For the purposes of this document, the definition of 'disability support services' is as incorporated in the Act, which means disability support for all of the community in the district health board's region).

## Hospital Advisory Committee: terms of reference

### 1. Committee of the Board

The Hospital Advisory Committee is a committee of the Board, established in accordance with Section 36 of the New Zealand Public Health and Disability Act 2000 (the Act). These Terms of Reference are supplementary to the provisions of the Act and Schedule 4 of the Act.

### 2. Functions of the Hospital Advisory Committee

- a. To monitor the financial and operational performance of the hospitals (and related services) of the district health board.
- b. To assess strategic issues relating to the provision of hospital services by or through the district health board.
- c. To give the Board advice and recommendations on that monitoring and that assessment as noted in 2(a) and (b) above.
- d. To consider annual business plans and recommend same to the Board for approval.
- e. To recommend policies relative to the good governance of hospital services.
- f. To develop an annual workplan for the Board's consideration and approval.
- g. To report regularly to the Board on the committee's findings (generally the minutes of each meeting will be placed on the agenda of the next Board meeting).

### 3. Delegated Authority

The Hospital Advisory Committee shall not have any powers except as specifically delegated by the Board from time to time.

The following authorities are delegated to the Hospital Advisory Committee:

- a. To require the Chief Executive Officer and/or delegated staff to attend its meetings, provide advice, provide information and prepare reports upon request.
- b. To interface with any other committee(s) that may be formed from time to time.

### 4. Membership and Procedure

Membership of the Hospital Advisory Committee shall be as directed by the Board from time to time. All matters of procedure are provided in Schedule 4 of the Act, together with Board and Committee Standing Orders.

### 5. Meetings

The Hospital Advisory Committee shall hold meetings as frequently as it considers necessary or upon the instruction of the Board. It is anticipated that eight meetings will be held annually.

*(Note: For the purposes of this document, 'Hospital' means all public health services owned by the Crown and previously known as 'Hospital and Health Services').*

## Enable New Zealand Governance Group: terms of reference

1. In accordance with good business practice, MidCentral District Health Board shall create an Enable New Zealand Governance Group whose members and chairperson shall be as determined by the Board from time to time.
2. The terms of reference for the Enable New Zealand Governance Group shall be:
  - a. To monitor the financial and operational performance of Enable New Zealand, and associated services.
  - b. To assess strategic issues relating to the provision of Enable New Zealand's service by or through the District Health Board.
  - c. To give the Board advice and recommendations on that monitoring and that assessment and noted in 2(a) and (b) above.
  - d. To consider the Division's annual plans and recommend same to the Board for approval
  - e. To recommend policies relative to the good governance of Enable New Zealand.
  - f. To develop an annual workplan for the Board's consideration and approval.
  - g. To recommend what "expert" assistance will be required in order for the Group to fulfil its obligations, and achieve its annual workplan.
  - h. To report regularly to the Board on their findings (generally the minutes of each meeting will be placed on the agenda of the next Board Meeting).
3. The following authorities are delegated to the Enable New Zealand Governance Group:
  - a. To require the Chief Executive Officer (or delegate) to attend its meetings, provide advice and prepare reports as requested.
  - b. To interface with any other committee(s) that may be formed from time to time.
4. The Enable New Zealand Governance Group shall hold meetings as frequently as it considers necessary. It is anticipated that at least four meetings will be held annually.

## Group Audit Committee: terms of reference

1. In accordance with sound business practice, the Board shall create a Group Audit Committee whose members and chairperson shall be as determined by the Board from time to time.
2. The terms of reference for the Group Audit Committee shall be:
  - a. To consider the adequacy of the form and content of internal and external financial statements relative to the DHB
  - b. To recommend accounting policies for the DHB are appropriate.
  - c. To ensure the quality of the internal financial control system and ensure procedures are being properly applied.
  - d. To ensure appropriate systems and processes are in place to protect assets and asset values.
  - e. To undertake a risk assessment of the corporate/governance division, and develop an appropriate internal audit programme based on same.
  - f. To endorse the risk assessments and internal audit programmes developed by the sub-committees for the Funding and Hospital Divisions.
  - g. To consolidate the risk profile and internal audit programme for the District Health Board, and recommend these to the Board.
  - h. To recommend the appointment of external and internal auditors, and to liaise with same.
  - i. To require of the Internal and External Auditors, budgets for costs, fees and disbursements; to consider same and negotiate and recommend as appropriate, and, to manage the overall audit programme including contingency days.
  - j. To monitor the implementation of the internal audit programme for the Corporate/governance Division.
  - k. To monitor the processes and systems for measuring health outcomes and key performance indicators as identified in Strategic and Annual Plans, so that the minimum requirements of the Minister of Health are met in the short term, and exceeded in the long term, where appropriate.
  - l. To monitor the management reporting and decision making processes of the Corporate/governance division to ensure these are in line with organisational policy, and the DHB's strategic and annual plans.
  - m. To make sure appropriate systems and processes are in place to ensure compliance with the NZ Public Health & Disability Act 2000, and other legislation as appropriate.
  - n. To monitor the organisation's decision making processes to ensure that legislative requirements regarding conflicts of interest are upheld, and that a transparent, clear distinction between funder and provider activities.
  - o. To report regularly to the Board on their findings (generally the minutes of each meeting will be placed on the agenda of the next Board meeting).
  - p. To receive reports from the Sub Audit Committees, and provide advice/direction as appropriate.
  - q. To receive requests from the Board and its statutory committees regarding audit matters, and arrange for these to be actioned as appropriate.

- r. To develop an annual workplan for the Committee, and to receive and support the workplans of the Audit Sub-Committees; recommending to the Board the plans for the DHB's three divisions.

**General**

- s. To report regularly to the Board on their findings (generally the minutes of each meeting will be placed on the agenda of the next Board Meeting).
- t. To develop an annual workplan for the Board's consideration and approval.
- u. To recommend what "expert" assistance will be required in order for the Committee to fulfil its obligations, and achieve its annual workplan.

**Delegations**

- v. To require the Chief Executive Officer (or delegate) to attend their meetings, provide advice and prepare reports as requested.
  - w. To interface with any other committee(s) that may be formed from time to time.
  - x. To sub-delegate the "purchasing/planning" and "provision" functions to sub-committees within terms of reference as agreed by the Board.
3. The Audit Committee shall hold meetings as frequently as it considers necessary. It is anticipated that at least three meetings will be held annually.



## Funding Audit Sub-Committee: terms of reference

1. In accordance with sound business practice, the Board shall create a Funding Audit Sub-Committee whose members and chairperson shall be as determined by the Board from time to time.
2. The terms of reference for the Funding Audit Sub-Committee shall be:
  - a. To receive requests from the Group Audit Committee and action these as appropriate.
  - b. To develop an annual work plan for the Sub-Committee, and recommend to Group Audit Committee.
  - c. To undertake a risk assessment of the Funding division, and develop an appropriate internal audit programme based on same for the Group Audit Committee's approval
  - d. To monitor the internal audit programme for the Funding Division.
  - e. To monitor the management reporting and decision making processes of the Funding division to ensure these are in line with organisational policy, and the DHB's strategic and annual plans.
  - f. To monitor the process for managing funds allocated to the Division from Vote Health, and ensure that these are accounted for and controlled in an appropriate manner.
  - g. To monitor the quality and level of services provided by contracted providers, ensuring appropriate strategies are in place and operating effectively.
  - h. To monitor the payment system to contracted providers, ensuring transactions are proper and in accordance with contractual arrangements.
  - i. To make sure appropriate systems and processes are in place to ensure compliance with relevant legislation.
  - j. To report regularly to the Group Audit Committee on their findings (generally the minutes of each meeting will be placed on the agenda of the next Board meeting).

### **Delegations**

- k. To require the Chief Executive Officer (or delegate) to attend their meetings, provide advice and prepare reports as requested.
3. The Funding Audit Sub-Committee shall hold meetings as frequently as it considers necessary. It is anticipated that at least two meetings will be held annually.

## Hospital Audit Sub-Committee: terms of reference

1. In accordance with sound business practice, the Board shall create a Hospital Audit Sub-Committee whose members and chairperson shall be as determined by the Board from time to time.
2. The terms of reference for the Hospital Audit Sub-Committee shall be:
  - a. To receive requests from the Group Audit Committee and action these as appropriate.
  - b. To develop an annual workplan for the Sub-Committee, and recommend to Group Audit Committee.
  - c. To undertake a risk assessment of the hospital division, and develop an appropriate internal audit programme based on same for the Group Audit Committee's approval.
  - d. To monitor the implementation of the internal audit programme for the Hospital Division.
  - e. To monitor the processes for management reporting and decision making to ensure these are in line with organisational policy, and the DHB's strategic and annual plans.
  - f. Ensuring appropriate strategies are in place for the delivery of quality health services and that the systems are operating effectively.
  - g. To monitor the systems for allocating resources by the Hospital Division to ensure that these are being used efficiently and effectively.
  - h. To make sure appropriate systems and processes are in place to comply with relevant legislation.
  - i. To report regularly to the Group Audit Committee on their findings (generally the minutes of each meeting will be placed on the agenda of the next Board meeting).

### **Delegations**

- j. To require the Chief Executive Officer (or delegate) to attend their meetings, provide advice and prepare reports as requested.
3. The Hospital Audit Sub-Committee shall hold meetings as frequently as it considers necessary. It is anticipated that at least three meetings will be held annually.

## REMUNERATION COMMITTEE: terms of reference

1. In accordance with good business practice, the Board shall create a Remuneration Committee whose members and chairperson shall be as determined by the Board from time to time.
2. The terms of reference for the Remuneration Committee shall be:
  - a. To provide advice to the Board on employment issues relative to the organisation's CEO, including recruitment, conditions of employment, annual salary review, etc.
  - b. To undertake the CEO performance review process on behalf of the Board, and make recommendations regarding any resultant issues.
  - c. To develop an annual work plan and timeline for the Board's consideration and approval.
  - d. To report regularly to the Board on their findings (generally the minutes of each meeting will be placed on the agenda of the next Board Meeting).
3. The following authorities are delegated in the Remuneration Committee:
  - a. To appoint consultants as necessary to enable the Committee to carry out its functions and to set the consultants fees.
  - b. To require the Chief Executive Officer (or delegate) to attend its meetings, provide advice and prepare reports as requested.
  - c. To interface with any other committee(s) that may be formed from time to time.
4. The Remuneration Committee shall hold meetings as frequently as it considers necessary. It is anticipated that at least four meetings will be held annually.