

## MIDCENTRAL DISTRICT HEALTH BOARD

Minutes of the MidCentral District Health Board meeting held on 15 December 2009 at 10.05am  
at MidCentral District Health Board Offices, Board Room, Gate 2B, Heretaunga Street,  
Palmerston North

### PRESENT

Ian Wilson (Chair)  
Diane Anderson  
Lindsay Burnell  
Graeme Campbell  
Ann Chapman

Dennis Emery  
Jim Jefferies  
Stephen Paewai  
Barbara Robson  
Phil Sunderland

### IN ATTENDANCE

Murray Georgel, Chief Executive Officer  
Mike Grant, General Manager, Funding Division  
Heather Browning, General Manager, Enable New Zealand  
Jill Matthews, Principal Administration Officer  
Susan Moore, Communications Officer  
Staff: 2

Public (1)  
Media (1)

#### 1. APOLOGIES

An apology was received from Jack Drummond, Board Member.

#### 2. LATE ITEMS

There were no late items.

#### 3. CONFLICT AND/OR REGISTER OF INTERESTS UPDATE

##### 3.1 Amendments to the Register of Interests

Barbara Robson advised she was a consumer representative on the Ministry of Health's Health Information Standards Governance Group.

Ian Wilson advised that the National Capital Committee had been dis-established as this function was now part of the National Health Board.

##### 3.2 Declaration of Conflicts in Relation to Today's Business

Ann Chapman:

- Agenda item 6.2, 2009/10 District Annual Plan – Infrastructure & Regionalisation:  
Reference was included in the report to Geni. Her son-in-law was an employee.

Barbara Robson:

- Agenda item: 7.1, CEO's Operating Report – Regional Clinical Services Plan: She was a consumer representative on the RCSP Steering Committee.

#### **4. MINUTES OF PREVIOUS MEETING**

##### **4.1 Minutes**

It was resolved:

*that the minutes of the previous meeting held on 17 November 2009 be confirmed as a true and correct record.*

##### **4.2 Matters Arising from the Minutes**

###### *4.2.1 Linear Accelerator*

A member drew the Board's attention to a recent media article regarding problems being experienced by Siemens (Germany).

#### **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 17 November 2009 be received and the recommendations contained therein approved.*

##### **5.2 Matters Arising**

There were no matters arising from the minutes.

##### **5.3 Community & Public Health Advisory Committee**

It was resolved:

*that the unconfirmed minutes of the meeting of the Community and Public Health Advisory Committee held on 1 December 2009 be received and the recommendations contained therein approved.*

##### **5.4 Matters Arising**

###### *5.4.1 Expressions of Interest*

Stephen Paewai declared his interest as Chairman, Tararua PHO. He remained but made no comment.

The General Manager, Funding Division provided an update on the Expressions of Interest initiative. This was a national project, funded by the Ministry of Health, aimed at providing primary care with the opportunity to lead work to address acute demand and chronic conditions. It also aimed at achieving integrated family health centre, clinical integration, and the primary care component of the Government's health strategy (Better, Sooner, More Convenient).

Seventy-four applications had been made throughout New Zealand and nine had been selected. This included one from MidCentral DHB's region, submitted on behalf of all four PHOs. The successful proposals had received funding to develop their ideas into a business case(s).

The local initiative focused on:

- integrated child health
- integrated family health centres – establishment of five centres (Otaki, Horowhenua Health Centre, Feilding, Tararua and Palmerston North).
- common clinical pathways between primary and secondary care and referral systems
- single point of access
- devolution initiatives, eg radiology and district nursing services

Mr Grant noted that integrated family health centres in Otaki and Horowhenua Health Centre were largely established, and Tararua operated as a virtual integrated family health centre.

The local initiative had received up to \$500,000. DHB resources were being used to develop the business case and these costs would be met by the project funding. The DHB was represented on both the steering group and project team.

The business case(s) were to be submitted to the Ministry of Health by 1 March 2010. It was intended that the local business case would be presented to the Community & Public Health Advisory Committee in the new year, possibly for endorsement.

The EOI team had been told that all proposals must be fiscally neutral to the DHB.

It was agreed that management would arrange for a presentation on the EOI to be made to CPHAC in February 2010.

#### 5.4.2 Health of Older Persons

ACC's decision to cease funding the Otaki exercise programme was raised. The General Manager, Funding Division advised that a comprehensive approach to falls prevention was being investigated locally, including the feasibility of clinical decision-making software, working with ACC and rest homes, and a clinical look at anaemia and blackouts.

### 5.5 Hospital Advisory Committee

The Chairman advised an error in the minutes. The recommendation for item 6, Operations Report had not been recorded correctly. The Committee had recommended that "the Committee's feedback on the operating report layout and content be incorporated into future reports; and, that this paper be received. Inadvertently, only the second half of the recommended had been recorded. Members of the Committee concurred.

It was resolved:

*that the unconfirmed minutes of the meeting of the Hospital Advisory Committee held on 1 December 2009 be received subject to the recommendation relating to item 6 being amended to read, "the Committee's feedback on the operating report layout and content be incorporated into future reports; and, that this paper be received"; and,*

*the recommendations contained therein approved.*

## 5.6 Matters Arising

### 5.6.1 Financial Position

A member noted that the Committee had discussed the conflicting requirements faced by MidCentral Health, being achieving financial outcomes, and, treating everyone who presented/increasing throughput. This was not reflected in the minutes.

### 5.6.2 Surgical Planning

Members questioned whether the maximum use of surgical resources was being achieved for elective work and that all options were being explored, including incentives for surgeons. Issues such as theatre utilisation, scheduling, and use of specialists were raised. The use of public and private facilities was also raised, together with ways of maximising surgical revenue. Management undertook to provide a report on this matter for the Hospital Advisory Committee.

It was noted that MidCentral DHB's District Annual Plan 2009/10 was based on surgical work being achieved in-house. This was required in terms of financial sustainability.

MidCentral Health's non-achievement of surgical targets in 2008/09 was raised. While performance had improved in the current financial year, every step must be taken to ensure there was no repeat of the 2008/09 results.

## 6. STRATEGIC ISSUES

### 6.1 2010/11 District Annual Plan & Statement of Intent

The delays in receiving the funding envelope and letter of expectations was noted. The tight turnaround times for DHBs were also noted.

The 2010/11 budgeting process was discussed. It was agreed that significant changes between the 2009/10 and 2010/11 Price: Volume Schedule be advised to the Board, together with details of any "knock on" effects.

It was resolved:

*that the report be received; and,*

*that an annual planning workshop be held on Tuesday, 16 February 2010.*

### 6.2 2009/10 District Annual Plan: Update re Implementation of Infrastructure & Regional Collaboration Components

In presenting his report, the General Manager, Corporate Services drew attention to the high level of regional activity that was being undertaken in addition to local work.

The increased cost of the new clinical records building was discussed. Management confirmed that in light of the size of the cost increase, a paper was being prepared for the Board's consideration, via the Hospital Advisory Committee, in February. This would include further details around the cost, the most appropriate solution for housing clinical records, and the long term appropriateness/use of the new building.

It was resolved:

*that the report be received.*

### **6.3 Manawhenua Hauora**

It was resolved:

*that the minutes be received.*

### **6.4 Treasury Management**

This matter was discussed fully and members believed the most prudent option was to retain the cash balances. The Board's projected cash position and capex requirements were noted.

Members supported management's regular review of this matter.

It was resolved:

*that the report be received.*

## **7. OPERATIONS REPORTS**

### **7.1 CEO's Report**

#### *7.1.1 Sectorial Changes*

The CEO noted the high level of activity occurring at national, regional and local levels. He advised that at this stage the national activity largely related to the establishment of new entities and processes. The opportunities that the National Health Board and other changes presented for DHBs were noted.

It was agreed that leaders of the new entities be invited to meet with MidCentral DHB's Board at an appropriate time, and a letter of congratulations be sent to Jeff Brown, Clinical Director, MidCentral Health on his appointment to the National Health Board.

#### *7.1.2 Transfer of Responsibility & Funding to DHBs for Long Term Supports for People with Chronic Conditions*

Management advised that this process was in the preliminary stages and DHBs' General Managers, Funding & Planning would be working together to ensure this occurred appropriately. It was noted that no decision had been reached on whether the services would be provided regionally or locally. It was also possible that some parts of the service may be managed nationally.

The importance of ensuring good due diligence occurred was discussed. The difficulties associated with previous devolutions were noted, including poor contract information, mismatch between costs associated with the contracts and revenue provided to DHBs. Management confirmed it would be working to ensure the risks to the DHB were minimised. The Board would be kept informed of the process, via the Community & Public Health Advisory Committee.

#### *7.1.3 National Services and Technology Review Committee Report, 2009*

The lessons learned and challenges faced by the National Services and Technology Review Committee were noted, and it was agreed that these remained and would be an issue for the revamped National Health Committee.

#### 7.1.4 *centralAlliance*

It was agreed that the centralAlliance stocktake report be provided to Committee members.

#### 7.1.5 *Corporate Convergence*

The CEO reported that Wairarapa DHB had confirmed it would be providing the draft outline.

#### 7.1.6 *Regional Clinical Services Plan*

The revised terms of reference and membership for the RCSP Regional Committee were noted.

Barbara Robson noted her conflict as a Consumer Representative on the RCSP Steering Group. She suggested inclusion of a footnote clarifying that “health service planning” included relevant disability services planning. Mrs Robson also questioned how the decision-making process would work in practice, particularly involvement of the proposed Leadership Group.

The CEO advised that a representative(s) of the Leadership Group may be asked to present papers to the RCSP Regional Committee. Reports for the RCSP Regional Committee would be developed out of the Leadership Group. The CEO noted the obligation for each DHB’s representative on the Regional Committee to take matters for discussion and debate to their Boards. In this regard, it may also be appropriate for representatives of the Leadership Group to present papers to DHB Boards.

The CEO noted that a review of the new arrangements may need to be undertaken in six months to ensure they were practical. A robust decision-making process was sought.

It was resolved:

*that the amended RCSP Regional Committee Terms of Reference, as contained in the agenda, be ratified subject to the Regional Leadership Committee’s membership being amended to include Consumer/Community representation, and,*

*that the establishment of the RCSP Regional Committee and the appointment of an Independent Chair be approved.*

#### 7.1.7 *Executive Team*

The Board expressed its appreciation to Murray Georgel and Mike Grant for taking on additional responsibilities due to management changes. It reiterated its offer of support.

#### 7.1.8 *Financial Position*

The CEO advised that the consolidated position was adverse to budget. This was largely due to the adverse variance within MidCentral Health. The Funding Division was positive to budget.

The CEO noted that MidCentral Health was running a budget deficit of around \$800,000 per month. Work continued to find ways to reducing the division’s cost structure. At the same time, one-off financial savings were being investigated.

The Board reiterated the need to get cost saving initiatives operational as soon as possible.

It was noted that the revaluation of assets would adversely impact the DHB’s financial position by around \$2.5m per annum. This was made up of additional capital charge and depreciation. It was agreed that MidCentral DHB should approach the Ministry of Health to:

- ascertain when/if the capital charge rate was likely to reduce;
- have the capital charge relative to the increased value of assets “forgiven” for 2009/10.

### 7.1.9 Cash Position

The CEO noted that MidCentral DHB's cash position was funded by debt. That is, the DHB's debt exceeded its cash reserves.

### 7.1.10 Sponsorship and Support

The issue of sponsorship was discussed and it was noted that the Board had agreed earlier in the year not to pursue the establishment of a Community Trust.

It was agreed that management actively pursue sponsorship and other means of financial support for specific capital items. It was further agreed that management develop draft guidelines to support such sponsorship requests so that inappropriate forms of support were avoided.

It was resolved:

*that the report be received.*

## 8. GOVERNANCE ISSUES

### 8.1 2009/10 Work Programme

It was resolved:

*that the updated work programme for 2009/10 be noted.*

### 8.2 Board and Committee Membership

It was resolved:

*that David Warburton, Board Member be appointed a member of the Hospital Advisory Committee and the Enable New Zealand Governance Group, and Deputy Chair of the Disability Support Advisory Committee effective from 1 January 2010;*

*that membership of the Community & Public Health Advisory Committee be reduced by one Board Member as from 1 January 2010 while long term membership arrangements are reviewed and that the Board's policy regarding the mix of board and external membership of CPHAC be relaxed for 2010; and,*

*that Phil Sunderland's ex officio membership of the Community & Public Health Advisory Committee, Hospital Advisory Committee, Disability Support Advisory Committee and Group Audit Committee, and, chairmanship of the Remuneration Committee as from 1 January 2010 be noted.*

## 9. LATE ITEMS

There were no late items.

## 10. DATE OF NEXT MEETING

Tuesday, 16 February 2010, MidCentral DHB Offices, Board Room, Gate 2B, Heretaunga Street, Palmerston North. (NB: the meeting includes a public forum.)

## 11. EXCLUSION OF PUBLIC

John Bent, member of the public thanked the Chair for his leadership of the Board and the manner in which business had been conducted.

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"> <li>• <i>Community &amp; Public Health Advisory Committee, 1 December 2009</i></li> <li>• <i>Hospital Advisory Committee, 1 December 2009</i></li> </ul>	<i>For the reasons set out in the Committee's order paper of 1.12.09 meeting held with the public present</i> <i>For the reasons set out in the Committee's order paper of 1.12.09 meeting held with the public present</i>	
<i>Strategic Issues</i> <ul style="list-style-type: none"> <li>• <i>2010/11 District Annual Plan &amp; Statement of Intent: funding envelope and assumptions</i></li> <li>• <i>Annual Accounts 2008/09: outstanding issues – revaluation of land &amp; buildings</i></li> </ul>	<i>Subject of negotiation</i>  <i>Subject of negotiation with Office of the Auditor-General and Auditors</i>	<i>9(2)(j)</i>  <i>9(2)(j)</i>

Confirmed this 16<sup>th</sup> day of February 2010.

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Chairman