

## MIDCENTRAL DISTRICT HEALTH BOARD

Minutes of the MidCentral District Health Board meeting held on 17 March 2009 at 10.10 am 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

Jack Drummond  
Jim Jefferies  
Stephen Paewai  
Barbara Robson  
Ormond Stock

### **IN ATTENDANCE**

Murray Georgel, Chief Executive Officer  
Stuart Wilson, General Manager, Corporate Services  
Lareen Cooper, General Manager, MidCentral Health  
Mike Grant, General Manager, Funding Division  
Heather Browning, General Manager, Enable New Zealand  
Jill Matthews, Principal Administration Officer  
Dennis Geddis, Communications Officer

Public (0)  
Media (1)

#### **1. APOLOGIES**

An apology was received from Dennis Emery, 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 her membership of the Ministry of Health's Recipient and Provider Identity Programme Sector Interest Group.

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

The following conflicts/interests were noted:

- Item 14, District Annual Plan: Stephen Paewai noted he was a member Tararua Primary Health Organisation, and was associated with Rangitane Tamaki nui a Rua.

- Items 5.1 & 13.1, Hospital Advisory Committee Minutes: Jim Jefferies and Ormond Stock noted they were Chair and Member respectively of Aorangi Hospital, a private provider of hospital services.
- Item 8.3, Conflict of Interest Guidelines: Ian Wilson noted he had chaired the Hawke's Bay DHB Review Panel referred to in the guidelines.

In respect of the first two items, it was agreed that if during discussion of these items any issue relating to the members' conflict was raised, the Board would make a determination as to the best means of managing the conflict.

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

##### **4.1 Minutes**

It was resolved:

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

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

###### *4.2.1 Radiation Therapy*

The General Manager, MidCentral Health advised that 25 patients per day were now being treated on the new machine. In addition, some people had been referred to Waikato Hospital for treatment. The supplier of the new machine had a person on site for two weeks assisting staff in "coming up to speed" with the new machine. A report on the analyst's findings and experience was to be provided to MidCentral Health. Ms Cooper noted that throughput on the new machine was expected to reach 30 per day. As per the business case, five patients per hour was the target capacity.

The CEO advised that a machine breakdown had occurred in the service last week. The General Manager, MidCentral Health advised that LA3 would be out of action for about two weeks while it was repaired.

The Chairman reiterated the Board's request that it be kept informed of the situation regarding Linac 4 and radiation therapy wait times.

#### **5. BOARD COMMITTEES**

##### **5.1 Hospital Advisory Committee**

It was resolved:

*that the unconfirmed minutes of the meeting of the Hospital Advisory Committee held on 3 March 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 noted that the minutes were incomplete and this error was to be rectified. The Committee had noted the date of its next meeting and passed a recommendation to exclude the

public. These two items of business had been inadvertently omitted from the unconfirmed minutes.

It was resolved:

*that the unconfirmed minutes of the meeting of the Community and Public Health Advisory Committee held on 3 March 2009 be received and the recommendations contained therein approved.*

## **5.4 Matters Arising**

### *5.4.1 Statin Utilisation*

A member noted new research was emerging regarding the negative impact of long term use of statins.

### *5.4.2 Mobile Surgical Bus*

Management was requested to provide an update on mobile surgical bus services within the district. The update to include details of scheduled visits, average annual throughput (total numbers, caseweights, and type of procedures), and how the bus was used by other DHBs.

The CEO advised that to date MDHB had been unable to get confirmed dates for the bus' visit to the district.

## **5.5 Disability Support Advisory Committee**

A correction to the minutes was noted: section 5.2.3, Ormond Stock's interest was his membership with the Airport Board.

It was resolved:

*that the unconfirmed minutes of the meeting of the Disability Support Advisory Committee held on 3 March 2009 be received and the recommendations contained therein approved.*

## **5.6 Matters Arising**

### *5.6.1 Car Parking & Public Transport*

The entrepreneurial offer made by St Mary's school regarding car parking facilities was noted. The CEO advised the offer had not been accepted for financial reasons.

The CEO further advised that MDHB had visited the airport to discuss its proposal regarding public bus services and they would be quite beneficial in terms of access to and from Palmerston North Hospital.

## **6. STRATEGIC ISSUES**

### **6.1 District Strategic Plan**

Management confirmed that no formal decision had been made by DHBs in the central region regarding a regional approach to the District Strategic Plan review. Discussions on this would be formally initiated through the forthcoming regional forum of DHB Board members.

The agenda for the regional forum, scheduled for 25 May 2009, was questioned. The CEO advised a draft agenda was being developed for consideration by the regional Chairs at their next meeting. This would include:

- update on collaborative activity undertaken during the past 12 months
- update on the Regional Clinical Services Plan
  - changes made as a result of the 2008 regional forum
  - what had happened since the last forum
  - what was planned for the year ahead
- link between the Regional Clinical Services Plan and District Strategic Plan

It was resolved:

*that the report be received.*

## **6.2 2009/10 Statement of Intent**

The General Manager, Corporate Services advised the national template for a Statement of Intent had been received, and a document drafted for MidCentral DHB. The new guidelines introduced four new output classes, being public health, primary & community services, hospital services, and support services. The replaced the legislative categories previously used of governance, planning & funding, and service provision.

The Board noted with the concern that national timelines and the late receipt of planning templates meant it was unable to review the draft Statement of Intent before it was submitted to the Ministry of Health. It was agreed that the SOI be submitted to the Ministry of Health in accordance with the national timeline, with a caveat that it was *very, very draft and subject to significant change*.

It was resolved:

*that the report be received.*

## **6.3 Asset Management Plan: Update**

The General Manager, Corporate Services advised the internal auditors, in a report submitted to the Group Audit Committee, had identified the significant improvement made regarding MDHB's asset management over the last three to four years.

The planned development of a Regional Asset Plan aligned to the Regional Clinical Services Plan was noted and supported.

It was resolved:

*that the report be received.*

## **7. OPERATIONS REPORTS**

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

#### *7.1.1 Financial Forecast*

The CEO advised that the DHB was still targeting a consolidated end of year position in line with budget. New internal targets had been established on a divisional basis accordingly. In line with the decision not to proceed with site redevelopment planning this financial year, funds held for this would be released in February and would improve the adverse financial variance.

The Chairman advised the need for strong financial controls had been raised at the DHB Chairs' conference held on 16 March. He had taken a personal decision to take a 10% reduction in fees for the remainder of his term, and would be reviewing his local expenses, as a demonstration of his commitment and leadership. The Chair emphasised that this was a personal decision and he did not expect other members to follow suite.

The Hospital Advisory Committee Chair stated his personal support for this approach.

#### *7.1.2 Sector Policy*

The Minister of Health's letter of expectations, and, requirements regarding elective services were noted.

#### *7.1.3 DHBNZ*

DHBNZ's review of projects and initiatives was discussed. The Chair and CEO clarified that this was not a means of reducing collaborative work, but reprioritising projects/initiatives in line with the Government's priorities and aligning resources. A significant programme of collaborative activity remained in place.

It was agreed that the Board should keep an eye on the level of national collective activity to ensure it remained high, while at the same time prioritising DHBNZ resources.

The importance of working collectively to remove barriers to increased regional activity was noted.

#### *7.1.4 Health Information Strategy for New Zealand*

The CEO advised the Ministry of Health's Health Information Strategy Advisory Committee (HISAC) had clarified its goals for appropriate use of personal health information within the sector following DHB feedback. The target date of June 2010 was for DHBs to have some structures and process in place to enable this to occur; not that the full system would be in place and operational.

The importance of ensuring the public were well informed regarding this project, and involved in determining what the "core set of personal health information" would entail was noted.

Clarification of the "legislative" changes required to enable e-prescribing was sought.

#### *7.1.5 Mental Health Ringfence*

The CEO advised that MidCentral DHB's use of mental health ring-fence funds was tracking close to budget this financial year.

Management advised that local mental health revenue had increased significantly over the last three to four years, rising from around \$27m to \$38m. Use of these funds was slow as it largely required additional specialist staffing for new services. Further use of ring-fence funds was proposed for 2009/10 and this would form part of the District Annual Plan discussions.

The General Manager, Funding Division confirmed that MidCentral DHB had received approval for its mental health ring-fence funding initiatives.

It was noted that it was likely mental health ring-fenced funds would become part of the population based funding formula over time. The restrictions regarding the use of the mental health ring-fence funds was discussed. Discussions had taken place with the Mental Health Commission regarding broadening the ring-fence criteria.

The Government's approach to clawing back funds not being used by DHBs was noted.

#### *7.1.6 Central Region DHBs' Combined Forum for Board Members*

The proposed date of 25 May was noted, together with earlier discussions regarding the draft programme for the day. The CEO suggested that at this stage the forum was planned to take place in Palmerston North.

The Chair advised that the central regions' DHB Board Chair representative was questioning whether the date of the forum should be pushed back.

DHBs' commitment to the Regional Clinical Services Plan was discussed. Management advised that the Regional Clinical Services Plan involved a wide group of DHB staff, including clinicians. Across these levels of involvement, all DHBs were participating in the project. The CEO noted that Capital & Coast DHB had supported the project, and had indicated early on that their level of participation would be minimal until the completion of their new hospital project, ie mid 2009.

Members emphasised the need for all DHBs to be represented at the forum, particularly senior board members.

#### *7.1.7 Balance Sheet*

The background to the site redevelopment provision was outlined by management. During the 2008/10 District Annual Plan developed it was agreed that MDHB budget on receiving \$2m additional revenue during the year and that this be used for site redevelopment planning. To date \$1.6m additional revenue had been received. It had been determined in light of the DHB's financial position that site redevelopment planning would not occur this financial year, and the \$1.6m would be released.

#### *7.1.8 Debt*

The difference between the expected interest rate for \$2.4m loan of 4.97% and the actual rate of 5.05% was questioned. Management undertook to provide this information to the Board.

#### *7.1.9 Cash Position*

The tight cash position was noted, particularly MidCentral Health's negative position.

It was resolved:

*that the report be received.*

## **8. GOVERNANCE ISSUES**

### **8.1 2008/09 Work Programme**

It was resolved:

*that the updated work programme for 2008/09 be noted.*

## **8.2 Consultation Regarding Women's & Child Health Services: Review of Process**

The consultation policy differences between Whanganui and MidCentral DHBs were noted. The importance of aligning policies and/or identifying differences at the beginning of collaborative projects was discussed.

It was suggested that MidCentral DHB review each post-consultation review with an open mind to determine the best means of seeking input, ie surveys or focus groups.

It was further suggested that MidCentral DHB involve stakeholder representatives in the consultation pre-planning as this would assist in achieving a high level of stakeholder engagement.

It was resolved:

*that the report be received.*

## **7. OPERATIONS REPORTS CONTINUED**

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

#### *7.1.4 Health Information Strategy for New Zealand Continued*

The General Manager, Funding Division advised the situation regarding e-prescribing was untidy. Legislation provided for some electronic prescribing, such as controlled drugs. Regulations did not provide for electronic prescribing. The Director-General of Health could over-ride any prohibition re e-prescribing. A legislative change would make the situation much clearer, but meantime the Director-General of Health's authority could be used to enable e-prescribing as required.

## **8. GOVERNANCE ISSUE CONTINUED**

### **8.3 Conflict of Interest Guidelines**

Ian Wilson's interest as Chair, Hawke's Bay DHB Review Panel was noted. It was further noted that the Review Panel was referred to the Conflict of Interest guidelines. It was agreed that Ian Wilson could participate in the discussion.

The draft guidelines were considered, and the Board made the following points:

- Guidelines should be extended to include "management", such as conflict of interest management in terms of procurement, and, the type of processes necessary to support Board/Committee conflict of interest requirements.
- The guidelines could be simplified.
- Processes for conflict of interest management could be made more explicit. For example, as described in the HB DHB review.

The importance of describing the "nature" of the conflict at Board and Committee meetings was emphasised, as well as how this was to be managed. It was noted that the Boards' register of interest provided a description of the nature of conflict. The need for members' of the public attending meetings to understand the conflict was discussed. It was agreed that the public were

observers, and the key matter was for members to fully discuss the conflict, its nature, and the course of action to be taken. This provided public transparency.

The General Manager, Corporate Services advised the Contract Management System required all members of a contract decision and/or evaluation panel to make a signed conflict of interest statement.

It was noted that while MDHB Board/Committee Members may make full disclosure of conflicts, other organisations may not necessarily require the same level of disclosure in return. It was agreed that members should continue the practice of full disclosure regardless.

It was agreed that MDHB's practice of regularly circulating the Register of Interests to members continue, and that there was no need for this to be electronically circulated with each agenda. It was noted that the Register of Interests was publicly available.

It was resolved:

*that the report received, and members' feedback on the draft Conflict of Interest Guidelines be submitted to the Ministry of Health.*

#### **8.4 Delegations Schedule**

The Board discussed the proposed Delegations Schedule and made the following requirements, including those discussed by the Group Audit Committee:

- A number of associated policies were yet to be put in place. Until such time the current policies were in place, the delegations would remain in place, ie transfer from the delegations policy to another policy would take place once the Policy was established and approved.
- A “no surprises” approach be taken to reporting to the Board and its Committees regarding contract decisions, ie significant contracts, sensitive contracts, ie likely to attract media and/or stakeholder attention.
- Conditional requirements, such as remaining within District Annual Plan and Capital Expenditure Programme, parameters would be made clear throughout the Delegations Schedule, particularly for staff at lower levels of the organisation who would have delegated authority.
- Decisions made under delegated authority to be able to withstand scrutiny and judicial review.
- Contract terms could not be significantly varied without Board input.

The CEO's processes for maintaining an overview of his sub-delegations was discussed, and the CEO advised he relied on internal and external audit. He also expected open reporting from his direct reports regarding sub-delegations and any breach. It was noted that the contract management system would provide a schedule of new/renewed contracts for the CEO's review.

It was noted that the Group Audit Committee regularly reviewed MDHB's policies, specifically those due (or overdue) for review.

The Group Manager, Corporate Services advised the new Delegations Schedule would be progressively implemented.

It was agreed the Policy be reviewed in one year's time. It was further agreed that the policy would require review whenever a new CEO took office.

It was resolved:

*that the report be received and the Schedule of Delegations in Appendix I be approved, subject to all matters raised by the Board being addressed by management; and,*

*that the Schedule of Delegations be reviewed in one year's time or when a new CEO was appointed, whichever was the sooner.*

Ormond Stock advised he would discuss a matter of detail regarding building contracts with management outside the meeting.

## **9. LATE ITEMS**

There were no late items.

## **10. DATE OF NEXT MEETING**

Tuesday, 21 April 2009, MidCentral District Health Board Offices, Board Room, Gate 2B, Heretaunga Street, Palmerston North.

## **11. EXCLUSION OF PUBLIC**

It was resolved:

*that the public be excluded from this meeting in accordance with the Official Information Act 1992, section 9 for the following items for the reasons stated:*

<i>Item</i>	<i>Reason</i>	<i>Ref</i>
<i>"In Committee" Minutes of the Previous Meeting</i>	<i>For reasons stated in the previous agenda</i>	
<i>"In Committee" Minutes of Committee Meetings</i> <ul style="list-style-type: none"><li>• <i>Hospital Advisory Committee, 3 March 2009</i></li><li>• <i>Community &amp; Public Health Advisory Committee, 3 March 2009</i></li><li>• <i>Disability Support Advisory Committee, 3 March 2009</i></li><li>• <i>Remuneration Committee, 9 March 2009: CEO's Performance Review</i></li></ul>	<i>For the reasons set out in the Committee's order paper of 3.3.09 meeting held with the public present</i> <i>For the reasons set out in the Committee's order paper of 3.3.09 meeting held with the public present</i> <i>For the reasons set out in the Committee's order paper of 3.3.09 meeting held with the public present</i> <i>To protect personal privacy</i>	<i>9(2)(a)</i>
<i>2009/10 District Annual Plan</i>	<i>Under negotiation with the Ministry of Health</i>	<i>9(2)(j)</i>

Confirmed this 21<sup>st</sup> day of April 2009.

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Chairman