

MidCentral District Health Board

Minutes of the Hospital Advisory Committee meeting held on 2 February 2010
commencing at 8.30 am in the Boardroom, MidCentral District Health Board

PRESENT

Jack Drummond (chair)
Ann Chapman
Lindsay Burnell
Jim Jefferies
Richard Orzecki
Stephen Paewai

Barbara Robson
Kerry Simpson
Phil Sunderland
Cynric Temple-Camp
David Warburton

In attendance

Murray Georgel, CEO
Mike Grant, Acting General Manager, Corporate Services
Carolyn Donaldson, Committee Secretary

Diane Anderson, Board Member (part meeting)
Graeme Campbell, Board Member (part meeting)
Muriel Hanratty, Director, Patient Safety & Clinical Effectiveness
Nicholas Glubb, Operations Director, Specialist Community & Regional Services
Lyn Horgan, Operations Director, Hospital Services
Sue Wood, Director of Nursing
Jeff Small, Group Manager, Commercial Services
Anne Amoore, Group Manager, Human Resources
Shirley-Anne Gardiner, Operations Manager
Chris Channing Manager, Planning & Performance Unit
Ian Ironside, Funding Division (part meeting)
Craig Johnston, Senior Portfolio Manager, Primary Health care
Nik Nedev and Cushla King, Regional Cancer Treatment Service
Communications (1)
Media (1)

1. APOLOGIES

There were no apologies.

2. LATE ITEMS

There were no late items.

3. CONFLICT AND/OR REGISTER OF INTERESTS

3.1. Amendments to the Register of Interests

Jack Drummond advised his daughter was now working in the respiratory unit at Palmerston North Hospital.

3.2. Declaration of conflicts in relation to today's business

Stephan Paewai - Item 7.4 due to his involvement with the Tararua PHO.

Barbara Robson – Item 7.3 - Regional Clinical Services Plan: She was a consumer representative on the RCSP Steering Committee

Cynric Temple-Camp – Part 2, item 9.2, due to MedLab's involvement with one of the patients.

Richard Orzecki – Part 2, item 9.2 – due to family involvement in one of the sentinel events.

4. MINUTES

4.1. Minutes

It was recommended

that the minutes of the meeting held on 1 December 2009 be confirmed as a true and correct record, subject to amending the last sentence in the first paragraph of section 7.9, to read "She said the intent of the strategic vision for oral health was that children should be able to attend the dental clinics in the same way they attended the doctor."

4.2. Recommendations to Board

The Committee noted that the Board approved all recommendations contained in the minutes.

5. MATTERS ARISING FROM THE MINUTES

Cynric Temple-Camp asked for another copy of the report presented in December to the Community & Primary Health Advisory Committee in relation to chronic care and ED.

6. OPERATIONS REPORT

The CEO spoke to this report, commenting that this report highlighted the operating performance and financial situation with strategies to address issues of concern. A workshop was scheduled following this meeting, where further discussions on improving the financial situation would be discussed.

It was noted that the new initiative set up to address the cost of air ambulance travel had not reduced this cost, and a formal review was now looking at the situation. The initiative had been a pilot.

The large increase in the personnel variance of \$1.5m for December was raised. The CEO explained there were two elements involved in this cost. The first was that some costs had been included in the December results that probably related to a longer period than just December. The year-to-date result was correct though. The other issue was a mixture between salaries and contracted personnel, ie locums, and there had been a change in this area as well.

Further concern was expressed at the personnel cost, with a member stating he did not think MidCentral Health (MCH) could recover the situation. The CEO explained that he believed

the situation was better than in previous years, and that whilst some improvement had been made, it had not been as fast as management would have liked.

The Chairman said he would be interested to know the comparison of the cost of locum RMOs/SMO calculated as an average FTE, against average FTE costs of employed RMOs/SMOs. This information was not available at the meeting, but the Group Manager, Human Resources, offered to provide it later.

The issue of unfunded production was raised, with a member asking if there was any way of obtaining more funding. The CEO responded advising we would get more funding if that was possible, however the overall situation had to be considered, in that the funding came to the district and was distributed in accordance with the various contracts, demands etc. He said the problem was that MidCentral Health had consistently delivered more services than it was paid for as it became more efficient.

A member asked if management had any thoughts on how MCH would end up financially at year-end, as he did not feel confident the costs could be contained. The CEO commented on the recent one-off revenue gains and allocation of some costs that had occurred in December, saying that the phasing of revenue and expenditure had not yet been finalised for next year. This would be done as part of the budget work, and included in the next month's report, and this would give more direction for the next six months.

The additional \$2.3m cost of revaluation of land and buildings was raised. The CEO advised no provision had been made for this cost in the budget, as management had not thought there would be any significant increase in the value of the land and buildings in the recent economic climate.

Diane Anderson joined the meeting.

The result for elective surgery discharges was raised. The Operations Director, Hospital Services advised the targets had been achieved in January and it was hoped to slightly over deliver to enable a catch up and achieve targets by year end.

The internal medicine line financial performance of \$2.7m variance to date was noted.

Graeme Campbell joined the meeting.

Management explained that the variance was mainly driven by re-charges for the high level of medical outliers and ICU bed usage. The re-charges were an attempt to show the real cost of the service. The high clinical supply costs were linked to an increased number of renal haemodialysis patients and pacemaker implants.

It was noted that the occurrence rate of selected incidents per thousand bed days was rising. Management agreed most of the increase was due to better reporting now that the NZ Incident Management System was implemented. Management offered to see if other DHBs were experiencing a similar increase in this indicator and would report this in the next risk report.

It was resolved

that this paper be received

7. STRATEGIC / SPECIAL ISSUES

7.1. Child & Adolescent Oral Health update

Barbara Robson made a number of comments including reference to the current workforce and the employment arrangements, the actual number of children travelling compared to those proposed in the business case, the Ministry's request for a delay in the purchase/delivery of two of the two-chair mobile clinics and possible additional costs, universal access, and private providers.

Management responded to the concerns regarding possible additional cost due to the delay, saying there probably was not a lot of funding for additional costs, and therefore MCH was looking to see if it could be managed within the existing budget without incurring additional costs. However, if there was a cost impact, then certainly MCH would be looking to recover that or review the phasing in discussions with the Ministry. MCH would not want to proceed and incur additional costs.

As far as the delay was concerned, the project steering group was meeting this week to consider the request. The delay would provide an opportunity in terms of engagement with the community and sector, and working with staff to implement the initiative.

In response to a query regarding the length of the delay, Management advised it could potentially be up to 12 months. The first mobile clinic arrived mid January. It was currently being checked and commissioned. It was planned to be in use by the last week in February.

Lindsay Burnell said he was still concerned about the universal access issue, and believed the Disability Support Advisory Committee should receive an updated report next month to consider the matter. Management agreed with this request.

The recommendation was amended as follows:

It was recommended that this report be received subject to any additional costs arising as a result of delaying the purchase/delivery of the two-chair mobile dental clinics being documented and met by the Ministry of Health.

The amended recommendation was agreed.

7.2. Radiology Oncology Development Plan

The challenges for radiation oncology of maintaining the existing six week wait time, and preparing for the change in target from six to four weeks scheduled for December 2010, were noted. The ability of the service to meet wait times relied on the capacity to accommodate the demand, and the efficient clinical processes along the patient journey. In order to meet the four week wait time target by the end of 2010, capacity would have to be increased by 0.4 linacs.

Graeme Campbell left the meeting.

The report identified the focus for achieving the wait time targets. The geographical nature of the service where a decision to treat might be made at another DHB but treatment would be in MCH, was one of the areas of focus for future work.

The various cost contributors were discussed, eg regionality and reducing the wait time to four weeks which would mean improving productivity but that could not be achieved without increasing staff/costs.

Graeme Campbell returned to the meeting.

Concern was expressed that the business case for the 4th permanent linac might not contain the correct costing. The CEO advised he was reasonably confident that it would. However, he

referred to the payment mechanism, saying that should be changed as payment was based on volumes two years behind, rather than current usage.

Reference was made to the budget being developed, with a member stating it should contain adequate provision for the Regional Cancer Treatment Service's costs. The member also referred to the inter-district flows, saying he was not comfortable that MCH was adequately remunerated for those services. He wanted reassurance that this issue was carefully considered during the budget debate, given the investment being undertaken.

The involvement of regional clinicians was raised. The CEO referred to the cancer networks saying discussions would be held with them in relation to the ongoing cancer work.

It was recommended

that this report be received

7.3. Regional Clinical Services Plan update

Cynric Temple-Camp left the meeting.

Barbara Robson declared her interest in this item, as she was a consumer representative on the RCSP Steering Committee.

The CEO explained that the Regional Clinical Service Plan had been developed in 2007, but was a living document and would therefore remain in draft form. It was a concept plan. It had been adopted by the six regional DHBs, and regular updates were received.

A member commented that there must be community involvement so that the community were aware of developments being planned.

It was recommended

that this report be received

7.4. Update on Better, Sooner, More convenient Primary Health Care

Cynric Temple-Camp returned to the meeting.

Stephan Paewai declared his conflict of interest with this item due to his involvement with the Tararua PHO.

It was noted that the business case for this initiative was being developed under the leadership of the Manawatu PHO, and that it was likely to result in some change in the PHO structure. It was also noted that the Ministry required the DHB's endorsement of the proposals before they proceeded to the next stage of development.

Concern at the process and involvement of the DHB was expressed particularly in relation to input and accountability. Other concerns expressed included the lack of clarity around the changing roles for people delivering health services, and the possible duplication of governance.

The CEO noted this was a Minister/Ministry initiative to capture any possible innovations. He said the proposal was consistent with issues the DHB had been discussing in our annual and strategic plans, except the proposal was not led by the DHB. However, the DHB had to approve it in principle and it was subject to every individual business case requiring DHB support. While it did lack some clarity now which raised concerns, it still had to have DHB approval and be fiscally neutral.

6.8

It was recommended

that this report be received

7.5. Funding envelop update – Information only item

It was recommended

that this report be received

7.6. District Annual Plan update

Ann Chapman left the meeting.

The draft plan set out some funding track changes. The focus for 2010 was on the Minister's priorities and targets. A workshop was planned for 16 February. The timing of the annual planning had been brought forward to enable the plan to be available for the next Hospital Advisory Committee meeting. The DAP guidelines were also attached to the plan.

Ann Chapman returned to the meeting.

It was recommended

that this report be received

8. GOVERNANCE ISSUES

8.1. 2009/10 Work Programme

It was recommended

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

9. LATE ITEMS

There were no late items.

10. DATE OF NEXT MEETING

2 March 2010

11. EXCLUSION OF PUBLIC

It was recommended

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>Reference</i>
"In Committee" minutes of the previous meeting	For reasons stated in the previous agenda	
Operations Report – : HDC Investigation findings : Potential Sentinel Event : Renal Dialysis Treatment : Employee Relations Negotiating update : Replacement Linear Accelerator – negotiated price]] To protect patient privacy] Industrial negotiations strategy Commercially sensitive information	9(2)(a) 9(2)(j) 9(2)(j)
Quarterly Contracts Update	Contains commercially sensitive information	9(2)(j)
Clinical Records Building update	Subject of competitive tender process	9(2)(j)
District Annual Plan	Subject to negotiation	9(2)(j)