

MIDCENTRAL DISTRICT HEALTH BOARD

Minutes of the MidCentral District Health Board meeting held on 20 July 2010 at 10.00am at MidCentral District Health Board Offices, Board Room, Gate 2B, Heretaunga Street, Palmerston North

PRESENT

Phil Sunderland (Chair)
Diane Anderson
Lindsay Burnell
Graeme Campbell

Ann Chapman
Dennis Emery
Jim Jefferies
Stephen Paewai

IN ATTENDANCE

Murray Georgel, Chief Executive Officer
Mike Grant, General Manager, Funding Division (and Acting General Manager, Corporate Services)
Heather Browning, General Manager, Enable New Zealand
Jill Matthews, Principal Administration Officer
Dennis Geddis, Communications Officer
Jeff Small, Group Manager, Commercial Support Services
Phil Marshall, Clinical Director, Dental Health (part meeting only)
Nicholas Glubb, Operations Director, Specialist Community & Regional Services
Muriel Hanratty, Director, Patient Safety & Clinical Effectiveness

Public (1)
Media (1)

1. APOLOGIES

Apologies were received from Board Members Jack Drummond, Barbara Robson and David Warburton.

2. LATE ITEMS

There were no late items.

3. CONFLICT AND/OR REGISTER OF INTERESTS UPDATE

3.1 Amendments to the Register of Interests

There were no amendments to the Register of Interest.

3.2 Declaration of Conflicts in Relation to Today's Business

Phil Sunderland advised a conflict with paid car parking (agenda items 5.5 and 14.1). Through his business, he was involved in the firm who had submitted a late proposal for paid car parking. Mr Sunderland advised he would not partake in discussion of these items and would hand over chairmanship of the meeting to the Deputy Chair. He further stated that for agenda item 14.1 he would leave the meeting.

4. MINUTES OF PREVIOUS MEETING

4.1 Minutes

It was resolved:

that the minutes of the previous meeting held on 15 June 2010 be confirmed as a true and correct record.

4.2 Matters Arising from the Minutes

There were no matters arising from the minutes.

5. BOARD COMMITTEES

5.1 Group Audit Committee

It was resolved:

that the unconfirmed minutes of the meeting of the Group Audit Committee held on 15 June 2010 be received and the recommendations contained therein approved.

5.2 Matters Arising

5.1.1 Internal Audit Programme

Management advised that the implementation of the internal audit programme did not map the financial year, running from October through to September. The internal audit programme for 2010/11 would be agreed by the Group Audit Committee in September. Implementation would then commence.

5.2.2 Contract Management System

A member raised issues regarding the post event audit review of this capital expenditure project. These related to ability of staff to raise concerns, sponsorship arrangements of the project, executive management team (EMT) involvement, and how the DHB could proactively work to avoid this situation.

Management advised that escalation processes existed for staff to raise concerns. The post event audit process was in place to ensure any learnings were identified and acted upon. The project was sponsored by the General Manager, Corporate Services who had provided several reports to EMT. A couple of critical decision points were made by lead staff unbeknown to the Sponsor. This was an unfortunate and rare occurrence. There was now more seamless management across all divisions of the organisation.

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 6 July 2010 be received and the recommendations contained therein approved.

5.4 Matters Arising

There were no matters arising from the minutes.

5.5 Hospital Advisory Committee

It was agreed that the three major recommendations contained in the minutes would be considered separately, followed by consideration of all other recommendations.

5.5.1 Paid Car Parking at Palmerston North Hospital

Phil Sunderland re-iterated his conflict and did not participate in the discussion. The Deputy Chair assumed the chair.

Management spoke to the proposed amendment to the Hospital Advisory Committee's recommendation as detailed in the agenda. The amendment was sought to bring more flexibility to the negotiating process only.

Dennis Emery stated his belief that the pay back period for the project should be extended and public parking fees halved. He considered the rate of \$8 per day was onerous and should be \$4.

It was resolved:

that approval be given to the introduction of paid car parking at Palmerston North Hospital effective from 1 February 2011 and that

a contract be awarded to manage a fully gated lease scheme for an initial five years in line with management's negotiating strategy, and further that

\$859,000 in capital funding be allocated for associated site works.

5.5.2 District Nursing Service – Proposed Service Reconfiguration

Phil Sunderland assumed the Chair.

It was noted that the Arohanui Hospice Board was to meet on 20 July to formally consider a financial contribution to the provision of the district nursing after-hour service.

Members of the Board expressed their appreciation of the proactive approach taken by the district nursing team to this service reconfiguration.

It was resolved:

- *that on the basis of the partnership arrangement with Arohanui Hospice (agreed in principle) the District Nursing night service continue;*
- *the District Nursing Service's hours of cover be formally amended to show that statutory holidays are as per weekend cover;*
- *as from 1 September 2010 the provision of wound care supplies be for District Nursing Service patients only, and that existing clients be supported in transitioning to new arrangements by the end of the financial year;*
- *it be noted the District Nursing Service will be discharging wound care patients once they are stable and independent with managing their chronic needs;*
- *District Nursing outpatient clinics be established in Palmerston North, Dannevirke, Pahiatua and Otaki by 1 October 2010, with a subsequent reduction in nursing staff levels of 1.50 FTE and amalgamation of District Nursing runs in Palmerston North;*

- *it be noted payment for attendance (optional) at staff meetings for off duty staff have ceased;*
- *it be noted that as part of the implementation of this service reconfiguration, District Nursing staff rosters and roles will be reconfigured and that this will be linked to the “productive community” pilot and be at least cost neutral;*
- *the reconfiguration of District Nursing services provide financial benefits of no less than \$400,000; and*
- *that a post event audit review of the District Nursing service reconfiguration be conducted in April 2011.*

5.5.3 Under 65 Rehabilitation Service Review – Proposed Service Reconfiguration

It was noted that a member had a number of operational questions relating to this project and these would be dealt with outside the meeting.

It was resolved:

- *that MidCentral DHB align its inpatient Rehabilitation Unit (STAR 3, Palmerston North Hospital) to contract level effective immediately, noting that current contract level is eight beds;*
- *medical and administration staffing levels be reduced by 0.45 and 0.56 FTE (\$78,000) respectively by 10 December 2010;*
- *the STAR 2 and STAR 3 shared nursing leadership and roster proposal be further progressed and the outcome reported to the Hospital Advisory Committee by October 2010; and*
- *that a post event audit review of the Rehabilitation Service reconfiguration be conducted in May 2011.*

5.5.4 Other Recommendations

It was resolved:

that the unconfirmed minutes of the meeting of the Hospital Advisory Committee held on 6 July 2010 be received and all other recommendations contained therein approved.

5.6 Matters Arising

5.6.1 Child & Adolescent Oral Health Service

Questions were raised regarding the impact, if any, of revised forecast number of children who would be accessing the service on the project’s financial position, and proposed reporting arrangements to the Hospital Advisory Committee including details of an updated project timeline.

The Operations Director, Specialist Community & Regional Services advised the project comprised two major changes, being the move from fixed to mobile facilities and new staffing arrangements. There was a high level of certainty around the facility component. However, the change to new staffing arrangements would take much longer than anticipated. Existing staff had been given a choice regarding the move to the new staffing arrangements. They had elected to continue with the current model and this had implications for the project timeline. He advised the risk was around the timeline not the fundamental success of the plan.

The Operations Director, Specialist Community & Regional Services advised that, as reported to HAC, a revised timeline was to be submitted in August. This would enable robust monitoring and ongoing reporting.

The Clinical Director, Dental Health noted that the average age of the services' workforce was 54 and they did not wish to change their conditions of work. He also stated that the final outcome was still achievable; however the pathway and the timing may be different from that originally determined.

The Clinical Director, Dental Health left the meeting.

5.7 Disability Support Advisory Committee

It was resolved:

that the unconfirmed minutes of the meeting of the Disability Support Advisory Committee held on 6 July 2010 be received and the recommendations contained therein approved.

5.8 Matters Arising

There were no matters arising from the minutes.

6. STRATEGIC ISSUES

6.1 District Strategic Plan – Update against Long Term Measures

It was resolved:

that the report be received.

6.2 centralAlliance

The CEO advised that implementation of the centralAlliance was progressing well, particularly in the clinical workstream. Key recent or planned initiatives were:

- At a future date a proposal would be submitted to the Board regarding a combined Disability Support Advisory Committee and Community & Public Health Advisory Committee, and, a six-weekly Board/committee meeting cycle as was in place at Whanganui DHB.
- The regional human resource function had been determined and the role of General Manager, Human Resources would be advertised internally in the near future.
- A joint midwifery advisory role was also underway. MidCentral DHB currently had a midwifery advisor role and this was to be extended to include Whanganui DHB.
- As part of the Government's elective service proposal, MidCentral and Whanganui DHBs had put in a proposal whereby Whanganui DHB would utilise surplus capacity to perform gynaecology procedures for MDHB residents.

It was noted that under the principles of the centralAlliance, each Board would retain responsibility for its own financial performance. It was further noted that any recommendations put forward from a joint statutory committee would be submitted to both Boards who would each make their own final determination.

It was agreed that the issue of consultation around the centralAlliance be reviewed at the centralAlliance sub-committee's next workshop given the delays in the district strategic planning review process.

It was resolved:

that the report be received.

6.3 Manawhenua Hauora

6.3.1 Minutes

It was resolved:

that the minutes be received.

6.3.2 2010/11 Work Programme, and, Annual Board-to-Board Hui

Jim Jefferies recorded his apologies for the board-to-board hui.

It was resolved:

that the 2010/11 work programme be approved, and, arrangements for the 2010 board-to-board hui between MidCentral DHB and Manawhenua Hauora be noted.

6.4 Concerto Business Case: Clarification re Benefits and Risk Management

The Board requested that management identify the risk to business continuity around the implementation of Concerto, together with the necessary mitigations to ensure a smooth transition. The major implications for health service delivery as a result of a software failure was raised and members sought an assurance that everything would be done to mitigate this eventuality.

The Acting General Manager, Corporate Services advised an audit of MDHB's business continuity systems (disaster recovery) was underway. The outcome would be reported to the Group Audit Committee. In addition, he would arrange for the impact to business continuity as a result of Concerto's implementation to be reported to the Board. He noted that MDHB's IT project management was robust and had successfully managed several projects over recent years, including RIS/PACS.

The clinical benefits of Concerto were noted.

It was resolved:

that the report be received.

6.5 Use of Board Land

It was resolved:

that the report be received; and,

that the status of the surplus Palmerston North Hospital land remain "on hold pending site redevelopment considerations", and that this be reviewed as part of the site redevelopment process.

7. OPERATIONS REPORTS

7.1 CEO's Report

7.1.1 DHBNZ

The impact of new central agencies on DHBNZ was noted. The impact on the annual levy for MDHB was questioned and the CEO advised that at the current time it was likely to reduce by around 50% to \$200k per annum.

7.1.2 Sector Changes

The potential impact of national procurement activities on Enable New Zealand was discussed and members noted that the entity's role in this area would likely increase.

The potential impact on sector changes on regional service planning was discussed. The CEO advised that regional planning was likely to benefit as the strengthened regional decision-making and planning was a key component of the changes.

The proposed national services were noted and supported.

Bariatric service specifications and arrangements were raised. Management advised that there were currently no national criteria for this service. Locally, bariatric surgery was not part of MDHB's prioritisation framework and was not included in MCH's price volume schedule. It was noted that very few DHBs offered bariatric surgery and Waikato Hospital received referrals from this area.

7.1.3 Kimberley Centre

The CEO advised that this property was still in the Government's land disposal process. A final outcome was yet to be determined. The CEO was confident, however, that more information would be available within the next month or two at the most.

Meantime, land holding costs had not been paid by the Ministry. It was possible this was being delayed so that once a final decision had been made about the land disposal the whole issue could be resolved. MDHB preferred to receive payment earlier and continued to take every opportunity to seek payment.

7.1.4 Financial Results

Graeme Campbell left the meeting.

The DHB's cash levels were discussed. It was noted that as \$8m became available it had been used to pay expenditure. This amount would largely be replaced by month end hence the need for working capital requirements. It was agreed that this situation vindicated the Board's decision not to repay cash.

Graeme Campbell re-entered the meeting.

It was resolved:

that the report be received.

7.2 Clinical Council: Annual Report

The CEO advised that the Clinical Council's work programme to date had been around establishment. It was now moving to more critical appraisal and advice. He noted that the Clinical Council was systems based in terms of its scope, rather than detailed projects or events.

It was resolved:

that the report be received.

7.3 Revaluation of Land & Assets

The board noted that the exercise undertaken by management had not been finalised but had given confidence that the valuations used in 2009 were not overstated. Furthermore, management did not need to complete the exercise.

Future budgets would need to take account of the three-yearly valuation process.

The impact of the 2009 revaluation on expenditure was discussed. Management was asked to look at ways of raising the valuation accounting practice with policy makers.

It was resolved:

that the valuation exercise confirms that the 2009 land and building valuation was materially correct, and,

that land and buildings be re-valued in 2012 in accordance with the three-yearly cycle.

8. GOVERNANCE ISSUES

8.1 2010 DHB Elections

It was resolved:

that the report be received.

Jim Jefferies left the meeting.

8.2 Standing Orders, Training Policy and Expense Policy

The CEO outlined the key changes proposed to governance policies as a result of aligning these with Whanganui DHB.

Jim Jefferies re-entered the meeting.

Concern was expressed by one member that alignment of policies may result in MDHB's governance experiencing some of the perceived difficulties being experienced at Whanganui DHB. It was noted that good policies and processes were essential to enable any difficulties that should arise to be addressed.

A member requested that when the Treaty of Waitangi policy was next reviewed, consideration be given to including the declaration on the rights of indigenous people.

It was resolved:

- a. *the following documents, as contained in the agenda, be approved as from 1 August 2010:*
 - *Code of Conduct*
 - *amended MidCentral DHB's Expense Policy*
 - *amended Standing Orders*

- b. *the DHB's Conflicts of Interest, Appointments & Representation concerning Outside Organisations & Committees Policy be expanded to include "Employees as Board Members", based on Whanganui DHB's policy in this regard, with the revised policy being submitted to the Board for approval.*

8.3 Insurance: Outcome of Negotiations 2010/11

It was resolved:

that the report be received.

8.4 2010/11 Work Programme

It was resolved:

that the updated work programme for 2010/11 be noted.

9. LATE ITEMS

There were no late items.

10. DATE OF NEXT MEETING

Tuesday, 17 August 2010, MidCentral DHB 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"> • <i>Community & Public Health Advisory Committee, 6 July 2010</i> • <i>Hospital Advisory Committee, 6 July 2010</i> • <i>Disability Support Advisory Committee, 6 July 2010</i> • <i>Remuneration Committee, 15 June 2010: CEO's performance review</i> 	<ul style="list-style-type: none"> <i>For the reasons set out in the Committee's order paper of 6.7.10 meeting held with the public present</i> <i>For the reasons set out in the Committee's order paper of 6.7.10 meeting held with the public present</i> <i>For the reasons set out in the Committee's order paper of 6.7.10 meeting held with the public present</i> <i>To protect personal privacy</i> 	9(2)(a)
<i>Strategic Issues</i>		
<ul style="list-style-type: none"> • <i>Paid Car Parking Negotiating Strategy</i> 	<i>Negotiating strategy</i>	9(2)(j)
<i>Operational Issues</i>		
<ul style="list-style-type: none"> • <i>Financial Recovery Programme</i> 	<i>Under negotiation</i>	9(2)(j)

4-10

Confirmed this 17th day of August 2010.

.....
Chairman