

MIDCENTRAL DISTRICT HEALTH BOARD

Minutes of the MidCentral District Health Board meeting held on 18 November 2008 at 10.05 am at MidCentral District Health Board Offices, Board Room, Gate2B, Heretaunga Street, Palmerston North

PRESENT

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

Dennis Emery
Jim Jefferies
Stephen Paewai
Barbara Robson
Ormond Stock

IN ATTENDANCE

Murray Georgel, Chief Executive Officer
Stuart Wilson, General Manager, Corporate Services
Brad Grimmer, Acting General Manager, Funding Division
Jill Matthews, Principal Administration Officer
Dennis Geddis, Communications Officer

Public (0)
Media (0)
Staff (3)

1. APOLOGIES

There were no apologies.

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 that her short term contract with the Health & Disability Commissioner had ended.

3.2 Declaration of Conflicts in Relation to Today's Business

No conflicts were identified in relation to the meeting's business.

4. MINUTES OF THE PREVIOUS MEETING

4.1 Minutes

It was resolved:

that the minutes of the previous meeting held on 21 October 2008 be confirmed as a true and correct record, subject to the statement regarding the Otaki shuttle service being amended to reflect the request was coming from the community.

4.2 Matters Arising from the Minutes

4.2.1 Surgical Bus

The CEO clarified the situation regarding the surgical bus. MidCentral DHB was in discussion with the Surgical Bus to agree the level of recovery nurse support required for the level of complexity of procedures to be undertaken. MDHB had experienced capacity issues when providing fully trained recovery nurses for the bus as it had meant Palmerston North Hospital's surgical service would be impacted. Private hospital nursing capacity had been explored. Occasionally there had been bus cancellations due to staffing issues.

5. BOARD COMMITTEES

5.1 Hospital Audit Sub-Committee

In presenting the minutes, the Committee Chairman noted the impact national projects were placing on local management, eg quality improvement programmes.

It was resolved:

that the unconfirmed minutes of the meeting of the Hospital Audit Sub-Committee held on 21 October 2008 be received and the recommendations contained therein approved.

5.2 Matters Arising

5.2.1 Management of Healthcare Incidents

The CEO undertook to check whether consumer participation in the upcoming training programme had been considered.

5.3 Hospital Advisory Committee

It was resolved:

that the unconfirmed minutes of the meeting of the Hospital Advisory Committee held on 4 November 2008 be received and the recommendations contained therein approved.

5.4 Matters Arising

5.4.1 Car Parking

Members of the Board supported further action regarding a car parking building as part of the hospital redevelopment project. The CEO confirmed that this matter would form part of the 2009/10 District Annual Plan which would be presented for the Board's consideration in early 2009.

5.4.2 *Child & Adolescent Oral Health Project*

The ongoing reporting arrangements associated with this project were discussed and it was suggested that perhaps this should be via the Community & Public Health Advisory Committee, rather than the Hospital Advisory Committee. Management was requested to give further consideration to this suggestion, and report back to the Board at its next meeting. It was noted that the Hospital Advisory Committee's work programme included regular updates against the project.

It was agreed that MidCentral Health look for further opportunities to expand the service, including adult dental health care.

Some concerns were expressed regarding the national procurement process for dental caravans.

5.4.3 *Coroner's Inquest into Death of Mrs Folole Muliaga*

A member considered there were risk associated with the option for people requiring home-based treatments to use pre-paid electricity meters.

5.5 **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 4 November 2008 be received and the recommendations contained therein approved.

5.6 **Matters Arising**

5.6.1 *Universal New-Born Hearing Programme*

The potential pressures and capacity issues this new screening programme could place on local child health services was noted.

5.7 **Enable New Zealand Governance Group**

It was resolved:

that the unconfirmed minutes of the meeting of the Enable New Zealand Governance Group meeting held on 4 November 2008 be received and the recommendations contained therein approved.

5.8 **Matters Arising**

5.8.1 *Integration with MidCentral DHB*

The CEO advised that Enable New Zealand had previously been a separate, autonomous company. Since becoming part of MDHB, it was progressively integrating with other services where this was beneficial. For example, corporate activities.

5.8.2 *Financial Reports*

The General Manager, Enable New Zealand advised that the large increase in "Discretionary Spend" was in response to growing demand. The additional funding increased Enable New Zealand's capacity to purchase services/support outside of existing contracts.

5.8.3 *Administration Numbers*

The impact Enable New Zealand had on MidCentral DHB's administrative staff numbers was discussed, and it was suggested that the incoming Government should be briefed on this matter.

6. STRATEGIC ISSUES

6.1 District Strategic Plan

The CEO advised that the "future projection" phase of MidCentral DHB's planning timeline would commence in the new year. This should enable any new national policies as a result of the change in Government to be incorporated.

It was resolved:

that the report be received.

6.2 District Annual Plan 2009/10

The CEO advised that a national approach was being taken to the development of the 2009/10 planning assumptions. This meant the assumptions would take a little longer than usual to be finalised.

It was resolved:

that the report be received.

6.3 Information Services Strategy & Planning Update

It was resolved:

that the report be received.

6.4 Manawhenua Hauora Minutes

6.4.1 Minutes

It was resolved:

that the minutes be received.

6.4.2 Six-monthly Update

The CEO advised that the recent six-monthly review meeting held with Manawhenua Hauora's Chair and Deputy Chair had been positive. There were no outstanding issues or issues of concern. Greater integration was occurring between the two organisations.

MidCentral DHB's and Manawhenua Hauora's participation in the recent Ministry of Health commissioned research study regarding DHB Iwi relationship models had been discussed. This had contained a number of factual errors. It was agreed that MDHB's feedback on the draft report be provided to Members Emery and Paewai.

Dennis Emery advised that a national training session for Maori DHB Board Members being held on 20/21 November. He and Stephen Paewai would be attending. As such they were unable to participate in the southernAlliance discussion. Mr Emery had been asked to outline the relationship between MidCentral DHB and Manawhenua Hauora at the DHB Maori Board Members forum.

It was resolved:

that the report be received.

6.5 Community Trust

It was resolved:

that the report be received.

6.6 Contract Management System: Business Case

The contract management system business case was discussed fully and the following points noted:

- The contract management system was generic and so health sector experience was not a key requisite for any provider.
- This would be the preferred provider's first installation in New Zealand. This had resulted in competitive pricing. While there was a risk that the provider would not get further work in NZ, this was not considered to be a high risk. Given the generic nature of contract management, it was possible it would be used by other industries in NZ. There was little change required to adjust the preferred system from Australian requirements to meet NZ requirements. There was 99% alignment with NZ requirements.
- The preferred provider was considered to be a robust organisation.
- The option of upgrading the contract module of MDHB's JDE system had been considered, but the costs would likely be higher than purchase of the preferred system.
- There was unanimous support by members of the selection panel for the recommended system.
- Ongoing operating costs were minimal, being around \$35k for maintenance fees. These would be offset by savings made.
- The potential for a national purchasing approach to contract management software was low at this time given each DHB's different priorities for IT systems and upgrades. It would also present significant delays for MDHB.
- The opportunity for the Ministry of Health to provide strong leadership and co-ordination of IT systems was noted.
- The requirements of the Office of the Auditor-General in relation to contract management and procurement systems was noted. The General Manager, Corporate Services confirmed that the preferred system would meet OAG requirements.
- Use of the preferred system, in conjunction with other work being done regarding procurement, would drive savings. It would also enable MDHB to track and report these savings.
- MDHB was working closely with Hawkes Bay DHB regarding the contract management system, and was also keeping other DHBs in the region informed.
- The preferred system was "scaleable" and so could be used by other DHBs.
- Post event audit reports on the project would be provided to the Group Audit Committee. These would provide a detailed list of the benefits achieved.

- It was suggested that the post event audit reports be shared with other DHBs in the region.

The Board asked that wherever possible, management endeavour to make intangible benefits into tangible benefits in future IT business cases, ie a tangible cost benefit analysis.

It was resolved:

that the purchase of a contract management system at a cost of up to \$325,500 be approved.

6.7 Alliance with Whanganui DHB

The CEO advised that letter seeking Ministerial support of the Foundation Agreement had been drafted.

Dennis Emery advised that his concerns, which had resulted in him voting against the motion at the Board's last meeting, had been addressed. He was more comfortable with the arrangement. His concerns relating to the lack of consultation with Iwi, however discussions with Maori Board Members at Whanganui would take place at the forthcoming DHB Maori Board Members' training forum.

It was noted that the Foundation Agreement explicitly stated that the current Iwi relationship models of each Board would remain.

Changes to the Foundation Agreement were sought as follows:

- Definition of "Relationship with Maori" to be amended to "Relationship with Iwi Maori"
- Clause D6 to read "Iwi Maori"
- Correction of typographical error in D3.1.j – "arrangement" to read "arrangements".

The position re statutory committees was discussed. The Chairman confirmed that under the Foundation Agreement the possibility of merging each DHB's Community & Public Health Advisory Committee (CPHAC) and Disability Support Advisory Committees (DSAC) would be investigated. Any decision would require the support of each Board. It was noted that currently the DHBs had different committee models, with Whanganui DHB having a combined CPHAC and DSAC, and MidCentral DHB operating these as separate committees.

It was noted that under the current provisions of the NZ Public Health & Disability Act, there was no allowance for combined DHB committees. Where DHBs had combined committee functions, they had to maintain clear demarcation in decision-making. The potential for the Act to be amended to support DHB collaboration was raised.

It was resolved:

that the centralAlliance Foundation Agreement, as contained in the agenda, be noted.

7. OPERATIONS REPORTS

7.1 CEO's Report

7.1.1 Financial Reports

The CEO advised that following discussions with the Board Chair, financial report was to be enhanced with the re-introduction of consolidated reports, such as balance sheet, profit and loss statement, and cash flows. These would include forecast positions.

7.1.2 Financial Cash Rate

The impact of declining interest rates on MDHB’s position was discussed. The General Manager, Corporate Services that this situation was constantly monitored. No issues were perceived for the current financial year, although the level of positive gain achieved would be reduced on previous years. A loan was due for renewal in December and this would be a key decision. At this stage, management intended to repay the loan if the interest rates warranted repayment.

The Board emphasised the need for strong management of cash rates and associated risks.

It was resolved:

that the report be received.

7.2 Associated Organisations: Allied Laundry Services Limited

The CEO advised that management fees related to NZ Towel Services’ management of Allied Laundry Services Limited. Directors fees for MDHB’s representatives were paid to the DHB and not to the individuals.

It was resolved:

that this report be received,

that Murray Georgel, CEO be appointed as MidCentral DHB’s proxy at Allied Laundry Services Limited’s annual general meeting in November 2008, and in his absence, Jeff Small, Group Manager, Commercial Services,

and that he be instructed to support the recommendations as included in the Notice of Annual General Meeting dated 30 September 2008.

7.3 Clinical Council

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 Communication Policy

Communication with the deaf community was raised, and the Manager, Administration & Communications advised that MDHB used several forms of media, including, print, web and radio for this purpose.

It was resolved:

that the amended Communications Policy, as contained in the agenda, be approved immediately subject to the following amendments being made:

- Clause 1, Purpose, point 1, insert “to” between “community” and “understand”.
- Clause 3.1, penultimate paragraph, provide greater clarity
- Appendix 1, clauses 3 and 4 to be combined
- Appendix 1, clause 11 to read, “Board and Committee members must remember they are accountable to the shareholding Ministers”
- Appendix 1, clause 12, to include words “where possible”

8.3 Consultation Policy

It was resolved:

that the Consultation Policy be noted, and reviewed in three year’s time.

8.4 Schedule of Delegations

The General Manager, Corporate Services confirmed that proposed delegations for “supplies, services and assets” were more practicable than current arrangements.

In respect of international staff travel, the move to exclude Australia was supported.

It was noted that while the CEO could sub-delegate, he remained ultimately responsible.

It was resolved:

that the Board supports the proposed way forward for approving the schedule of delegations.

8.5 Schedule of HR Delegations

The Chairman requested care be exercised when assigning sub-delegations. He felt these should not be driven too deep into the organisation. The importance that sub-delegations were on the basis of being within budget parameters was emphasised. For example, increasing annual leave entitlements outside collective agreement provisions, and, annual leave entitlements.

It was resolved:

that the Board provides feedback to management on the principles and proposal for human resource delegations and that this feedback be incorporated into the final Schedule of Delegations to be approved by the Board.

9. LATE ITEMS

There were no late items.

10 DATE OF NEXT MEETING

Tuesday, 16 December 2008, 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 Meeting</i>		
<ul style="list-style-type: none"> • <i>Hospital Advisory Committee, 4 November 2008</i> • <i>Community & Public Health Advisory Committee, 4 November 2008</i> 	<p><i>For the reasons set out in the Committee's order paper of 4.11.08 meeting held with the public present</i></p> <p><i>For the reasons set out in the Committee's order paper of 4.11.08 meeting held with the public present</i></p>	
<i>Contract Management System Business Case: financial analysis</i>	<i>Subject of negotiation</i>	<i>9(2)(j)</i>

Confirmed this 16th day of December 2008.

.....
Chairman