

MIDCENTRAL DISTRICT HEALTH BOARD

Minutes of the MidCentral District Health Board meeting held on 16 February 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
Jack Drummond

Dennis Emery
Jim Jefferies
Stephen Paewai
Barbara Robson
David Warburton

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
Dennis Geddis, Communications Officer
Jeff Small, Group Manager, Commercial Support Services
Craig Johnston, Senior Portfolio Manager, Primary Health

Manawatu Primary Health Organisation: Nicky Hart, Manager

Public (11)
Media (1)

1. APOLOGIES

An apology was received from Ann Chapman, 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

David Warburton advised his membership of Whanganui District Health Board. It was noted that dual Board membership did not constitute a conflict, as confirmed by the Ministry of Health.

Jim Jefferies entered the meeting.

3.2 Declaration of Conflicts in Relation to Today's Business

The following conflicts were noted:

- Stephen Paewai: agenda item 7.4, Better, Sooner, More Convenient Primary Health Care. Mr Paewai was Chair, Tararua PHO.
- Barbara Robson: various agenda items, Regional Clinical Services Plan. Mrs Robson was a member of the RCSP Steering Group.

4. PUBLIC FORUM AND MANAWATU PHO PRESENTATION

The forum opened with a karakia.

The Chairman welcomed new board member, David Warburton.

4.1 Questions from the Public

The following matters were raised by members of the public:

- Air quality in the Papaioea ward of Palmerston North City. It was stated that it was Council policy to encourage the commercial and industrial sector to relocate to this ward. Additionally, Horizons, the regional council, had removed its air monitoring equipment from this area. A proactive approach from the DHB to this problem was sought.

The CEO advised that correspondence on this matter had been received and was to be included in a future report to the Hospital Advisory Committee.

- Concerns regarding standards within Palmerston North Hospital, specifically lack of holistic care for patients; lack of clear communication between medical staff, nurses, patients and families; lack of early inclusion of palliative care; and a poor complaints system. A letter outlining these issues was tabled.

The CEO advised changes were being implemented and the member of the public had agreed at a recent meeting with staff to return at a future date to experience the difference. He stated that the result of that recent meeting were to be reported to the Hospital Advisory Committee. It was agreed this occur in April to enable the member of the public to attend and speak to the Committee.

- The Women's Health Collective stated their support for MidCentral Health's Sexual Health Service and made a plea that this not be reduced or cut as part of the DHB's financial improvement plans. The service was seen as particularly important for target population groups, such as young Maori. The Board's financial difficulties were recognised, and it was suggested inefficiencies and "frills" be targeted.
- The Manawatu Stewart Centre Trust stated its support for MidCentral Health's Star 3 Ward. It made a plea that this service not be jeopardised due to the DHB's financial position. Alternative ideas for cost cutting were put forward including reduced middle management and administration levels, maintenance of buildings, computer resources.
- The Local Stroke Foundation stated its support and dependence on MCH's rehabilitation services and made a plea that these not be reduced due to the DHB's financial position. Members were asked to listen to the public as they had in previous years over paid car parking.
- The improvements made by the DHB to car parking around Palmerston North Hospital, including the courtesy car, were acknowledged with appreciation.
- Concern was expressed that ideology was infesting a number of MidCentral Health's services, taking over from the practice of medicine. This was particularly so in mental

health and public health. The book entitled, "PC,M.D." by Sally Satel was referenced as recommended reading.

- A member of the public involved with multiple sclerosis advocated for the retention of Star Ward 3 services. These were considered invaluable.

In respect of the DHB's financial position and the possibility of service closures/reductions, the Chairman advised that no decisions had yet been made. All options were open and feedback from the forum would be taken into account.

4.2 Presentation from Manawatu Primary Health Organisation

Apologies from the Manawatu PHO's Chair, Colin McJannett, were noted.

Nicky Hart, Manager, Manawatu PHO gave a presentation regarding the work of the PHO, particularly the health outcomes it was achieving, its rating against health targets, and achieving "value for money".

Key points included:

- Enrolment with the PHO has increased significantly during 2009, rising over 3,000 to 103,367. In the previous year, enrolment numbers had only moved by 300 – 400.
- Using national census information, enrolment gaps continued to be experienced with Maori and people aged between 14 and 45 years.
- Manawatu PHO achieved its target last year for annual diabetes reviews. A strong drive in this area continued and the PHO was on track to achieving the higher target set for 2009/10.
- Over 7,000 people in the Manawatu area had received a cardiovascular risk assessment, equating to 25% of the eligible population. This was considered a good result taking into account the newness of the programme. It was noted that on a DHB basis, MidCentral DHB was in the highest quartile for achievement against this target.
- Providing better help to smokers wanting to quit was an initiative introduced 2-3 years ago as part of MidCentral DHB's disease state plans. Use of this programme continued to increase.
- Immunisation rates for children has increased significantly over the last five months, reaching 83% at December 2009. The PHO was confident it would meet the annual target of 85%.

Use of the disease state programmes and chronic care teams was high, with over 3,500 people using this service at the current time. Older people were the highest users of the services. Analysis of available data showed a reduction in ambulatory sensitive hospitalisations for 60% of people using the disease state programmes/chronic care teams. The main drivers of ambulatory sensitive hospitalisations (ASH) were age, gender and ethnicity. Distance from hospital was not a factor. An area identified for future work was investigation into the different ASH rates by general practices. Figures showed large variations.

The "better, sooner, more convenient primary health care" business case was a current priority.

5. MINUTES OF PREVIOUS MEETING

5.1 Minutes

It was resolved:

that the minutes of the previous meeting held on 15 December 2009 be confirmed as a true and correct record, subject to item 5.4.2 being corrected to identify the "Otago" exercise programme.

5.2 Matters Arising from the Minutes

5.2.1 Community & Public Health Advisory Committee Membership

The Committee Chair, CPHAC advised that after discussion, no change was to be made to the committee's membership.

Dennis Emery advised he had raised the issue of a person with Maori health expertise to serve on CPHAC with Manawhenua Hauora.

5.2.2 Sponsorship

It was noted that within the Operational Performance Framework (OPF) there were guidelines around sponsorship.

It was further noted that low level sponsorship was occurring throughout the DHB.

5.2.3 Health of Older Persons

The possibility of the Otago exercise programme being instituted within MidCentral DHB was raised. The General Manager, Funding Division advised that work was occurring with rest homes around reducing falls.

6. BOARD COMMITTEES

6.1 Group Audit Committee

It was resolved:

that the unconfirmed minutes of the meeting of the Group Audit Committee held on 15 December 2009 be received and the recommendations contained therein approved.

6.2 Matters Arising

6.2.1 Holding Costs for Kimberley Centre

Management advised that dialogue continued with the Ministry of Health over this matter. Further information had been provided to the Ministry last week, and MidCentral DHB had issued an invoice.

6.3 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 2 February 2010 be received and the recommendations contained therein approved.

6.4 Matters Arising

There were no matters arising from the minutes.

6.5 Hospital Advisory Committee

It was resolved:

that the unconfirmed minutes of the meeting of the Hospital Advisory Committee held on 2 February 2010 be received and the recommendations contained therein approved.

6.6 Matters Arising

6.6.1 Air Ambulance Services

Management advised that a pilot initiative had been introduced to reduce the level of air ambulance travel by use of road transport where appropriate. There were no issues around clinical aspects of the service, but it had not generated the expected savings. A formal review was being undertaken.

6.6.2 Revaluation of Land and Buildings

A member questioned whether there were any lessons from last year's revaluation exercise, such as the need for a preliminary revaluation to be undertaken.

The CEO advised that the revaluation assumptions had been made when the District Annual Plan was prepared. At that time, New Zealand was into a property devaluation cycle. There were global economic issues. It was a reasonable assumption that a revaluation exercise would not result in a significant increase.

The Group Audit Committee Chair advised this issue had been discussed by the Committee extensively. The planning assumption was reasonable at the time. A lot of frustration had been expressed that a technical accounting adjustment had a \$2.5m impact on health services. It was suggested that the DHB should now endeavour to have input into Treasury's review of the capital charge regime.

6.6.3 Child & Adolescent Oral Health Project

Management was asked to provide further information for the Hospital Advisory Committee around the cost impact of delaying the purchasing/delivery of the two-chair mobile dental clinics.

A member reported anecdotal feedback that the reason behind the Ministry of Health's request that some DHBs delay the purchase/delivery of mobile dental clinics was due to manufacturing delays. Further information was sought on the contractual arrangements put in place through the national procurement process around late delivery. Similarly, what penalty provisions were included in MidCentral DHB's deed of purchase around late delivery?

A member reported anecdotal feedback that local schools were requesting a single-chair mobile dental clinic. Management was asked to look into this and report back to the Hospital Advisory Committee, including details of any impact of service throughput.

6.6.4 Radiation Oncology

The risk around staff shortages in other areas, such as medical oncologists was raised.

The CEO advised MidCentral DHB had one vacancy for a medical oncologist and recruitment activity continued. He further advised the Clinical Director had stepped down from this role to take up more work in palliative care. The Clinical Director was a medical oncologist and would

continue with this aspect of his work. The interdependencies between the regional cancer treatment service and other services, such as surgery, were incorporated in service planning.

6.7 Enable New Zealand Governance Group

Members acknowledged Enable New Zealand's success in securing the ACC national housing modification service contract.

It was resolved:

that the unconfirmed minutes of the meeting of the Enable New Zealand Governance Group held on 2 February 2010 be received and the recommendations contained therein approved.

6.8 Matters Arising

There were no matters arising from the minutes.

7. STRATEGIC ISSUES

7.1 District Strategic Plan: Update Regarding Timeline

It was resolved:

that the report be received.

7.2 centralAlliance: Quarterly Update

The CEO advised that Wairarapa DHB had withdrawn its interest in the commercial support service project. It had determined it would be forming a closer alliance with Capital & Coast and Hutt Valley DHBs.

The potential for job losses from the commercial support service project was raised. The CEO advised a tender process was underway and it was too early to tell.

The CEO advised that both the Otago and Southland DHBs had supported a merger of their boards and had submitted a recommendation to the Minister of Health accordingly. It was understood a quick decision was being sought due to timelines around the forthcoming DHB elections. The DHBs had recommended that membership be based on two constituencies rather than "at large".

The CEO noted that Doug MacLean had been appointed Project Manager to assist Whanganui and MidCentral DHB in progressing the alliance.

The links between regional and sub-regional work were discussed. The CEO advised that both Whanganui and MidCentral DHBs were participating in the regional activity. Under the alliance, issues of local priority could be progressed more quickly than the regional timeline.

It was resolved:

that the Board:

- *note the progress being made on the collaborative activities with Whanganui DHB;*
- *note that any proposals arising from the collaborative activity which would materially change the governance, service planning or service provision would be subject to the explicit agreement of both Boards;*

- *endorse the central Alliance Road Map, with the understanding that the Road Map is only indicative of the collaborative intentions over the next three years.*
- *initiate effective communication with our communities on the aims and objectives of the roadmap*

7.3 Manawhenua Hauora

Management undertook to find out who was leading the oral health research noted in the minutes.

It was resolved:

that the minutes be received.

7.4 Better, Sooner, More Convenient Primary Health Care

Stephen Paewai's potential conflict as Chair, Tararua PHO was discussed. It was agreed that Mr Paewai could participate in the discussion.

An assurance was sought around ensuring the Better, Sooner, More Convenient Primary Health Care initiative (BSMCPHC) was managed within current funding levels, particularly where this involved services previously provided by MidCentral Health. For example, the impact on MidCentral Health's contribution to overheads. The General Manager, Funding Division advised this would be addressed within the business case. He noted that the DHB was likely to see co-location of services rather than change of ownership.

The meaning of "significant business case initiatives" was clarified. The General Manager, Funding Division advised this related to the four major areas within the proposal.

Clarity around the following issues was sought and it was agreed these would be included in the workshop scheduled for 2 March:

- accountability and control parameters (clinical, governance, and management)
- appropriation of capital, particularly around new facilities
- management of increased costs during the transition period
- impact on MidCentral DHB's overheads
- a working example of how things would look under the reconfigured system
- impact of possible service changes within MidCentral Health on BSMCPHC
- clarification of revenue streams

The proposed national policy that Whanau Ora be for Maori only was noted.

It was resolved:

that the report be received.

Graeme Campbell and Craig Johnston left the meeting.

8. OPERATIONS REPORTS

8.1 CEO's Report

8.1.1 Sector Update

The potential impact of sector changes on DHBNZ was noted.

The Minister of Health's recent announcement that a Quality & Safety Improvement Commission was to be established was also noted. The Commission would be independent of the Ministry of Health.

8.1.2 Health Select Committee

The CEO advised MidCentral DHB was to appear before the Select Committee on 17 March. It would appear with Whanganui DHB.

Graeme Campbell re-entered the meeting.

8.1.3 Forum for DHB Board Members, Central Region

The proposed dated on 3 May 2010 for the central region's DHB Board Members' forum was noted.

8.1.4 Corporate Convergence Programme

The CEO advised that Wairarapa DHB had withdrawn from this project given its decision to align with Capital & Coast and Hutt Valley DHBs.

8.1.5 Financial Recovery Plan

The financial recovery plan was noted.

8.1.6 Letter of Expectations

The CEO tabled the Minister of Health's letter of expectations for 2010/11. He advised there were five key areas:

- Improving services and reducing waiting times
- Implementing the next steps in the Primary Health Care Strategy
- Clinical leadership
- Regional co-operation
- A more unified system (sector wide changes, such as shared services)

The Minister's expectations would be key to the 2010/11 District Annual Plan.

8.1.7 Financial Position

Management was requested to amend the Capital Expenditure – Cash Flow table to reflect the DHB's position re the level of cash actually been generated.

Management undertook to provide clarification around the variation in current assets values over the past six months, and, what had happened with the fixed term investment which had recently reached the end of its term.

The high level of funds “on call” earning 2.5% interest was questioned. Management advised this related to the early payment of January funding due to statutory holidays. Cash was invested in order to maximise the return to the DHB. The only restrictions under the Treasury Management Policy was that the investments be spread, and they be placed with organisations of a certain rating.

It was resolved:

that the report be received.

9. GOVERNANCE ISSUES

9.1 2009/10 Work Programme

It was resolved:

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

9.2 Training Policy

It was resolved:

that the report be received.

Dennis Geddis left the meeting.

10. LATE ITEMS

There were no late items.

11. DATE OF NEXT MEETING

Tuesday, 16 March 2010, The Hub, Allardice Street, Dannevirke.

12. 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, 2 February 2010</i> 	<i>For the reasons set out in the Committee’s order paper of 2.2.10 meeting held with the public present</i>	

<ul style="list-style-type: none"> <i>Hospital Advisory Committee, 2 February 2010</i> <i>Enable New Zealand Governance Group, 2 February 2010: contracts update</i> 	<i>For the reasons set out in the Committee's order paper of 2.2.10 meeting held with the public present</i> <i>Contains commercially sensitive information</i>	9(2)(j)
<i>centralAlliance: commercial services – tenderers</i>	<i>Subject of competitive tender process</i>	9(2)(j)
<i>CEO's Report: financial recovery plan</i>	<i>Under negotiation</i>	9(2)(j)
<i>Contracts Update</i>	<i>Competitive pricing information</i>	9(2)(j)

Confirmed this 16th day of March 2010.

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Chairman