

MIDCENTRAL DISTRICT HEALTH BOARD

Minutes of the MidCentral District Health Board meeting held on 21 September 2010 at 10.08 am 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

Jack Drummond
Dennis Emery
Jim Jefferies
Stephen Paewai
Barbara Robson

IN ATTENDANCE

Murray Georgel, Chief Executive Officer
Mike Grant, General Manager, Funding Division (and Acting General Manager, Corporate Services)
Jill Matthews, Principal Administration Officer
Dennis Geddis, Communications Officer
Jeff Small, Group Manager, Commercial Support Services
Lyn Horgan, Operations Director, Hospital Services
Public (4)
Media (1)

1. APOLOGIES

An apology was received from David Warburton, 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

There were no amendments to the Register of Interests.

3.2 Declaration of Conflicts in Relation to Today's Business

No conflicts of interest were declared.

4. MINUTES OF PREVIOUS MEETING

4.1 Minutes

It was resolved:

that the minutes of the previous meeting held on 17 August 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 Funding Audit Sub-Committee

It was resolved:

that the unconfirmed minutes of the meeting of the Funding Audit Sub-Committee held on 17 August 2010 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 resolved:

that the unconfirmed minutes of the meeting of the Community and Public Health Advisory Committee held on 7 September 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

5.5.1 Diabetes Lifestyle Centre Service Reconfiguration

The Chairman advised that since the Hospital Advisory Committee's meeting on 7 September, the CEO has met with the Clinical Sponsors of the diabetes service reconfiguration project and with the senior clinical staff of the Diabetes Lifestyle Centre. They were developing a plan as to how they would re-prioritise services within available funding. This plan would also include the service and clinical measures for inclusion in the post event audit review.

A date of 15 October had been agreed with this team for completion of the plan. If possible, this date would be brought forward a few days to enable the plan to be included in the Board's papers for October 2010. If this was not possible, it would come forward in November.

The CEO had also received some questions of detail from Board Members and responses to these would be incorporated into the report.

The Chairman stated that as a consequence of the above, he had determined that the recommendation regarding the Diabetes Lifestyle Centre, as contained in the Hospital Advisory Committee's minutes, would not be considered at today's meeting. It would be held over and considered at the same time as the plan.

Members of the public who were interested in this addressing the Board on this item had been advised and had chosen to make their comments at when the next report was submitted.

Members expressed their support of this action. It was noted that the recommendation regarding adoption of the Committee's minutes and recommendations would be amended accordingly.

5.5.2 Linear Accelerator

The following issues were raised and management was requested to ensure these were included in the business case being prepared for submission to the Hospital Advisory Committee in March 2011:

- price competitiveness in a “vendor-lock” situation, ie benchmark pricing with alternative vendors so that a competitive price could be negotiated
- horizon scan of technology developments, such as brachytherapy, and the implications of these for MDHB’s linear accelerator replacement programme; such implications to include the desirable average life span of equipment in an environment of changing technology
- public/private partnership opportunities, including the possibility of aggressively pursuing revenue opportunities from spare capacity during the early days of having a fourth linear accelerator
- current status of the guideline/standard regarding the number of treatments per linac per year
- updated information regarding waiting list numbers with the move to a four-week waiting time target.

It was agreed that the option of increasing the hours of use of existing linacs should be considered, together with its effect on the timing of investment and replacement of linacs and the purchase of a fourth linac. It was further agreed that the recommendation be amended accordingly.

A member raised the issue of the need to review MDHB’s strategy regarding regional cancer treatment services. It was agreed this was outside the scope of the recommendations contained in the minutes and should be raised at a future opportunity.

It was resolved:

that the unconfirmed minutes of the meeting of the Hospital Advisory Committee held on 7 September 2010 be received and all other recommendations contained therein approved, with the exception of that relating to the Diabetes Lifestyle Centre Service Reconfiguration, and, subject to the recommendation regarding the linear accelerator being extended to include a further point as follows:

- *that the business case consider the option of increased hours of use of existing linacs together with the effect this would have on the timing of investment and replacement of linacs and the purchase of a fourth linac.*

5.6 Matters Arising

There were no matters arising from the minutes.

6. STRATEGIC ISSUES

6.1 Manawhenua Hauora

It was resolved:

that the minutes be received.

6.2 2009/10 Annual Report/Accounts

The Group Audit Committee Chairman advised the accounts had been considered by the Committee that day. Key points were:

- The external auditors had been present and had advised they would be providing an unqualified audit report. The auditors had discussed the asset valuations, particularly the 5% adjustment made for optimisation of such assets, and advised this would be noted as “an emphasis of matter” in their report.
- A management report would be provided which would serve as management’s work programme for the year going forward.
- Aspects around the Statement of Service Performance had been identified as not being up to speed and these would be addressed in the future.
- Statutory requirements around the District Strategic Plan had been included in the notes to the accounts. This was a sector-wide issue.

Mr Jefferies also noted that management had provided assurances to the Board regarding the letter of representation.

The Acting General Manager, Corporate Services advised issues raised in the work programme were to be addressed. The other areas of ongoing work were the segregation of duties and management in respect of the JD Edwards financial system, and, continued oversight of the contract management/procurement system. This work was in hand.

It was noted that the table contained in the accounts which showed “Where the Money Goes” was to be amended to show the level of funding provided to Maori providers.

A member drew attention to the primary health care throughput statistics contained in the Chairman and CEO’s report and suggested benchmarking in this area would be useful.

It was resolved:

that the 2009/10 annual report including the accounting policies be approved, subject to any feedback from the Board and Group Audit Committee being incorporated, and final audit approval;

that the Chair and Deputy Chair be given delegated authority to approve any changes that are required to be made to the annual report;

that the Chair and Deputy Chair be authorised to sign the 2009/10 annual report on behalf of the Board; and

that the Chairman and Deputy Chair be authorised to sign the letter of representation in respect of the 2009/10 external audit on behalf of the Board.

7. OPERATIONS REPORTS

7.1 CEO’s Report

7.1.1 Proposed Amendments to the NZ Public Health & Disability Act

The CEO reported that the proposed amendments to the Act were being progressed through the House. Included in his report was a summary of what the planning and funding arrangements could look like in the future. The CEO emphasised that the amendments were proposals only at this stage and final decisions by Government would not be known for some time.

The increased emphasis on regional planning, and the development of a Long Term Health Sector Plan were noted by the Board. The flow-on impact for district annual plans was also noted, with these having to depict how the DHB would contribute to regional endeavours. DHB planning would need to be undertaken in terms of the needs of the regional population.

The importance of ensuring that issues such as travel and accommodation were embedded into regional planning from the outset raised.

The public consultation requirements were discussed.

It was noted that the issues around national services, such as funding, were still being worked through. At this stage, it was likely they would be funded by top-slicing DHB funding.

The Chairman reported that the development of the Long Term Health Sector Plan was underway. It was intended a draft would be available by the end of 2010, and then consultation and/or engagement would occur before it was finalised. The CEO confirmed DHBs would have the opportunity to consider the draft document and provide feedback.

7.1.2 Disposal of Old Horowhenua Hospital

Members supported management's discussions with the Crown Health Funding Agency, and agreed that early disposal/transfer of ownership of the property was desirable. It was noted that CHFA's price would be less holding costs.

Management was supported to negotiate the best possible outcome.

7.1.3 Canterbury Earthquake

The CEO confirmed that Enable New Zealand's Christchurch facility was operational. Damage from the earthquake had been minimal and services had re-commenced within one day. The issue of shelving was raised. The CEO advised that specialist advice was being sought regarding future shelving arrangements, ie whether these should be fixed to the floor or free-standing.

The Group Audit Committee Chair advised that disaster recovery and emergency planning had been given a high priority by the Committee. As such, this matter would feature high on the audit work programme.

7.1.4 Paid Car Parking

It was agreed that this project increase its focus beyond car parking to a transport plan, including links with public transport systems, health shuttles, and other forms of transport.

It was resolved:

that the report be received.

7.2 Associated Organisations

7.2.1 Technical Advisory Service: Annual Update

The term "audit equivalents" was questioned and the General Manager, Funding Division advised this was a relative value unit based on the TAS time allocated to audits.

It was resolved:

that the report be received.

7.2.2 DHNBZ: Annual Update

A member expressed an interest in the status of work around re-focusing/strengthening the National Health Committee.

It was resolved:

that the report be received.

7.2.3 Allied Laundry Services: Annual Update

The Group Manager, Commercial Support Services advised that it was anticipated Capital & Coast and Hutt Valley DHBs would run a competitive tender process for laundry service provision. The DHBs had looked at this some years prior but had to undertake site redevelopment work before making a final decision regarding laundry service provision/location.

It was resolved:

that the report be received and further that approval be given to Allied Laundry Services Ltd retaining \$203,000 profit from the 2009/10 financial year.

8. GOVERNANCE ISSUES

8.1 2010 DHB Elections

The Principal Administration Officer advised voting papers had been distributed, and special voting facilities were now operational. Electionz.com, the firm handling vote processing for Palmerston North, Horowhenua, Tararua and Manawatu Councils, had received over 150 voting papers from these areas so far, and was publishing the number of voting papers processed on its website.

A correction to the report was noted. The first paragraph of the summary should read, "... electionz.com has had to relocate".

The Chairman outlined the proposed changes to meeting arrangements for December so as to ensure a smooth transition between the 2007-10 and 2010-13 terms.

It was resolved:

that the Hospital Advisory Committee and Community & Public Health Advisory Committee meetings scheduled for 7 December 2010 be cancelled, and that all business to be conducted by these Committees be handled by the Board that month;

that the Board meeting for December 2010 be amended to Tuesday, 14 December 2010;

that membership of the Group Audit Committee for December 2010 be the Board Chair, Deputy Chair, and three other members as determined by the board Chair.

8.2 Conflicts of Interest, Appointments & Representation on Outside Organisations & Committees Policy

It was suggested that the wording of clause 4.3.3 be tightened, and the typographical error contained in the Definitions be corrected.

It was resolved:

that the amended Conflicts of Interest, Appointments & Representation concerning Outside Organisations & Committees Policy, as contained in the agenda, be approved.

8.3 2010/11 Work Programme

A request for additional reporting was made, relating to the Central PHO. Under the previous PHO structure and as part of the Board's public forums, four PHO updates were provided direct to the Board each year. It was agreed this issue be considered by management in the development of the Board's meeting calendar for 2011 which was due to be presented for the Board's consideration in October.

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, 19 October 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, 7 September 2010</i> • <i>Hospital Advisory Committee, 7 September 2010</i> • <i>Remuneration Committee, 7 September 2010: CEO's performance & remuneration review</i> 	<ul style="list-style-type: none"> <i>For the reasons set out in the Committee's order paper of 7.9.10 meeting held with the public present</i> <i>For the reasons set out in the Committee's order paper of 7.9.10 meeting held with the public present</i> <i>To protect personal privacy</i> 	<i>9(2)(a)</i>
<i>Strategic Issues</i>		
<ul style="list-style-type: none"> • <i>Regional Services Plan</i> 	<i>Under negotiation</i>	<i>9(2)(j)</i>
<i>Operational Issues</i>		
<ul style="list-style-type: none"> • <i>Financial Recovery Programme</i> • <i>Contracts Update</i> 	<ul style="list-style-type: none"> <i>Under negotiation</i> <i>Contains competitive pricing information</i> 	<ul style="list-style-type: none"> <i>9(2)(j)</i> <i>9(2)(j)</i>

4.8

Confirmed this 19th day of October 2010.

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Chairman