

MIDCENTRAL DISTRICT HEALTH BOARD

Minutes of the MidCentral District Health Board meeting held on 15 June 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

Jack Drummond
Jim Jefferies
Stephen Paewai
Barbara Robson
David Warburton

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
Robert Brown, Manager, Finance
Jeff Small, Group Manager, Commercial Support Services

Public (1)
Media (7)

1. APOLOGIES

An apology was received from Dennis Emery, and an apology for lateness from David Warburton.

Opening the meeting, the Chairman invited a representative from Grey Power Manawatu to address the meeting. Key points noted by the speaker were:

- disappointment that the DHB had not consulted the community regarding its financial difficulties and sought solutions from them.
- if the DHB reduced district nursing hours, what alternative support would be provided?
- had the DHB assumed other community organisations would fill the gap made by a reduction of district nursing services, and if so, had they consulted with them?
- was the suspension of the Assessment, Treatment & Rehabilitation beds at Horowhenua Health Centre a short or long term position?

The CEO outlined the DHB's focus on areas of service duplication or over-servicing. Regarding district nursing services, he advised MidCentral DHB was the only DHB in New Zealand providing a night service. Use of this service was around seven patients per night, with the majority of these residing in Palmerston North. Various options were being considered, including discussions with Arohanui Hospice regarding support to people requiring palliative care. A Board Member noted that in Tauranga, the Hospice provided after-hours nursing support to palliative care clients in the community.

The CEO advised that the suspension of the AT&R review be re-considered around November 2011 when the establishment of an Integrated Family Health Centre in Levin was expected to be completed.

The CEO advised that input from the community, via email, letters and telephone calls, was being taken into consideration.

2. LATE ITEMS

There were no late items.

3. CONFLICT AND/OR REGISTER OF INTERESTS UPDATE

3.1 Amendments to the Register of Interests

Stephen Paewai advised that as from 1 July 2010 he would be a Trustee of the new Central Primary Health Organisation. As a consequence, his chairmanship of Tararua PHO would cease at this time.

3.2 Declaration of Conflicts in Relation to Today's Business

Barbara Robson advised that she had contributed to a submission on the New Zealand Public Health & Disability Amendment Bill as Co-Convenor, Federation of Women's Health Councils.

Barbara Robson also advised that she had made a submission on the draft National Health IT Plan.

4. MINUTES OF PREVIOUS MEETING

4.1 Minutes

It was resolved:

that the minutes of the previous meeting held on 18 May 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 18 May 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 1 June 2010 be received and the recommendations contained therein approved.

5.4 Matters Arising

5.4.1 Breast Reconstruction

A member suggested more clarification was required around central region's share of the additional Government funds of \$8m for breast reconstruction.

5.4.2 Conflicts of Interest

Ann Chapman advised a correction. She was a member of the Otaki Women's Health Group (not the Otaki Community Health Trust).

5.4.3 Whanganui DHB's CPHAC

It was agreed that arrangements for attending Whanganui DHB's Community & Public Health Advisory Committee meeting be made between the respective Committee Chairs.

5.4.4 Aged Residential Care

The issue of co-ordinating care for aged residential care residents requiring treatment from other providers, such as oral health, was discussed. The General Manager, Funding Division advised that there were inconsistent practices between providers due mainly to their interpretation of the national agreement. Work continued at a national level to remove any ambiguity from the agreement.

5.5 Hospital Advisory Committee

It was resolved:

that the unconfirmed minutes of the meeting of the Hospital Advisory Committee held on 1 June 2010 be received and the recommendations contained therein approved.

5.6 Matters Arising

5.6.1 Maternity Service Length of Stay

The systems and customer satisfaction survey put in place to monitor the length of stay for first time mothers and women having a caesarean section, and, the satisfaction of mothers with their length of stay was raised. It was noted that the survey results were positive, with high satisfaction rates recorded. A member suggested that a further report be provided identifying the length of stay for first time mothers, and, that comparative data be provided regarding current ALOS and the baseline rates. Also, how the \$250,000 allocated to this initiative had been used.

5.6.1 Quality Improvement Committee

The CEO advised that since the Hospital Advisory Committee's meeting, the Government had advised the national Quality Improvement Committee was to be disbanded and a Health Quality & Safety Commission established.

6. STRATEGIC ISSUES

6.1 2009/10 District Annual Plan: Update re Infrastructure and Regional Collaboration

It was noted that details of the new strategic planning requirements were still unknown.

It was resolved:

that the report be received.

6.2 2010/11 Capital Expenditure Plan

Members noted it was critical MDHB's financial recovery programme was successful so that the entity could generate funds to fund its capital expenditure programme. Over the next three years, \$45m was required to fund capital expenditure. The ten year forecast for capital expenditure was \$100m.

The importance of ensuring staff and public were aware of this was raised, and it was agreed the DHB's Asset Management Plan would be re-presented to the Board at a future date.

The Board agreed that a robust assessment of the DHB's forecast capital expenditure plans be undertaken with external support. This would provide comfort to the Board and management regarding long term planning.

It was noted that the DHB's deficit position created a shortfall between available funds and the capital expenditure programme requirements, resulting in the day-to-day hospital activity being funded from deficit.

The need for horizon scanning for new technology was noted as essential to determining future capital requirements, particularly in areas such as radiation therapy. New research around breast cancer and the use of a single dose of radiotherapy at the time of surgery would likely impact radiation therapy demand. It was noted that the impact on surgical services would need to be considered, particularly as MDHB was a regional provider of cancer services. The CEO advised that the Ministry of Health had done a sensitivity analysis on current demand for linear accelerators, and the ability of New Zealand's cancer centres to respond to fluctuations in demand. The results showed MDHB would struggle with three machines, but the combined capacity of MDHB and Capital Coast DHB was sufficient for the central region.

David Warburton entered the meeting.

It was noted that MDHB's regional cancer treatment service had signalled more planning machines were required to meet the move to a four-week waiting time for radiation therapy and a business case to this effect was scheduled to be presented to the Hospital Advisory Committee.

It was resolved:

that the capital programme contained in management's report dated 31 May 2010 be noted, and that individual capital expenditure applications continue to follow the established approval process.

7. OPERATIONS REPORTS

7.1 CEO's Report

7.1.1 *Financial Position and Productivity*

The CEO advised that good progress was being made regarding the Financial Recovery Programme. The DHB's financial result for April was within forecast, and the preliminary results for May were also within forecast.

Some major costs were scheduled for June, including capital charge.

The CEO further advised that surgical throughput had increased significantly on the previous year. The elective plan this year was ambitious, with all electives to be performed in house. MidCentral Health was within 3% of target. At the same time last year, the organisation had been \$1m behind target and had expended \$2m on outsourcing electives.

MDHB's progress against the national health targets was improving.

7.1.2 *Sector Issues*

The Chairman reported on the national chairs' forum held on 14 June. Work around accountability documents for DHBs was progressing, with a view to a single planning document. This document would be required to cover: vulnerable services, better – sooner – more convenient primary health care, productivity, staffing levels, service changes, new services, and regional collaboration.

The Shared Services Establishment Board was to issue its business plan over the next few weeks, and would be targeting \$20m savings in the first year.

No further information of a detailed level was available at this stage regarding Whanau Ora.

7.1.2 *Primary Health Organisation*

The establishment of a single PHO for the district, Central PHO, was noted. Management advised that shared positions, such as Clinical Director, Primary Health Services, would be supported by a Service Level Agreement between MidCentral DHB and the PHO. The staff member concerned would be seconded to the PHO for a portion of their time. They would also have some DHB-specific responsibilities. The PHO component of the role would be funded by that entity.

It was agreed that a workshop around the new PHO and the implementation of the Better, Sooner, More Convenient Primary Health Care business case would be useful.

7.1.3 *Kimberley Centre Holding Costs*

Management confirmed that payment for these costs had yet to be received. The matter had been raised the National Health Board Director.

7.1.4 *Meetings with Mayors & MPs*

This initiative was commended as means of interfacing with the community.

It was noted that the majority of meetings with MPs had been concluded.

7.1.5 District Annual Plan 2010/11

The CEO advised MidCentral DHB's plan was to be forwarded to the Minister of Health for approval following resolution of a policy issue around use of the mental health ringfence funding. This discussion was between the Ministry and Minister of Health and related to many DHBs.

Graeme Campbell left the meeting.

It was resolved:

that the report be received.

7.2 Revaluation of Land and Buildings

It was resolved:

that the report be received.

7.3 Treasury Management (Repayment of Loan Funding & Equity)

Graeme Campbell re-entered the meeting.

Management confirmed that the capital charge was levied against total equity, and the rate was current set at 8%.

The Board agreed that it was important to have a sound understanding of future capital requirements, and its previous decision to have an independent review of the forecast capital expenditure programme would assist.

It was noted that:

- repayment of equity would mean MidCentral DHB could lose access to capital
- the possibility of retaining cash or taking an opportunity to repay debt was an issue which should be reviewed by the Board periodically
- early repayment of debt was not appropriate due to the penalty fees which would be incurred
- the retention of cash had a cost to the organisation
- if the DHB used its cash to repay debt it could take out new loans as required
- the Ministry of Health had advised against repayment of debt and the Crown Health Funding Agency had advised against early repayment of loans.

It was resolved:

that the cash balance should not be used to repay equity or debt; and,

loans which fall due for repayment from time to time would be considered for repayment or renewal based on the circumstances at that time.

7.4 Status of Surplus Land

The length of time to dispose of surplus land was noted. It was agreed that the Minister of Health be informed of the capital funding being denied to MDHB as a result of these delays, (noting the values of the Kimberley Centre and Horowhenua Hospital land), together with the impact on the DHB's balance sheet and operating cash flow.

It was noted that updated property values were to be reported to the Board at its next meeting. Once available, a letter would be prepared for the Chairman's signature.

It was resolved:

that the paper be received.

8. GOVERNANCE ISSUES

8.1 Enable New Zealand Limited's Annual Reporting Requirements

It was resolved:

that pursuant to section 211(3) of the Companies Act 1993, the annual report of Enable New Zealand Limited for the year ended 30 June 2010 shall incorporate the financial statements and auditor's report thereon and exclude information specified in any of the paragraphs (a) and (d) to (j) of subsection (1) of that section.

8.2 2010/11 Reporting Framework

The following additional items were noted for inclusion in the Reporting Framework:

- information for CPHAC re the role of the funding audit sub-committee, and, the audit processes and assurances that are provided to the committee on behalf of the Board
- workshop for members to gain a better understanding of the operations of the hospital

It was agreed that the report regarding the Horowhenua Health Centre, including financial reconciliation, be included in the reporting framework and scheduled for 2011.

The new reporting format introduced in 2009/10 was supported.

It was agreed the volume of information presented be reduced, with attached documents being replaced with details of how these could be accessed if required, eg web link.

It was resolved:

that the reporting framework for 2010/11 as contained in the CEO's report dated 4 June 2010 be approved.

8.3 2010 DHB Elections

It was resolved:

that the report be received.

8.4 2009/10 Work Programme

It was resolved:

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

9. LATE ITEMS

There were no late items.

4.8

10. DATE OF NEXT MEETING

Tuesday, 20 July 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, 1 June 2010</i><i>Hospital Advisory Committee, 1 June 2010</i>	<i>For the reasons set out in the Committee's order paper of 1.6.10 meeting held with the public present</i> <i>For the reasons set out in the Committee's order paper of 1.6.10 meeting held with the public present</i>	
<i>Strategic Issues</i> <ul style="list-style-type: none"><i>centralAlliance: Commercial Support Service Tender Business Case</i>	<i>Under negotiation</i>	<i>9(2)(j)</i>
<i>Operational Issues</i> <ul style="list-style-type: none"><i>Bates Estate</i><i>Financial Recovery Programme</i>	<i>Under negotiation</i> <i>Under negotiation</i>	<i>9(2)(j)</i> <i>9(2)(j)</i>

Confirmed this 20th day of July 2010.

.....
Chairman