

**Minutes of the Hospital Advisory Committee meeting held on 2 March 2010  
commencing at 8.30 am in the Boardroom, MidCentral District Health Board**

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**PRESENT**

Jack Drummond (chair)  
Ann Chapman  
Lindsay Burnell  
Jim Jefferies  
Richard Orzecki

Stephen Paewai  
Barbara Robson  
Phil Sunderland  
Cynric Temple-Camp  
David Warburton

**In attendance**

Murray Georgel, CEO  
Mike Grant, Acting General Manager, Corporate Services  
Carolyn Donaldson, Committee Secretary

Diane Anderson, Board Member  
Graeme Campbell, Board Member  
Muriel Hanratty, Director, Patient Safety & Clinical Effectiveness  
Nicholas Glubb, Operations Director, Specialist Community & Regional Services  
Lyn Horgan, Operations Director, Hospital Services  
Sue Wood, Director of Nursing  
Jeff Small, Group Manager, Commercial Services  
Anne Amooore, Group Manager, Human Resources  
Shirley-Anne Gardiner, Operations Manager  
Chris Channing Manager, Planning & Performance Unit  
Ian Ironside, Funding Division (part meeting)  
Communications (2)  
Media (1)

**1. APOLOGIES**

An apology was received from Kerry Simpson.

**2. LATE ITEMS**

There were no late items.

**3. CONFLICT AND/OR REGISTER OF INTERESTS**

**3.1. Amendments to the Register of Interests**

There were no amendments to the register.

**3.2. Declaration of conflicts in relation to today's business**

There were no declarations of conflict of interest relating to today's business.

6.6

#### **4. MINUTES**

##### **4.1. Minutes**

It was recommended

*that the minutes of the meeting held on 2 February 2010 be confirmed as a true and correct record.*

##### **4.2. Recommendations to Board**

The Committee noted that the Board approved all recommendations contained in the minutes except that relating to the clinical records building update.

#### **5. MATTERS ARISING FROM THE MINUTES**

A member commented on the third paragraph of item 7.3: Regional Clinical Services Plan update, stating he thought the second sentence of that paragraph should read “it was a **virtual** plan”.

#### **6. OPERATIONS REPORT**

The CEO spoke to this report. Discussion covered a number of topics including:

It was over-stating things to use the word “improvement” in terms of the adverse result. Clarification of what was meant by “unfunded production”; Management said this was the value of services provided above the agreed amount of service provision and which MDHB did not have the ability to pay for. In relation to whether there was any discretionary work included in the unfunded production, Management said there was a need for a level of services but it could be at a lower level as opposed to no service at all.

Management explained the system used in relation to payment for Regional Cancer Treatment Services by the regional DHBs. Currently the volumes paid were based on those of two years ago and was not a case weight system. Management were in discussion with the regional DHBs to see if a more timely payment system could be used. Payment for renal services was similar in that it was not a case weighted payment system. The cost of providing cancer services was pursued in terms of whether MCH was recovering all costs, or whether it was costing more to deliver the service than MCH received from the other DHBs. Management confirmed MCH knew the costs involved but could not change the pricing, as it was nationally priced. MCH was endeavouring to ensure services were delivered at a cost that was lower than the national price. The important issue was to ensure MCH was receiving all the revenue it was entitled to receive in a timely manner.

##### *Car parking*

The issue of paid car parking with a longer term view of establishing a parking building during the site redevelopment was discussed. It was agreed Management would report on the possibilities for paid car parking, covering issues such as time frame, cost, the possibility of a neutral funding project that increased the level of service and also provided some economic benefit ie a staged development that could provide revenue to establish a parking building in the future etc. An interim report would be prepared for the next meeting, with a more in-depth report presented to the May meeting.

### *Staff Numbers/FTEs*

There was general discussion on staffing issues, covering FTE figures, locum costs, and unrealised savings from restructuring delays. It was noted that MCH was recruiting to essential positions only.

### *General*

The impact on the public sector of ACC measures being taken to improve ACC's financial situation and the general economic trend was mentioned as having a possible flow-on effect to the DHB, as people would not be able to pay for services in the private sector and therefore could look elsewhere.

### *Resignation - Clinical Director Regional Cancer Treatment Service*

The Committee requested a letter of appreciation be sent to Dr Allan for his work as the Clinical Director of the Regional Cancer Treatment Service.

### *Finance Report*

The possibility of a recapitalisation from the Treasury Division was clarified – the Treasury Division was a division of MDHB.

It was pointed out that the savings figures on the Sustainability Dashboard were as at 31 January 2010 and that although a number of the review projects were identified prior to the development of the Minister's recovery plan, many only commenced from February onwards. The chart showing the comparison between the years (figure 7) was referred to in relation to the need to look at percentage changes to see where the spending was occurring and savings should be made.

It was resolved

*that this paper be received*

## **7. STRATEGIC / SPECIAL ISSUES**

### **7.1. Child & Adolescent Oral Health update**

Management were asked about the shared work on the development of information systems with Wairarapa.

The background to the Health Management System Collaboration project to look at replacing the patient management system was explained. This originally involved Whanganui, Wairarapa, and MidCentral DHBs, and later Nelson-Marlborough and South Canterbury DHBs joined. However, with the establishment of the National Health Board, it was decided a national system should be considered, and the local project was put on hold. This work was different to the government's direction to look at "back office" collaboration particularly hotel, human resources and corporate functions. The three local DHBs commenced this work, but Wairarapa DHB subsequently advised that on a strategic basis, they were aligned clinically with the greater Wellington area and they felt their support services should have the same alignment, and they withdrew from the alliance. This work would continue with Whanganui and MidCentral DHBs.

6.8

The reference to the shared information with Wairarapa DHB in the Child & Adolescent Oral Health update, referred to capturing information from the dental unit back to the oral health repository, and was quite different to other collaboration work underway.

Management advised there would be a scheduled update on the Information Systems planning fairly soon.

It was recommended

*that this report be received*

## **7.2. Surgical Services Revenue Report**

Management explained that until the base planned volumes were met, no further work could be contributed to the elective initiative volumes. As an example, for January the base planned discharges was 239 which had to be achieved first, and then there was an additional plan of 60 discharges. MCH did 335 in January.

It was recommended

*that this report be received*

## **7.3. Non-Financial Performance Indicator Report including Health Targets and Confirmation Reporting for Quarter 2, 2009/10**

Richard Orzecki asked if some of the information contained in this report could be reported back to Iwi. The CEO confirmed it could. It was now public information, and they were welcome to use it.

It was recommended

*that this report be received*

## **7.4. Clinical Records Building update**

The necessity to improve the clinical records site was acknowledged by members. They discussed a number of ideas on how this could be achieved, including electronic scanning of records, whether there were any opportunities to share space/processes through the central Alliance, providing the capital (with an interest margin) to a third party who would own and operate the building, the possible future use for a new building if/when it was not required for clinical records, improving efficiency of the department by changing processes and environment, the cost of a prefabricated building, and an external return on the land if a third party owned the building.

It was recommended

*that the construction of a new Clinical Records building, at a cost of up to \$2.202m, be approved; and  
that the CEO and Group Manager, Commercial Services be authorised to approve the awarding of a construction contract to the successful tenderer and signing of all related contractual documents.*

**7.5. Letter of Expectations**

It was recommended

that the Minister of Health’s letter of expectations dated 9 February 2010 be noted.

**8. GOVERNANCE ISSUES**

**8.1. 2009/10 Work Programme**

Barbara Robson advised there was a recent report released from Otago regarding access to diagnostic colonoscopy services. She suggested it should be considered by the Clinical Board and any learnings from it reported back to this committee.

It was recommended

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

**9. LATE ITEMS**

There were no late items.

**10. DATE OF NEXT MEETING**

6 April 2010

**11. EXCLUSION OF PUBLIC**

It was recommended

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>Reference</i>
“In Committee” minutes of the previous meeting	For reasons stated in the previous agenda	
Operations Report – : Potential Sentinel Events/HDC Findings : Employee Relations Negotiations : Comparison of SMO/RMO Locum information	To protect patient privacy ] Under negotiation ]	9(2)(a) 9(2)(j)
Funding MidCentral Health Price Volume Schedule (2010/11)	Subject of negotiation	9(2)(j)
2010/2011 Draft District Annual Plan	Subject of negotiation	9(2)(j)