

MIDCENTRAL DISTRICT HEALTH BOARD

Minutes of the MidCentral District Health Board meeting held on 17 February 2009 at 10.00 am
at MidCentral District Health Board Offices, Board Room, Gate 2B, 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
Lareen Cooper, General Manager, MidCentral Health
Mike Grant, General Manager, Funding Division
Heather Browning, General Manager, Enable New Zealand
Jill Matthews, Principal Administration Officer
Dennis Geddis, Communications Officer

Public (1)
Media (1)

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

Ian Wilson advised his son-in-law was commencing employment with the Ministry of Health, working within its IT department.

Jack Drummond advised that his role with NZ Police was becoming involved in the sexual assault service. DHBs, ACC and the Police were the key providers of this service, and as such it was likely he may have some advisory relationship with DHBs.

3.2 Declaration of Conflicts in Relation to Today's Business

No conflicts were identified.

4. MINUTES OF THE PREVIOUS MEETING

4.1 Minutes

It was resolved:

that the minutes of the previous meeting held on 16 December 2008 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 Group Audit Committee

It was noted that Act referred to under section 11.1, Fraud Policy was the "Protected Disclosures Act".

It was resolved:

that the unconfirmed minutes of the meeting of the Group Audit Committee held on 16 December 2008 be received and the recommendations contained therein approved.

5.2 Matters Arising

5.2.1 Delegations Policy

It was noted that the revised Delegations Schedule would be presented to the Board in March for its consideration and approval. It was agreed that the following issues be addressed in the supporting report:

- Practical implications for Committees in terms of contract approvals/renewals and capital expenditure applications.
- Processes in place to ensure the risk of delegated authorities being abused was mitigated, eg a double or triple sign-off process.
- How the Group Audit Committee's feedback had been incorporated.
- How the CEO would maintain oversight of his delegated authorities.

It was noted that the revised delegations would enable the Board to spend more time on strategic issues and monitoring, and if the Board considered more information was required to enable it to carry out its monitoring role, this should be requested.

It was noted where funding decisions made by the Funding Division within its delegated authority were currently reported to the Committee and this practice would continue.

5.3 Hospital Advisory Committee

It was resolved:

that the unconfirmed minutes of the meeting of the Hospital Advisory Committee held on 3 February 2009 be received and the recommendations contained therein approved.

5.4 Matters Arising

5.4.1 Radiation Therapy Wait Times

Management provided an update on the current positions re patient waiting times, and, MidCentral Health's capacity. In terms of a review of the process to identify any learnings and enhancements, the CEO suggested an independent audit be conducted.

- Patient Waiting Times

The General Manager, MidCentral Health advised there were currently 191 patients on the waiting list for treatment, and on average a further 25 referrals were received each week. There were currently 14 category C patients who were waiting over 8 weeks for treatment. All these patients had been booked for treatment and would commence by 24 February.

She further advised that plans were in place which would see all patients being treated in accordance with recommended wait times within two months.

The Board requested that if there was likely to be any change to this position, it be reported to the CEO, and then to the Board and the Hospital Advisory Committee.

- Capacity

The General Manager, MidCentral Health advised that the new linear accelerator (Linac 4) was being used, and patients were still being referred to other centres, largely Waikato DHB. Six patients were currently receiving treatment at other centres, with a further 12 to commence this week and the next week.

Ten people were currently being treated on Linac 4 with 21 planned for the week beginning 23 February, and 26 for the beginning of March.

Linac 4's software was still problematic. There were interface issues between the new Linac and Lantis (the patient information system – also a Siemens product.) The software issues became apparent just before Christmas. The supplier was installing a patch, but at this stage it was unclear how much this would assist the current problems.

The General Manager, MidCentral Health advised the supplier was aware of the problems. She further advised that the software was new technology and it was taking MCH's staff longer to complete the associated learning curve than was anticipated.

The networked software installed was leading edge. The investment and risks of investing in leading edge technology was discussed. Management advised that the Sydney organisation that was operating Artiste were using the stand-alone software option. MidCentral Health had decided on the networked option and this had been a clinical decision.

It was noted that the business case was based on the other two Linacs (1 and 3) being upgraded to the new 160MLC. This was scheduled to occur in July 2009, although the supplier was not certain upgrade of LA3 was achievable. The General Manager, MidCentral Health confirmed

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that upgrade of these machines was not included in the two month turnaround time being targeted to get waiting times back in line with requirements.

The General Manager, MidCentral Health advised that the radiation therapy was almost fully staff, with 30 of 31 positions full. Vacancies were expected and management was planning for these.

Long term planning for cancer services was discussed. It was noted that MidCentral DHB had planned ahead for radiation therapy capacity and had invested heavily in this area.

The Board requested that its expectation that the supplier would be doing everything possible to resolve the problems with urgency be conveyed to the supplier. Further, that management report back to the Board on the outcome.

Members emphasised the importance of all costs associated with the software problems, including outsourcing of patients, be captured. Management confirmed this was in hand.

- Learnings

The Board supported the CEO's idea of an independent opinion. It was agreed that an internal post event audit review be completed by April 2009 as scheduled on the Hospital Audit Committee's work programme, and that this be peer reviewed by an independent person.

The CEO confirmed that further post event audit reviews would be undertaken, enabling a progressive review of the total project. It was noted that future post event audits would review the upgrades of LAs 1 and 3. Some concern was expressed about the supplier's ability to upgrade Linac 3 to the new technology. It was noted that the cost of upgrading the remaining two linacs was around \$US400,000.

- General

The importance of timely and full communication with the Board and Hospital Advisory Committee members on this issue was re-iterated.

The Board acknowledged the work being done by staff of the Regional Cancer Treatment Service in the challenging times.

The Chair, Hospital Advisory Committee noted that the organisation had robust mechanisms in place for receiving feedback from staff, and always listened to such feedback.

5.4.2 Elective Services

The CEO advised that a response from the Ministry of Health regarding the interpretation issue was awaited.

The issue of elective service provision was discussed, particularly the impact the growing acute workload and the ageing population. The importance of utilising all available facilities within the district/region was also discussed, together with the financial constraints which existed.

Jim Jefferies and Ormond Stock recorded their interest as Chairman and Board Member respectively, Aorangi Hospital. They did not participate in the discussion.

The CEO advised that MidCentral Health had delivered more services than contracted within available funding. However, elective work was down due to acute work taking priority. It was agreed that managing this was a key issue, particularly for 2009/10. The need for a sub-regional or regional approach was also noted.

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 3 February 2009 be received and the recommendations contained therein approved.

5.6 Matters Arising

There were no matters arising from the minutes.

5.7 Enable New Zealand Governance Group

It was resolved:

that the unconfirmed minutes of the meeting of the Enable New Zealand Governance Group held on 3 February 2009 be received and the recommendations contained therein approved

5.8 Matters Arising

5.8.1 Lower Hutt Store

The Board noted that the store had closed, and that Capital Mobility Ltd had been contracted to provide equipment servicing and repairs. The General Manager, Enable New Zealand advised that two staff from the Store had found employment with the new contractor and a sub-contractor.

5.8.2 Select Committee Inquiry

A member advised that the Government had responded to the Select Committee's Inquiry into the Quality of Care and Services Provision for People with Disabilities. The CEO stated that a report on this matter would be provided to the Disability Support Advisory Committee as per the Committee's work programme.

6. STRATEGIC ISSUES

6.1 District Strategic Plan

The General Manager, Corporate Services advised that the workshops held with various groups had been very successful.

It was resolved:

that the report be received.

6.2 2009/10 District Annual Plan and Statement of Intent

Management advised that due to delays in receiving funding information and the Minister's letter of expectations, the draft District Annual Plan was not as advanced as planned. Every effort was being made to ensure a complete DAP could be submitted to the Ministry of Health by the national deadline of 6 March. However, it would be a struggle to get a complete DAP ready for the Board's committees in March, and some flexibility was sought.

Recent national publicity regarding respiratory services was raised. Management advised that MidCentral DHB had made a significant investment in respiratory disease. This was reflected

in the current and future DAPs as part of chronic disease management. The General Manager, MidCentral Health advised that a new respiratory physician was due to join the respiratory team in April. It was noted that some hospitals did not offer a specialist respiratory service.

Management confirmed that the draft Plan included regional and sub-regional approaches to service planning and delivery.

Regarding Government expectations, the CEO advised that the Minister of Health's letter of expectations was awaited. At this stage there was no indication of what, if any, of previous priorities would be changed. The Ministry of Health had undertaken its line by line budget review but the results of this were not known.

It was resolved:

that the report be received.

6.3 Procurement Project: Update

Management confirmed that regular reports against this project would continue. The next update was scheduled for May 2009.

It was resolved:

that the report be received.

6.4 Manawhenua Hauora

The proposed meeting between Manawhenua Hauora and Whanganui DHB's Iwi partner regarding the centralAlliance was noted. The Chairman confirmed with Members Emery and Paewai that if they were to attend the meeting they would do so in their Board Member capacity, and would report back to the Board.

It was resolved:

that the minutes be received.

7. OPERATIONS REPORTS

7.1 CEO's Report

7.1.1 Enduring Letter of Expectations

The Board noted the enduring letter of expectations for Crown entities.

7.1.2 Cap of Administration/Management Staff

The Board noted the Minister of Health's requirement for administration/management staff numbers to be capped, and MidCentral DHB's response. The CEO advised he understood the Ministry of Health's administration/management numbers had also been capped.

7.1.3 Funding Envelope

A typographical error was corrected. MDHB's total revenue was \$397.1m. The CEO advised that this equated to an increase of \$25m for the DHB.

The ageing of MidCentral DHB's population was noted, together with the impact on service demand and funding. It was noted that all Government priorities were funded, and that the Minister of Health expected core services to be maintained.

The CEO advised that the Minister of Health's letter of expectation was yet to be received. Indications were this would likely include emergency department and radiation therapy waiting times, electives, and workforce. Value for money was also expected to feature.

It was noted that Maori health was not included in the priority areas. However, MidCentral DHB's strategic planning process had identified this and elder health as local areas requiring attention.

The CEO advised that the Minister of Health's expectation that DHBs break even related to the operating result. Cyclical deficits, such as those related to mental health ringfence funds, were acceptable.

7.1.4 Ministerial Group to advise on Improving Quality & Performance of the Health Sector

Members noted the establishment of the Ministerial Group, and asked how DHBs may put their views forward.

7.1.5 centralAlliance

The Board supported the ongoing work of the sub-committee in leading the centralAlliance initiative.

7.1.6 Regional Clinical Services Plan

Management advised that the new steering group's first meeting was scheduled for 26 February, and a formal update would be available after this date.

The General Manager, Funding Division advised that the Regional Clinical Services Plan was being pursued in three areas:

- development of clinical networks
- work around "vulnerable services" from a regional perspective
- socialisation of the concept within DHB provider arms, and then subsequently with communities.

7.1.7 Financial Targets

The internal, divisional targets which had been set by the CEO in order that the DHB would achieve its consolidated financial budget for 2008/09 were noted.

The current economic climate was discussed, particularly the potential for Government health funding to stop growing/increasing. The CEO advised information from Treasury and the Reserve Bank was that the recessionary period would not be short, and would have a long and deep impact on the economy.

It was resolved:

that the report be received.

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8. GOVERNANCE ISSUES

8.1 2008/09 Work Programme

The CEO advised that the draft 2009/10 District Annual Plan and Statement of Intent would be provided on an iterative basis due to delays previously discussed.

It was resolved:

that the updated work programme for 2008/09 be noted.

9. LATE ITEMS

There were no late items.

10 DATE OF NEXT MEETING

Tuesday, 17 March 2009, MidCentral District Health Board Offices, Board Room, Gate 2B, Heretaunga Street, Palmerston North.

Dennis Emery tendered his apologies for this meeting, and that of the Group Audit Committee.

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>• Hospital Advisory Committee, 3 February 2009</i> <i>• Community & Public Health Advisory Committee, 3 February 2009</i> <i>• Remuneration Committee: CEO's Performance Review</i> | <i>For the reasons set out in the Committee's order paper of 3.2.09 meeting held with the public present</i> <i>For the reasons set out in the Committee's order paper of 3.2.09 meeting held with the public present</i> <i>To protect personal privacy</i> | <i>9(2)(a)</i> |
| <i>2009/10 District Annual Plan & Statement of Intent: National Assumptions</i> | <i>Subject of negotiation and commercially sensitive</i> | <i>9(2)(j)</i> |

Confirmed this 17th day of March 2009.

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Chairman