

MIDCENTRAL DISTRICT HEALTH BOARD

Minutes of the MidCentral District Health Board meeting held on 18 May 2010 at 10.00am at Horowhenua District Council, 126 Oxford Street, Levin

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 (and Acting General Manager, Corporate Services)
Jill Matthews, Principal Administration Officer
Dennis Geddis, Communications Officer
Craig Johnstone, Senior Portfolio Manager, Primary Health
Jeff Small, Group Manager, Commercial Support Services
Cathy O'Malley, General Manager, Compass Health (representing Horowhenua and Otaki Primary Health Organisations)

Public (approximately 300)
Media (6)

1. APOLOGIES

An apology received from Ann Chapman, Board Member. An apology for lateness was received from Stephen Paewai.

2. LATE ITEMS

There were no late items.

3. CONFLICT AND/OR REGISTER OF INTERESTS UPDATE

3.1 Amendments to the Register of Interests

Diane Anderson advised she was a Trustee of the Central Regional Health School.

3.2 Declaration of Conflicts in Relation to Today's Business

No conflicts were identified.

4. PUBLIC FORUM AND HOROWHENUA AND OTAKI PHOs PRESENTATION

The CEO outlined evacuation procedures in case of an emergency.

The meeting opened with a karakia.

4.1 Questions from the Public

Members of the public addressed the Board, particularly around its proposal to reconfigure the beds at Horowhenua Health Centre designated “assessment, treatment and rehabilitation” (AT&R). Key points raised were:

- Horowhenua/Otaki had a high needs, low income, and ageing population.
- MidCentral DHB’s plans around the reconfiguration of AT&R services were not understood, both in terms of the detail and the potential implications
- people felt MidCentral DHB had not engaged with the community over the proposal, and its timeframes were too tight
- the DHB’s budget difficulties were acknowledged, but the need for the service and the significance of any changes outweighed this
- additional services had been provided to the area by the DHB, and these were starting to address the health status of the community. The current proposal would be seen as a backward step.
- the business case for the Horowhenua Health Centre had been developed in conjunction with the community, and had the community’s support
- some aspects of the business case, such as 24-hour accident and medical services, had not been implemented and the DHB was encouraged to continue work in this area
- speakers suggested that the DHB suspend the current proposal to:
 - take time to engage with the community and primary care providers
 - undertake a comprehensive review
 - re-establish the relationship with the community

The majority of the public left the meeting.

4.2 Presentation from Horowhenua and Otaki Primary Health Organisations

Cathy O’Malley, Compass Health made a presentation on behalf of the Horowhenua and Otaki PHOs. She extended apologies from the PHOs’ manager, Dawn Wilson, and the respective Chairs, Gina Loma and John Sprunt who had been unavailable to attend the meeting. Ms O’Malley’s presentation focused around the development of Integrated Family Health Centres (IFHC) within the Horowhenua/Otaki area. She emphasised the need for integrated information systems and supported MidCentral Health’s business case for Concerto – a clinical work station. Closer integration between the management and administration of primary health services and the Horowhenua Health Centre was required and positive discussions were occurring in this regard.

In respect of other areas within the district, Ms O’Malley advised positive discussions were occurring in Feilding. In Tararua, an integrated business model was in place and work was now needed to integrate other services to evolve an IFHC. In Palmerston North, the area which was least advanced, initial discussions had centred around Radius Health.

Members of MidCentral DHB’s Information Systems Team entered the meeting.

The use of “My Health”, a component of the general practice information system was discussed, and Ms O’Malley advised a lot of work had been done around privacy of patient information.

5. MINUTES OF PREVIOUS MEETING

5.1 Minutes

It was resolved:

that the minutes of the previous meeting held on 20 April 2010 be confirmed as a true and correct record.

5.2 Matters Arising from the Minutes

There were no matters arising from the minutes.

6. BOARD COMMITTEES

6.1 Hospital Audit Sub-Committee

It was resolved:

that the unconfirmed minutes of the meeting of the Hospital Audit Sub-Committee held on 20 April 2010 be received and the recommendations contained therein approved.

6.2 Matters Arising

There were no matters arising from the minutes.

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 4 May 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 4 May 2010 be received and the recommendations contained therein approved.

6.6 Matters Arising

There were no matters arising from the minutes.

6.7 Enable New Zealand Governance Group

It was resolved:

that the unconfirmed minutes of the meeting of the Enable New Zealand Governance Group held on 4 May 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 Manawhenua Hauora

7.1.1 Six-Monthly Update

It was resolved:

that the report be received.

7.1.2 Minutes

The potential development of a privately-owned mobile dialysis service was noted. The CEO advised MidCentral Health's clinicians were endeavouring to engage with the people involved, particularly around the practicality of this proposal and patient safety requirements such as water quality. This approach was supported by members who also had concerns along similar lines.

It was resolved:

that the minutes be received.

7.2 centralAlliance: Update

It was noted that items contained in the Funding Division's work stream for 2009/10 were timed for late in the financial year.

The development of a common elective services plan was discussed. Management advised a lot of work was being done within the central region to develop a regional elective services plan and this would form the basis of any sub-regional arrangement. The regional elective services plan would be processed through the usual decision-making process, including consideration by the Board (and its committees).

It was noted that potential legislative changes around DHBs' requirements to consult may result in the centralAlliance having to re-consider how consultation around the alliance took place.

It was resolved:

that the report be received.

8. OPERATIONS REPORTS

8.1 CEO's Report

8.1.1 Legislative Changes

The legislative changes currently being considered by Government were discussed. Of particular interest was the proposed new clause 33b enabling the Minister to direct DHBs to comply with stated requirements to improve the effectiveness and efficiency of the health and disability sector. The proposed new section around DHBs' future planning framework and requirements were also noted (new section 38 & 39).

The issue of whether MidCentral DHB would be making a submission on the proposed changes was raised. The CEO advised management had not recommended doing so, noting this was Government policy, however if the Board chose management could organise a submission.

8.1.2 *Bowel Cancer Screening Pilot*

The CEO advised the possibility of MidCentral Health being a pilot site was being discussed at a senior level of the organisation.

8.1.3 *Management/Administration FTE Cap*

The CEO advised that a response to MidCentral DHB's request was awaited.

A typographical error was noted. The contract secured by Enable New Zealand was the national ACC housing *modifications* contract.

Ken Clark, Medical Director and Sue Wood, Director of Nursing entered the meeting.

8.1.4 *National Health Targets*

The CEO advised that Minister of Health would be releasing the quarterly results for March 2010 in the near future.

8.1.5 *Kimberley Centre Holding Costs*

The CEO advised this matter had been raised with representatives of the National Health Board recently. They had expressed surprise that the payment had not been made.

Management advised the disposal of this land was still going through the Government's land disposal process. It was understood that the matter was now before the three responsible Crown Ministers for a decision on whether the property be land banked or cleared for sale.

A member expressed concern about the length of time the land disposal process took and the deterioration of the property in the intervening time. The CEO advised that management could take up this matter with the Ministry of Health and local MPs if required.

8.1.6 *Financial Position*

Members noted that the financial position as at the end of March 2010 was ahead of forecast, and that the preliminary result for April 2010 was also positive to forecast. The revised year end forecast of \$9.5m deficit was also noted.

It was resolved:

that the report be received.

7. STRATEGIC MATTERS CONTINUED

7.3 **Concerto Business Case**

Medical Director Ken Clark, Director of Nursing Sue Wood, and Manager Information Systems Strategy Brian Woolley presented the Concerto business case. A short presentation, followed by video was given by Ken Clark. Key points raised in the presentation and subsequent discussion were:

- the Concerto business case had the support of clinicians

- Concerto would assist in addressing issues around discharge summaries, medicines reconciliations and laboratory result use/sign-off, and would improve audit processes around these
- Concerto was the foundation stone and future add-ons would enable further functionality to be achieved. The add-ons would be done in conjunction with other DHBs in the region to assist in securing competitive pricing.
- connectivity to other systems was incorporated in the business case.
- Concerto would continue to be used when the patient management system was replaced, and would integrate with the new system.
- security of information would be enhanced
- all hardware required for Concerto was included in the business case. It was noted that MCH had good IT infrastructure as a result of investment in RIS/PACS.
- implementation of Concerto would require all staff to use the new discharge planning system and current work-around solutions would no longer be an option.
- implementation of Concerto would require education of staff in its use. This was not considered to be a major issue. Uptake of the new RIS/PACS system had gone very well, and as Concerto or other clinical work stations were used at other DHBs many staff were familiar with them.
- investment of this magnitude at this time given the DHB's financial situation was discussed and it was noted that this IT initiative was included in the budget.
- the project team undertook to quantify the financial benefits detailed in the business case.
- the project team also undertook to regularly review progress against achievement of all stated benefits and to report these to the Board or appropriate audit committee.
- the project team advised it would review risk management requirements around the new system to determine if any additional strategies were necessary
- Concerto would be an invaluable tool for clinicians and would improve the use of their time, however, it did not replace good clinical practice, such as history taking.
- a member expressed disappointment that a privacy impact assessment had not been undertaken and engagement with the community around this issue had not occurred
- the importance of celebrating the milestones in implementing Concerto was raised.
- implementation of Concerto would support regional activities as it was used, to varying degrees, by all other DHBs in the region. The proposal had the support of the National Health Board's IT expert.

It was resolved:

that capital funds of up to \$1,495,105 for the purchase and full implementation of the Concerto clinical workstation system be approved; and further that

the Chief Executive Officer be authorised to finalise contract details and sign all appropriate documentation.

Members of the MCH management team and IT team left the meeting.

The meeting adjourned for lunch at 1.20pm and reconvened at 1.50pm.

8. OPERATIONAL MATTERS CONTINUED

8.2 Treasury Management (Repayment of Loan Funding & Equity)

The importance of ensuring the DHB had sufficient working capital funds and means to invest in critical capex items was noted, together with the need to ensure the cost of "cash" was not detrimental to the organisation. The matter was fully debated. The Board then agreed to adjourn discussions while management gave further consideration to this matter, providing a report for the Board's next meeting. It was agreed that the following points be explored by management:

- possibility of repaying portion of equity, say around \$25m
- seeking an accommodation from CHFA for increasing working capital capacity by \$10m which MDHB could call on as required
- aligning (or “evening out”) balance sheet in terms of debt and investments
- further reviewing and testing forecast capital expenditure for reasonableness
- further reviewing and testing projected cash profile for reasonableness

It was resolved:

that the report be received.

9. GOVERNANCE ISSUES

9.1 Delegations Policy

It was resolved:

that the schedule of delegations be amended to include a statement covering adverse variances to budget.

9.2 Sponsorship Policy

Two grammatical changes to the Policy were suggested:

- Purpose: “... donation opportunities *is* systematic, ...”
- Policy: “ensure that no-one within MDHB or *associated with* MDHB receive”

It was resolved:

that the policy be approved by the Board.

9.3 Insurance

It was noted that the 2010/11 premium was an estimate only as it was still under negotiation.

Members noted that a new broker, Marsh, had been appointed. This was a global insurance broker. As part of the selection process, the Standards & Poor’s credit rating of all parties had been taken into account.

It was resolved:

that the CEO be delegated the authority to approve the estimated 2010/11 premium of \$293,015.

9.4 2009/10 Work Programme

9.4.1 Allied Laundry Services Limited’s Shareholders Agreement

The CEO advised that Whanganui DHB had supported the proposed changes to the Shareholders’ Agreement.

It was resolved:

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

10. LATE ITEMS

There were no late items.

11. DATE OF NEXT MEETING

Tuesday, 15 June 2010, MidCentral DHB Offices, Board Room, Gate 2B, Heretaunga Street, Palmerston North.

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, 4 May 2010</i> • <i>Hospital Advisory Committee, 4 May 2010</i> • <i>Enable New Zealand Governance Group, 4 May 2010: contracts update</i> 	<p><i>For the reasons set out in the Committee's order paper of 4.5.10 meeting held with the public present</i></p> <p><i>For the reasons set out in the Committee's order paper of 4.5.10 meeting held with the public present</i></p> <p><i>Subject of negotiation</i></p>	9(2)(j)
<i>Strategic Issues</i>		
<ul style="list-style-type: none"> • <i>2010/11 Statement of Intent & District Annual Plan</i> • <i>centralAlliance: update re Commercial Support Service Tender</i> 	<p><i>Under negotiation</i></p> <p><i>Under negotiation</i></p>	9(2)(j) 9(2)(j)
<i>Operational Issues</i>		
<ul style="list-style-type: none"> • <i>Contracts Update</i> • <i>Financial Recovery Programme</i> 	<p><i>Under negotiation</i></p> <p><i>Under negotiation</i></p>	9(2)(j) 9(2)(j)

Confirmed this 15th day of June 2010.

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Chairman