

MIDCENTRAL DISTRICT HEALTH BOARD

Minutes of the MidCentral District Health Board meeting held on 21 July 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
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
Mike Grant, General Manager, Funding Division
Heather Browning, General Manager, Enable New Zealand
Nicholas Glubb, Acting General Manager, MidCentral Health
Jill Matthews, Principal Administration Officer
Dennis Geddis, Communications Officer

Public (1)
Media (2)

1. APOLOGIES

The Chairman advised Graeme Campbell had sought three months leave of absence due to illness. A doctors' certificate had been provided.

It was resolved:

that Graeme Campbell, Board Member be granted leave of absence for up to three months due to illness.

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 association with the Institute of Environmental Science & Research and Massey Ventures Limited had ceased.

3.2 Declaration of Conflicts in Relation to Today's Business

Ormond Stock and Jim Jefferies, Board Member and Chair respectively, Aorangi Hospital: agenda item 7.1, CEO's Operating Report, sub-section 2.4, National Policy re amended public/private protocols.

4. MINUTES OF PREVIOUS MEETING

4.1 Minutes

It was resolved:

that the minutes of the previous meeting held on 16 June 2009 be confirmed as a true and correct record.

4.2 Matters Arising from the Minutes

4.2.1 Complaints Process

The CEO confirmed that complaints were reviewed at both an individual and collective level. The collective results were reported to the Board through the Committee process.

4.2.2 Dannevirke-based Outpatient Clinics

The CEO confirmed that the review of the Dannevirke outpatient clinic situation was underway. Preliminary results showed the number of additional people seen as a result of moving the location of three clinics to Palmerston North was positive, and exceeded expectations. Within these additional volumes were a number of Tararua residents.

It was noted that the "did not attend" (DNA) rates for the new clinics had been reported as "not disproportionate" to previous levels. The basis of comparison was questioned, and the CEO advised he believed it related to the average DNA levels for Dannevirke clinics and also Palmerston North-based clinics.

5. BOARD COMMITTEES

5.1 Group Audit Committee

A correction to the minutes was noted. Dennis Emery had been present at the meeting.

It was resolved:

that the unconfirmed minutes of the meeting of the Group Audit Committee held on 16 June 2009 be received and the recommendations contained therein approved.

5.2 Matters Arising

5.2.1 Single-Use Consumables

Management advised that at this early stage there was no indication that this initiative posed a risk in terms of additional expenditure. The concept was currently being discussed by various groups, including the Clinical Board, the Theatre Committee, and Infection Control.

5.2.2 Management Appointments

On behalf of the Board, the Chair congratulated Nicholas Glubb, Operations Director, Specialist Community & Regional Services on his new role.

5.2.2 Horowhenua Health Centre

Members' noted that a revised costing was being prepared for Horowhenua Health centre, and that this would be reported through to the Board via the Committee process. The CEO confirmed that the report would be provided to the Hospital Advisory Committee.

It was noted that on a cost-centre basis, Horowhenua Health Centre was budgeting a deficit of \$4.8m for 2009/10. The level of additional staffing at the Centre was raised, and members questioned whether this was appropriate, and whether it was reflected in throughput levels. Questions were also asked regarding the appropriateness of the Centre's revenue, and whether a workout plan was required.

Members emphasised that in the current economic environment it was important to review cost structures for individual cost centres, noting that cross-subsidisation between cost centres may be required but was undesirable on an ongoing basis.

Management confirmed that these issues would be covered in the scheduled report.

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 July 2009 be received and the recommendations contained therein approved.

5.4 Matters Arising

5.4.1 Health Needs Assessment

Management confirmed that the decision to stop the Technical Advisory Services' involvement in health needs assessment had been taken by the central region DHBs. It further advised that timely health needs assessment information would continue to be available to MidCentral DHB.

5.4.2 Health Care Development Team

The good work being done by this team was noted, and members requested greater transparency around its role, particularly how this linked to the DHB's strategic and annual plans, and cost structure. It was agreed that a report be provided to the Community & Public Health Advisory Committee on the Team's 2009/10 work programme and budget. It was noted that the Health Care Development Team had secured revenue so was not totally funded internally, and that the 2009/10 reporting framework provided for more timely and focused updates regarding the Team's achievements via the General Manager's Operating Report.

It was further noted that MidCentral DHB's investment in the Health Care Development Team was a first for New Zealand. The Team's future role, under a regional service structure, was discussed and the General Manager, Funding Division advised the current priority was to make the Team available to assist with MidCentral DHB's internal challenges.

5.5 Hospital Advisory Committee

It was resolved:

that the unconfirmed minutes of the meeting of the Hospital Advisory Committee held on 7 July 2009 be received and the recommendations contained therein approved.

5.6 Matters Arising

5.6.1 Radiation Therapy Services

A clarification to the minutes was provided. The Committee had suggested the service should now *plan* on the basis of the new four-week waiting time target (due to come into effect in December 2009).

The forthcoming strategic paper on the radiation services would take into account the total region served, projected demand trends, capacity and resource requirements, cost structure, and throughput levels. Comparative information with other cancer treatment centres to also be included.

5.6.2 Electives

Management confirmed it understood the new elective guidelines around cataract services would cater for practice changes, such as use of avastin treatment to prevent sight loss.

5.7 Disability Support Advisory Committee

It was resolved:

that the unconfirmed minutes of the meeting of the Disability Support Advisory Committee held on 7 July 2009 be received and the recommendations contained therein approved.

5.8 Matters Arising

5.8.1 Hutt Valley DHB's Summary Report on Care of a Patient with a Severe Disability

Members noted that that the patient concerned was a very articulate woman who had fought for health and disability services in the region.

It was noted that MidCentral DHB had implemented many changes over recent years to improve services for people with a disability. The possibility of further developing the "patient passport" for the deaf, people with a hearing impairment, and people for who English was a second language was raised, together with the concept of a Health & Disability Consumer role. The restraints on such quality improvements imposed by the current fiscal environment were noted.

6. STRATEGIC ISSUES

6.1 District Strategic Plan - Timeline

It was noted that DHBs would be required to provide a financial forecast for the next 10 years outside the district strategic planning process.

It was resolved:

that this report be received.

6.2 Asset Management Plan

MidCentral DHB's projected capital investment was discussed, and management clarified that the increase in 2012/13 and 2013/14 related to the proposed hospital redevelopment project. Members noted that the asset plan was unaffordable, and that the national situation would be likewise. The impact of regionalisation was discussed.

The deterioration in MidCentral DHB's balance sheet as a result of financial deficits was noted.

It was noted that these issues would be included in the Cash Workshop scheduled for August 2009. It was agreed that this workshop also address the potential for MidCentral DHB to use its land to generate income.

It was resolved:

that this report be received.

6.3 Crown Funding Agreement

The possibility of further devolvement of service responsibility from the Ministry of Health was discussed. Management advised it was unaware of any significant changes, but that the Ministerial Advisory Group's report may signal something different. This report was scheduled to be provided to the Minister of Health by the end of July and would likely become public around the end of August. The potential for centralisation of current DHB functions, such as transfer of responsibility for PHO funding to the Ministry of Health, was noted. Management advised it did not support the latter.

It was resolved:

that this report be received.

6.4 Manawhenua Hauora

6.4.1 Minutes

It was resolved:

that the minutes be received.

6.4.2 2009/10 Work Programme

It was noted that Kaupapa Tuatahi had been removed from the list of strategy documents, but was specifically included in the work programme. Management undertook to get clarification on this matter.

It was resolved:

that the 2009/10 work programme between MidCentral District Health Board and Manawhenua Hauora, as contained in the agenda, be approved.

7. OPERATIONS REPORTS

7.1 CEO's Report

7.1.1 DHBNZ

The CEO advised that participation in DHBNZ and associated projects cost MidCentral DHB around \$400,000 per annum. A lot of work had been done to ensure there was no duplication between local, regional and national initiatives. The level of national collaboration had increased significantly since the establishment of DHBs.

7.1.2 Elective Services

Management confirmed that the amended national private/public protocols had been received and would be provided to the Hospital Advisory Committee. These included both use of private services off-site, and, the provision of private services within public hospitals.

Jim Jefferies and Ormond Stock's interest as Chair and Board Member respectively, Aorangi Hospital was noted.

7.1.3 centralAlliance

The Board Chair and the centralAlliance Sub-Committee Chair reported that the Minister of Health was very keen for the alliance to proceed, particularly in terms of clinical services.

The development of a roadmap for the alliance was the current focus, and a combined Board workshop with Whanganui DHB was planned. The Sub-Committee Chair advised the indicative date for the workshop was 12 August at 5pm. It was his aim that the workshop would provide a clear set of expectations from the combined Boards for management.

The importance of community and staff engagement was raised by members, as was the need to record the savings and service improvements achieved.

The links between the centralAlliance and the Corporate Convergence programmes was noted.

Dennis Emery advised that the Iwi partner of each DHB was scheduled to meet on 17 August.

The CEO advised that a further combined management meeting, including Chief Medical Officers, was scheduled for 22 July.

7.1.4 2009/10 District Annual Plan

The CEO advised the Ministerial support of MidCentral DHB's 2009/10 District Annual Plan had been received on 20 July 2009. The Plan was now being printed, and placed on the DHB's website.

In his letter of approval, the Minister of Health had emphasised the Government's health targets and priority areas, and, the current international financial situation. Ministerial approval of the DAP did not constitute approval of proposals for service changes, service reconfigurations, or capital projects. These would need to be progressed in line with national guidelines.

7.1.5 2009/10 Statement of Intent

The Board noted that the Statement of Intent had been approved by the Minister of Health for tabling in Parliament.

7.1.6 *MidCentral Health*

The CEO advised three milestone achievements, being the senior management restructure, commencement of the staff consultation process regarding the terms of reference for the review of services, and, the opening of the women's surgical unit.

7.1.7 *Influenza Update*

A member asked if there had been any fatalities as a result of Novel Influenza A (H1N1), and the CEO advised there was one suspected death. The exact cause had yet to be confirmed.

7.1.8 *Visit of the Minister of Health*

The CEO advised the key issues discussed with the Minister of Health on his recent visit were: electives, radiotherapy waiting times, MidCentral DHB's financial performance, and the centralAlliance. MidCentral DHB's results in the first three areas had put the DHB on the Minister's radar, and he had been very clear that he expected the 2009/10 targets to be achieved.

The Minister had toured Palmerston North Hospital, meeting around 50 staff members. The Minister had advised staff had expressed satisfaction in their roles, and were very helpful and cheerful – something which was not apparent in all other hospitals visited.

The Minister had also met with the Manawatu Standard's health reporter.

7.1.9 *Financial Performance*

The CEO advised the year end result was expected to be in line with the revised forecast of a \$9.8m deficit.

It was resolved:

that the report be received.

7.2 **2009/10 Budgets**

7.2.1 *Funding Division*

Management clarified that the provision for NGO providers included funding provided by Government for specific initiatives, such as herceptin, aged residential care, primary/secondary care integration, and respite care. It also included funding for growth in PHO enrolments.

The mental health funding was ringfenced, and had increased by around 26%.

7.2.2 *Governance*

Management confirmed that the governance charge included Enable New Zealand.

7.2.3 *MidCentral Health*

Members noted that in order to breakeven MidCentral Health had to reduce costs by around \$10m. They agreed this would present management with some challenges, and would require innovation, rationalisation, collaboration, and fundamental change. Members reiterated their expectation, and that of the Minister of Health, that breakeven be achieved.

Concern was expressed that some slippage against timelines had already occurred, and that the first month of the year was almost over. The importance of achieving the turnaround plan timeline was emphasised.

The level of change required was discussed, and members considered the Board should devote more time to looking at sustainable business models and “blue skies” thinking. It was noted that the governance process for this was the annual district plan. It was agreed that development of the 2010/11 District Annual Plan should commence next month if possible, and include several workshops to enable a range of options to be considered.

It was resolved:

that this report be received.

8. GOVERNANCE ISSUES

8.1 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.

10. DATE OF NEXT MEETING

Tuesday, 18 August 2009, Otaki Memorial Hall, Main Street, Otaki.

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:

Item	Reason	Ref
“In Committee” Minutes of the Previous Meeting	For reasons stated in the previous agenda	
“In Committee” Minutes of Committee Meetings		
<ul style="list-style-type: none"> • Group Audit Committee, 16 June 2009 • Community & Public Health Advisory Committee, 7 July 2009 • Hospital Advisory Committee, 7 July 2009 • Disability Support Advisory Committee, 7 July 2009 	<ul style="list-style-type: none"> For the reasons set out in the Committee’s order paper of 16.6.09 meeting held with the public present For the reasons set out in the Committee’s order paper of 7.7.09 meeting held with the public present For the reasons set out in the Committee’s order paper of 7.7.09 meeting held with the public present For the reasons set out in the Committee’s order paper of 7.7.09 meeting held with the public present 	

Confirmed this 18th day of August 2009.

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Chairman