

**MIDCENTRAL DISTRICT HEALTH BOARD**

**Minutes of the MidCentral District Health Board meeting held on 19 December  
2017 at 10.00am at MidCentral District Health Board, Boardroom, Gate 2,  
Heretaunga Street, Palmerston North**

**PRESENT**

Dot McKinnon (Chair)  
Diane Anderson  
Adrian Broad  
Barbara Cameron  
Ann Chapman  
Brendan Duffy

Michael Feyen  
Nadarajah Manoharan  
Karen Naylor  
Oriana Paewai  
Barbara Robson

**IN ATTENDANCE**

Kathryn Cook, CEO  
Keyur Anjaria, General Manager, People & Culture  
Steve Miller, Chief Information Officer  
Neil Wanden, General Manager, Finance & Corporate Services  
Scott Ambridge, General Manager, Enable NZ  
Craig Johnston, General Manager, Strategy, Planning & Performance  
Stephanie Turner, General Manager, Maori & Pacific  
Gabrielle Scott, Executive Director, Allied Health  
Jan Dewar, Acting Director of Nursing & Midwifery  
Lyn Horgan, Operations Director, Hospital Services  
Muriel Hancock, Director, Patient Safety & Clinical Effectiveness  
Cushla Lucas, Acting Service Director, Regional Cancer Treatment Service  
Debbie Davies, Acting Service Director, Community  
Jill Matthews, Manager, Administration & Communications  
Paula McCool, Communications Officer  
Kelly Isles, Project Manager (part meeting)  
Greig Russell, Principal Advisor  
Robert Holdaway, Manager, Public Health (part meeting)  
Robert Weir, Medical Officer of Health (part meeting)  
Peter Wood, Drinking Water Assessor (part meeting)  
Jess Long, Planner (part meeting)  
Dave Tang, Cardiologist (part meeting)  
Amanda Drifill, Service Manager (part meeting)  
Dave Mundell, Cardiologist (part meeting)

Public: 0  
Media: 1

**1. ADMINISTRATIVE MATTERS**

**1.1 Apologies**

There were no apologies.

**1.2 Late Items**

There were no late items.

### **1.3 Conflict and/or Register of Interests Update**

Dot McKinnon, Chairperson advised the following new interests:

- Chair, Regional Governance Group
- Member, Workforce Strategic Group
- Member, ERSG

Member Ann Chapman noted her interest in the Central Region's Technical Advisory Service in relation to today's business. This organisation was noted on page 143 of the agenda.

### **1.4 Minutes of the Previous Meeting**

It was resolved:

*that the minutes of the previous meeting be approved as a true and correct record.  
(Moved Dot McKinnon; seconded Karen Naylor)*

### **1.5 Matters Arising from the Minutes**

#### *1.4.1 Manawatu Gorge Closure*

Member Michael Feyen advised he had raised the health aspects of the Manawatu Gorge closure at a recent meeting with NZ Transport Agency regarding alternative road options.

#### *1.4.2 Horowhenua Water Supply*

Member Michael Feyen noted that the question around the health impact, if any, of the trace elements in the Horowhenua water supply had been addressed. This possibility had been taken out of the equation in respect of the area's higher rates of cancer and mental illness.

#### *1.4.3 Arthritis Support Group*

Follow-up with the Arthritis Support Group was questioned. The Operations Director reported that she had recently attended the Group's Christmas function to speak about elective services, including access criteria and elective surgery. Ms Horgan advised she would continue to work with this Group.

## **2. STRATEGIC & ANNUAL PLANNING**

### **2.1 Strategic Property Plan Update**

The General Manager, Finance & Corporate Services presented this report, noting the high levels of engagement by staff and other stakeholders. There was universal support for the plan, with people seeking sustainability, an environment that presents well to consumers and in which people of all ethnicities felt comfortable.

Mr Wanden advised that subject to the Board's support, the next step would be formal communication with the Ministry of Health regarding the acute service block development which followed on from the Master Health Service Plan (MHSP) indicative business case that the Ministry had supported. The Ministry had recently indicated that the Acute Service Block proposal was consistent with the MHSP, albeit it was larger in size. The development of a detailed business case which then occur across the course of the year for which Ministry

endorsement would be sought, followed by an application for Government financial support. The latter would be dependent on other funding priorities within the sector.

The Chairperson advised she had requested a Board-to-Board meeting with Whanganui DHB to get its input into the Plan. The Site Strategic Plan was very relevant to the centralAlliance.

The importance of robust processes in the Plan's development was emphasised in order to ensure the new building solution was enduring and provided a long-term solution. The short-term solution provided by the last Palmerston North Hospital redevelopment work was cited.

It was noted that in parallel to the site redevelopment work, mental health facility options were being progressed. An assurance was sought that priority would continue to be given to mental health in line with the Board's direction. Management stated its commitment to bring forward a business case for the mental health development. Any decision to reprioritise this work and/or investment would rest with the Board.

Confirmation was sought from Manawhenua Hauora's perspective that sufficient attention had been given to the morgue facility within the Plan. Oriana Paewai advised this was the case.

It was resolved:

*that the Board:*

- *note that the draft Strategic Property Plan has been very positively received;*
- *note that Board guidance and other feedback has been incorporated into the updated Strategic Property Plan;*
- *note that significant further engagement and input with consumers, clinicians and other stakeholders will occur at each subsequent level of design development;*
- *note that the next stage is to formally confirm the consistency of this Strategic Property Plan and modified Acute Services block with the approved Master Health Services Plan Indicative Business Case;*
- *note that the development of the concept design and the Detailed Business Case for the proposed Acute Services Block will be progressed in parallel with urgency; and*
- *approve the Palmerston North Hospital Strategic Property Plan for adoption as the guiding strategy for long term development of the hospital campus. (Moved Dot McKinnon; seconded Diane Anderson)*

## **2.2 Locality Approach to Health & Wellbeing Plans**

The development of a Health & Wellbeing Plan for Palmerston North was discussed. Management advised that this would be based on the territorial local authority area. Further, that the work would build on existing plans and work, including the detailed piece of work which had been undertaken around an integrated family health centre model for the south-western part of the city. It was noted that the Palmerston North City Council's vision included a health aspect and it was important the two organisations worked closely together. The Chairperson advised she had met with the Council's Mayor and CEO recently, and further meetings were planned including a board-to-council meeting to support an integrated approach.

Noting his interest as a Palmerston North City Councillor, member Adrian Broad offered the Council's support in the development of this Plan.

Members noted with appreciation the Consumer Council's feedback on the draft Tararua Health & Wellbeing Plan and the work being done to ensure the prioritised work plan was meaningful from a community perspective.

The following suggestions were made for the further development of the plan and/or work programme:

- more discussion around the role of nurses, not just nurse practitioners, in the provision of primary care services;
- increased communication between Integrated Family Health Centres and their communities;
- the increasing use of apps for health services, such as skin lesions, and how these would be integrated into the clinical record;
- reconsideration of the patient story around skin lesions;
- more discussion around general practice charges when patients were unable to see a GP and were seen by a nurse instead;
- consistent messaging, noting literacy was not about the community understanding health providers and organisations, but health providers and organisations understanding what communities were talking about.

It was resolved:

*that the update on locality planning be noted.*

### **2.3 Integrated Service Model Update**

The level of staff support for the new model was questioned. The General Manager, People & Culture advised there was growing support as more people became involved. Communication to date had been focused internally and was now spreading to other stakeholders.

In respect of communication, it was suggested that the key messages focus on what the new model would mean for a person in the community, a person in the hospital, and someone working in an Integrated Family Health Centre, with examples of what an integrated approach would deliver.

The CEO undertook to arrange a presentation at a future meeting where services who were working in an integrated way could provide practical examples of the work they were doing, including that with general practices and social sector agencies.

Concern was expressed that the communication with internal and external stakeholders was theoretical although the project had been underway one year. It was noted that this was a five-year change process.

The annual budget and the actual spend to date was noted. The CEO advised that this funding would support the change management process, including the recruitment, selection and development of staff. Consideration had yet to be given to future year's budget requirements. The CEO advised that in addition to staffing, work on support system and infrastructure would be required to enable each cluster to carry out their roles, ie how they would access information, how they would be supported from a planning perspective.

The Canterbury DHB model was discussed and it was suggested it could be useful to invite key personnel from that organisation to share their experience with the Board. Management advised that the Canterbury model was specific to their needs and was not suitable to “drag and drop” into another organisation. The work done by MidCentral DHB in investing in primary care capability and capacity was an excellent precursor to cluster development.

The CEO advised that regular updates on this major project would continue to be provided to the Board.

It was resolved:

*that this report be noted.*

#### **2.4 Annual Planning 2018/19 – Strategic Priorities**

It was resolved:

*that the Board:*

- *endorse the proposed strategic priorities for the 2018/19 year*
- *endorse the proposed strategy and finance planning workshop to be held with Board members on 30 January 2018. (Moved Dot McKinnon; seconded Karen Naylor)*

Kelly Isles and Craig Johnston left the meeting.

#### **2.5 Report of the Havelock North Drinking Water Inquiry: Stage 2 – Implications for MDHB**

Dr Robert Weir advised that the Government was expected to respond to the report around late February. The Director of Public Health and Ministry of Health would be holding forums for public health clinical network early in New Year.

Craig Johnston re-entered the meeting.

It was also understood there would be a raft of communication around water standards in the near future, including a letter to DHB Chairs.

It was noted that MidCentral DHB was well placed, with all public water supplies treated. However, there was still room for improvement in strengthening compliance as reported previously to the Board.

The work being done, led by Horizons and involving MidCentral DHB and the seven local territorial authorities with this region was also beneficial.

It was noted that future resourcing levels would be driven by decisions in respect of the recommendations contained in the Stage 2 Inquiry report.

The CEO advised that as the issue of drinking water quality was a high priority, regular updates would be provided to the Board (or its committees).

Member Barbara Cameron advised that drinking water quality was also a high priority for territorial local authorities, along with earthquakes and climate change.

Robert Weir, Robert Holdaway and Peter Wood left the meeting.

It was resolved:

*that the implications for MDHB arising from the Stage 2 Report of the Havelock North Drinking Water Inquiry be noted.*

### **3. PERFORMANCE REPORTING**

#### **3.1 CEO's Report**

##### *3.1.1 WebPAS*

The successful implementation of WebPAS and the full suite of Regional Health Informatics Programme systems was fully discussed. It was agreed that the Board's congratulations be conveyed to all staff.

The Chief Information Officer advised that a signed memorandum of understanding was in place across the Central Region, setting out arrangements for the ongoing operational matters relating to the programme, including the role of Capital & Coast DHB and the Central Region's Technical Advisory Service.

##### *3.1.2 Te Whare Rapuora*

The 30<sup>th</sup> anniversary of Te Whare Rapuora was noted.

The CEO confirmed the upgrade of this facility would get underway to restore its overnight sleeping function. Tenders were being sought and \$150,000 had been budgeted for this work. Adjustments had been made to the capital programme to accommodate this expenditure

Scott Ambridge left the meeting.

##### *3.1.3 Ministerial Advisory Committee*

The CEO advised that the terms of reference for the newly appointed Ministerial Advisory Committee would be provided to all members once available.

The potential impact of changes within central government and agencies was raised. It was agreed that it was too early to determine, and that regardless MidCentral DHB would continue with the implementation of its Strategy.

The General Manager, Strategy, Planning & Performance advised the Minister of Health was very conscious of the need to provide to DHBs early signals of policies and priorities. While the funding envelope would not be available prior to Christmas, it was expected to be provided much earlier than in the previous planning round.

##### *3.1.4 Health Select Committee*

The CEO advised that MidCentral DHB had been invited to attend the Health Select Committee, together with Bay of Plenty and Hawke's Bay DHBs in February 2018. Meantime, MidCentral was preparing its response to the Committee's questionnaire.

Dave Mundell, Dave Tang and Amanda Drifill entered the meeting.

### 3.1.5 Staff Barbeques

The success of the recent staff barbeques was discussed. Members of the Board commended this initiative and expressed an interest in being involved in future such events.

It was resolved:

*that the CEO's report for October/November 2017 be noted.*

## 5. COMMITTEE RECOMMENDED PAPERS

### 5.1 A Development Plan for Improving Specialist Cardiovascular Management

Dr Mundell presented the proposal, stating this would improve patient care and outcomes for communities of both the MidCentral and Whanganui

It was noted that no cardiologists within the department were capable of doing PCI, but this was not seen as an issue as it would assist with recruitment. The Cath Lab would also be used for other procedures currently undertaken in theatre.

The impact of new technology and drugs to reduce the instance of cardiology disease was questioned. Dr Mundell advised that new drugs would provide benefits in the longer term.

The high rate of mortality from heart disease in MidCentral, Hawke's Bay and Whanganui was raised. Dr Mundell advised the most common cause was lack of access or delayed access. This led to poorer outcomes. It was also noted that socioeconomic status and ethnicity also impacted.

It was resolved:

*that the Board:*

- *note that the proposal improves access to care and outcomes for cardiac patients.*
- *note that the proposal meets the DHBs priorities to:*
  - *achieve equity of outcomes across communities*
  - *achieve quality and excellence by design*
  - *partner with people and whānau to support health and wellbeing*
  - *connect and transform primary, community and specialist care*
- *note that the proposal is consistent with the Central Region Cardiac System of Care Strategic Plan 2016-2021 and the Board's own Long Term Investment Plan 2016-2026*
- *note that the draft business case is NPV positive over a range of scenarios and is expected to have a payback period of 4-8 years*
- *approve the proposal to proceed to detailed design of a Cardiac Catheterisation Laboratory prior to a final business case. (Moved Ann Chapman; seconded Diane Anderson)*

Members of the cardiology team left the meeting.

### **3. PERFORMANCE REPORTING CONTINUED**

#### **3.2 Finance Reports – November and October 2017**

The year to date financial result was discussed. The CEO outlined management's strategy to achieve financial sustainability. Investment was occurring to improve the effectiveness and efficiency of hospital services, including the work led by Francis Health to optimise theatre services and transform internal medicine. Improvement in theatre services would result in greater throughput and safety. The focus in internal medicine was reducing length of stay and improving patient processes which would have tangible financial benefits. It was also focusing on ED, both in regards frail elderly patients and the department's interface with the Medical Assessment & Planning Unit (MAPU), and the internal medicine model of care. Improvements were being seen.

Alongside this, work in integrating hospital and primary care services was occurring, such as the alignment of district nursing services to Integrated Family Health Centres. Other roles with IFHCs were being considered. Some of the patient cohorts most evident in hospital were cardiac and respiratory, and by growing the capability and capacity of primary care some of these patients could stay at home. Mental health services were being challenged by high demand. A new charge nurse for inpatient acute mental health care had been recruited.

A business improvement focus continued and the Executive Leadership Team had a workshop scheduled for January 2018 to review the programme to ensure MDHB achieved its budget target. It was noted that the budget contained a \$7.7m risk.

Acute surgical demand within the hospital remained high, as did ward occupancy levels. There had been little easing of the high demand experienced over winter. Discussion took place over the best way of budgeting for today's hospital services. The General Manager, Finance & Corporate Services advised realistic budgeting had occurred. The level of change required was around \$5m per year and this could be achieved by fine-tuning services rather than wholesale change of the whole business.

It was resolved:

*that the finance reports for MidCentral DHB –November and October 2017 be noted.*

#### **3.3 Board's Work Programme**

It was resolved:

*that the progress against the 2017/18 work programme be noted*

### **4. GOVERNANCE MATTERS**

#### **4.1 NZ Health Partnerships Limited**

The ratio of budgetary and non-budgetary savings within NZHPL's annual plan was discussed, being \$6m and \$44m respectively. The need for regular reporting was noted. The General Manager, Finance & Corporate Services advised the company's 2016/17 annual report was being finalised and would be provided to all DHBs in due course.

The NOS programme and recent publicity was noted.

It was resolved:

*that the NZ Health Partnership's Combined Statement of Intent 2017-2021 and Statement of Service Performance Expectations 2017/18, and Annual Plan 2017/18 be approved. (Moved Dot McKinnon; seconded Karen Naylor)*

#### **4.2 Revenue Contract Delegations**

It was resolved:

*that the Board approves the delegation to the Chief Executive to include renewal of Revenue Contracts where the related contract has been approved by the Board in prior years. (Moved Brendan Duffy; seconded Dot McKinnon)*

### **5. COMMITTEE RECOMMENDED PAPERS CONTINUED**

#### **5.2 Hospital Operations Centre (MIYA Patient Flow) Project & Funding Report**

The Chief Information Officer presented the report. He confirmed that the additional capital money sought could be accommodated by amending the timing of other capital items.

The Board noted the "benefits" section of the report which had been added following the Finance, Risk & Audit Committee's consideration of the report. The General Manager, Finance & Corporate Services advised the additional expenditure required the saving of an additional 630 bed days per year to achieve the original payback period. This was considered very achievable.

The risk of the vendor walking away from the system was discussed. Management considered this risk to be very low, with the system being used within Australia. The contractual arrangement included an escrow provision as a means of managing this risk.

The CEO advised that as the original business case had required Ministry of Health approval, the additional expenditure would also need to be considered by them. The project timeline would need to be rephased accordingly.

The Chief Information Officer confirmed there was some duplication of functionality between the Hospital Operational System, Clinical Portal and WebPAS systems. Similarly, there were also some gaps. Management was considering all areas of duplication to determine which system provided the best solution for MDHB, and it would also be considering how to address the gaps. The Business Analyst would play a key role in this area.

Member Karen Naylor expressed her concern regarding the additional expenditure required when the DHB needed to live within its means. She also expressed concern regarding the rate of change within the organisation. For these reasons, she could not support the additional expenditure.

The CEO acknowledged the rate of change within the organisation and advised that following the implementation of the Hospital Operations Centre, there would be a period of consolidation.

The cost and benefits of the project were fully discussed, including the benefits to recruitment of having a system based on modern technology.

Concern was expressed that the capital programme was being rephrased and adjusted to accommodate additional costs, and that the changes were not advised to the Board. It was agreed that the specific changes would be reported to the Board, together with details of any impact the change would have on the project and/or organisation.

It was resolved:

*that the Board:*

- *note the status of the Hospital Operations Centre (MIYA Patient flow) Project currently underway as set out in this paper*
- *note the endorsement of the Executive Leadership Team, and Finance, Risk & Audit Committee*
- *approve the allocation of additional CAPEX of \$766,692 to enable the successful delivery of the project. (Moved Dot McKinnon; seconded Brendan Duffy)*

Karen Naylor voted against the motion.

Grieg Russell left the meeting.

### **5.3 Business Improvement Update**

It was resolved:

*that the Business Improvement Programme Update be noted.*

### **5.4 Health & Safety System Report**

It was resolved:

*that the Health and Safety system report for the quarter July to September be noted.*

### **5.5 MDHB's Sustainability Programme**

It was resolved:

*that the Board:*

- *approve the Sustainability Strategy and Policy;*
- *note that progress on sustainability will be updated to the Board annually. (Ann Chapman; Brendan Duffy)*

### **5.6 Child/Young Person Abuse and/or Neglect "Child in Need" Policy; and Intimate Partner Violence Policy**

The policies were supported, noting that a members had advised a minor change to the CEO.

It was resolved:

*that the Board approve the Child/Young Person Abuse and/or Neglect “Child in Need” Policy and the Intimate Partner Violence Policy. (Moved Dot McKinnon; seconded Brendan Duffy)*

## **6 COMMITTEE MINUTES**

### **6.1 Finance, Risk & Audit Committee**

The regional IT support systems were discussed and management confirmed that Capital & Coast DHB was very responsive as demonstrated during the recent WebPAS go-live process. It was noted that there was a lot of work was going on this area. The Mike Rillstone review had proved very beneficial and the recommendations were being implemented.

It was resolved:

*that the unconfirmed minutes of the meetings of the Finance, Risk & Audit Committee held on 21 November 2017 be noted.*

### **6.2 Quality & Excellence Advisory Committee Healthy Communities Advisory Committee**

It was resolved:

*that the unconfirmed minutes of the meeting of the Quality & Excellence Advisory Committee and Healthy Communities Advisory Committee held on 28 November 2017 be noted.*

### **6.3 Enable New Zealand Governance Group**

The Committee Chair drew the Board’s attention Enable New Zealand’s achievements.

It was resolved:

*that the unconfirmed minutes of the meeting of the Enable New Zealand Governance Group held on 28 November 2017 be noted.*

## **7 LATE ITEMS**

There were no late items.

## **8 DATE OF NEXT MEETING**

27 February 2018, Boardroom MidCentral District Health Board, Gate 2 Heretaunga Street, Palmerston North

## **9 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 set out in the order paper 7.11.2017 meeting held with the public present</i>	
<i>Strategic &amp; Annual Planning</i> <ul style="list-style-type: none"> <li>• <i>National Oracle Solution</i></li> <li>• <i>2018/19 Planning Parameters – Financial Assumptions</i></li> </ul>	<i>Contractual arrangements subject of negotiation</i> <i>Subject of negotiation</i>	9(2)(j) 9(2)(j)
<i>Performance Reporting</i> <ul style="list-style-type: none"> <li>• <i>CEO’s Report – privacy commission preliminary ruling</i></li> </ul>	<i>To protect personal privacy, and, subject of negotiation</i>	9(2)(a) & (j)
<i>Governance Matters</i> <ul style="list-style-type: none"> <li>• <i>CEO &amp; Board Only time</i></li> <li>• <i>Board only time</i> <ul style="list-style-type: none"> <li>○ <i>Board minutes from previous meeting</i></li> <li>○ <i>CEO’s performance measures</i></li> <li>○ <i>IOD evaluation</i></li> </ul> </li> </ul>	<i>For the reasons set out in the paper 7.11.17 meeting held with the public present</i> <i>Under negotiation, and, to protect personal privacy</i> <i>No decision, and to protect personal privacy</i>	9(2)(a)& (j) 9(2)(a)
<i>“In committee” minutes of committee meetings:</i> <ul style="list-style-type: none"> <li>• <i>Finance, Risk &amp; Audit Committee, 21 November 2017:</i> <ul style="list-style-type: none"> <li>○ <i>2018/19 Annual Plan &amp; Budget</i></li> <li>○ <i>Low voltage substation &amp; 11KV network upgrade</i></li> </ul> </li> <li>• <i>Quality &amp; Excellence &amp; Healthy Communities Advisory Committees, 28 November 2017</i></li> <li>• <i>Enable New Zealand Governance Group, 28 November 2017 - General Manager’s report: a) ownership &amp; governance review, and, b) commercial products</i></li> </ul>	<i>Contains information subject of negotiation &amp; commercially sensitive</i> <i>Subject of tender process and contractual negotiations</i> <i>For the reasons set out in the order paper of 28.11.17 meeting held with the public present</i> <i>Commercially sensitive information which is subject to negotiation and/or informs commercial negotiating strategies</i>	9(2)(j) 9(2)(j) 9(2)(j)

*(Moved Dot McKinnon; seconded Ann Chapman)*

Confirmed this 27<sup>th</sup> day of February 2018.

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Chairperson