

# AUCKLAND DISTRICT HEALTH BOARD

Minutes of the meeting of the Board held on Thursday 4 September 2003  
in the Marion Davis Library, Auckland City Hospital, Grafton  
commencing at 1:15pm.

## 1. ATTENDANCE AND APOLOGIES

### Board Members

Wayne Brown (Chair)  
Margaret Horsburgh  
Crystal Beavis  
Harry Burkhardt  
Di Nash  
John Retimana  
Vicki Salmon  
Ian Scott  
Pat Snedden

### Management in Attendance

Garry Smith – Interim Chief Executive Officer  
Marek Stepniak – Chief Operating Officer  
Nigel Murray – GM Building Programme  
John Woods – GM Human Resources  
Brenda Saunders – GM Communications  
Ian Bell - Board Administrator

### Apologies

An apology had been received from Dame Susan Devoy.

The Chairman declared the meeting open at 1:55pm followed by a presentation by the Accident Compensation Corporation.

## PRESENTATION – ACCIDENT COMPENSATION CORPORATION (ACC)

David Rankin, General Manager Healthwise and Garry Wilson, CEO ACC presented to the Board. They had been requested to present to the Board as ADHB was increasing significantly its revenue from ACC and there were opportunities to recognise and maximise further revenue. ACC purchased “front of queue” healthcare. Observations were that A+ has current revenues of \$11m where as a similar DHB had revenues of \$25m from ACC. Also notifications on ACC 45 takes fifteen days and the ADHB is the worst at providing these notifications. This meant that the case managers could not get involved which was desired by ACC. DHBs were also not good at pricing their services. Opportunities outlined were child and adolescent head injury services with continuum of care and care coordination, vocational rehabilitation in the areas of preparation for work and maintenance of employment, multi-disciplinary assessments, allied health services of physiotherapy, hand therapy and audiology and residential and community psychology services. There were also opportunities in orthopaedic elective surgery.

On the occupational health side, ADHB had a very low injury rate of 0.81 per one hundred staff against the national average of 1.01 per one hundred staff.

The meeting adjourned to return to the Hospital Advisory Committee meeting at 2:36pm and reconvened at 2.43pm.

## **2. CONFIRMATION OF MINUTES 7 AUGUST 2003**

Moved Pat Snedden, seconded Vicki Salmon

*That the minutes of the meeting of the Auckland District Health Board held on 7 August 2003 be confirmed as a true and correct record.*

Carried

## **3. ACTION POINTS 7 AUGUST 2003**

Work on the regional plan was to focus on the recommendations of the Aitken report.

The delay in signing of the District Annual Plan (DAP) was that the total value of deficits of all DHBs had been greater than anticipated. It was thought that it would take some six weeks for Government to address the funding requirements.

Work was being done on looking at the last two years financial results, realigning history and movement in services between HBOs to get the top fifteen variances which would then be taken to the Executive Team to develop KPIs to ensure that savings were built into the forward budget. Support Services were also being reviewed. An action plan around the top ten variances would be brought forward from the Executive Team.

## **4 CHAIRMANS REPORT**

### **4.1 Report**

Wayne Brown advised that the activities undertaken in the month had been;

- addressing the valuation of land
- working with the CEO on regional issues “better outcomes for greater Auckland”
- extending regional collaboration to Clinical Services as well as Shared Services
- realignment of the capital group to address high level issues only
- a series of meetings with management
- Dr Margaret Horsburgh and Dr Di Nash working with the School of Population Health to get savings on prescriptions
- letter from Dr Cullen on the good results achieved by ADHB
- C J O’Neil had breached the Restraining Order

### **4.2 Disclosures of Interests**

The Disclosures of Interests were noted and Crystal Beavis advised that the Genetics Technologies shares held by a family Trust had been sold. Management Disclosures of Interests would be available at the next meeting.

### **4.3 Committee Membership**

Pat Snedden advised that there may be changes in membership of the Maori Health Advisory Committee.

Moved Ian Scott, seconded Di Nash

*That the ADHB confirms the following committee memberships;*

**Audit Committee;**

*Chair Vicki Salmon, Wayne Brown, Harry Burkhardt, Margaret Horsburgh, Pat Snedden, Ian Scott*

**Building Committee;**

*Chair Wayne Brown, Harry Burkhardt, Vicki Salmon, Pat Snedden, Ian Scott*

**Disability Support Advisory Committee;**

*Chair Margaret Horsburgh, Crystal Beavis, Wayne Brown, Susan Devoy, Di Nash, John Retimana, Barry de Geest, Christine Harmsworth, Marie Hull-Brown, Mere Kohi, Debbie Mudgway, Tanumafili Toso*

**Quality Committee;**

*Chair Margaret Horsburgh, Crystal Beavis, Susan Devoy, Di Nash, John Retimana*

**Remuneration Committee;**

*Chair Pat Snedden, Wayne Brown, Harry Burkhardt, Di Nash, Vicki Salmon*

Carried

#### **4.4 DSAC Appointment**

Moved John Retimana, seconded Margaret Horsburgh

*That the ADHB appoints Tanumafili Toso, instead of Ava Tafili representing PIASS Trust to the Disability Support Advisory Committee effective from 1 August 2003.*

Carried

## **5 INTERIM CHIEF EXECUTIVE OFFICER**

### **5.1 Progress Against ADHB's Key Goals and Key Issues**

### **5.2 Operation Report**

### **5.3 Shared Services Report**

### **5.4 Planning, Strategy and Communications**

Garry Smith spoke to the reports. He advised that the monthly financial result was impacted by recognition of volumes and the PHO funding paid out through the Funder arm. Work was being undertaken on the savings from the year end results to ensure that they are captured into the 2003/2004 year. The impact of Orthopaedics not moving would be \$800k and there was inter district flow work with Waitemata amounting to \$2m. The costing project was now validating data and this would then be fed into the pricing project for review by management. Two collective employment agreements negotiations were not progressing very well.

The first patient for Auckland City Hospital was due within one month. 150 GPs had attended the visit to the Auckland City Hospital which was approximately two thirds of the GPs in Auckland. Opening days and communication planning were progressing. The Sterile Supply Service had gone live for Starship and is being monitored closely. Focus was now transferring to the Greenlane Clinical Centre site.

The Change Programme was concentrating on operational readiness. The transcription service was operating and was starting to improve its service. There was a risk with the 24 Hour Centre losing its very capable manager.

Share Services was developing as a regional project but there was a need to make sure that the vision and structure is correct. The costing system was in the Decision Support unit to provide information for decision making and to support businesses in making decisions. It would also provide clinical information. The unit consists of 40 – 50 people and their work included doing the clinical coding. The Regional Information Systems Strategic Plan had been requested to be completed in November/December for presentation to the Board for debate. There may be a question as to who owns information.

Starship certification had been completed and they had impressed Quality Health New Zealand. The project on community pharmacies was providing information to be shared with PHOs and PCOs as part of the whole referred services management. Allan Pelkowitz was providing information to GPs through a pilot with Procure. This project would be expanded to all GPs. It was noted that remote access to CRIS was not in the original business case.

The Board emphasised that CME overseas travel was to enhance skills for the benefit of the organisation and HR are to develop and issue guidelines to be followed.

The Board thanked the CEO for a full and clear report.

## **5.5 Meeting Plan 2004**

The amendment to the plan was to move the DSAC meetings and reduce their number of meetings with more focus.

Moved Vicki Salmon, seconded Pat Snedden

*That the ADHB adopts the amended meeting plan for the 2004 calendar year.*

Carried

## **5.6 DSS Funding Devolution**

Moved Pat Snedden, seconded Ian Scott

*That the Chairman and the CEO be authorised to sign the Crown Funding agreement related to the devolution of DSS funding effective from 1 October 2003.*

Carried

The meeting broke from 3.35pm – 3.40pm for afternoon tea.

# **6 FINANCIAL REPORT – JULY 2003**

## **6.1 Financial Report**

The financial report had been considered by the Audit Committee.

## **6.2 Treasury Report**

The Audit Committee were concerned with the cashflow movement in July and were monitoring the situation carefully. With the removal of the revaluation of assets there may be required extra equity to avoid a breach of the balance sheet covenant, debt to debt plus equity ratio of 65%. Capital outflows and revised cashflow budgets were to be provided to the Chair and Chair of the Audit Committee. Cameron and Co were to provide the Board with assurance on the refinancing proposals.

## **7 DISABILITY SUPPORT ADVISORY COMMITTEE**

### **7.1 Minutes 5 August 2003**

These were received for information.

### **7.2 Focus of DSAC and Regional DSAC**

Margaret Horsburgh spoke to the paper advising that the DSAC would be focused on the NZ Disability Strategy with a particular theme at each meeting. Devolution of funding for older people would be considered by the CPHAC. A meeting had been organised with the regional chairs of DSAC to discuss the focus for the regional meetings. The Board supported the approach proposed.

## **8 BUILDING COMMITTEE**

The Committee was meeting on the next Tuesday.

## **9 QUALITY COMMITTEE**

The Committee had not met in August 2003.

## **10 AUDIT COMMITTEE**

### **10.1 Report**

Vicki Salmon advised that the Audit Committee had had a full agenda considering the end of year accounts, revaluations and a large number of expenditure proposals that were recommended to the Board.

### **10.2 Terms of Reference**

The Terms of Reference as amended by the Audit Committee were tabled.

Moved Wayne Brown, seconded Vicki Salmon

*That the ADHB adopts the Audit Committee Terms of Reference, TOR September 2003.*

Carried

### **10.3 Lease Unit 2, 5 Belgium Street, Ostend, Waiheke Island**

Moved Ian Scott, seconded Vicki Salmon

*That the ADHB approves the Deed of Lease for Unit 2, 5 Belgium Street, Waiheke Island.*

Carried

### **10.4 Lease 9 Manukau Road**

Moved Ian Scott, seconded Vicki Salmon

*That the ADHB approves the Deed of Renewal of Lease and Variation of Rent for 9 Manukau Road.*

Carried

### **10.5 Linen**

Moved Wayne Brown, seconded Vicki Salmon

*That the ADHB approves the reconfiguration of the Linen Service provided by Taylors Group Limited and the subsequent contract variation to reaffirm Contract C 717 for Linen and Laundry Services with an increase for labour content to account for changes in the linen delivery system to take into account enhancements in service including going from a five day service to a seven day service, the Auckland City Hospital and the new Linen Trolley System*

Carried

### **10.6 Waste Removal**

Moved Wayne Brown, seconded Vicki Salmon

*That the ADHB endorses the amendment to the Waste Removal Service provided by Nuplex Medi Waste Ltd by the contract right of renewal being exercised immediately thereby securing the service until 1 July 2006 and that the Contract C1027841 be varied to allow the changes required to accommodate the new waste system for Auckland City Hospital end state.*

Carried

### **10.7 Cleaning**

Moved Wayne Brown, seconded Vicki Salmon

*That the ADHB approves the reconfiguration of the Cleaning Service Contracts C810 and C893014 and subsequent contract variations for the provision of cleaning services provided by QSE Limited including the provision of additional rights of renewal of either two years or a one year plus one year from 1 November 2004.*

Carried

## **10.8 Compounded Products**

Moved Vicki Salmon, seconded Ian Scott

*That the ADHB endorses the selection of suppliers for the manufacture and delivery of Compounded Products using Baxter Healthcare Limited and Biomed Limited both contracts for a 5 year period with a three plus two year renewal mechanism by mutual agreement between the parties commencing from 1 October 2003.*

Carried

## **10.9 Endoscopic Equipment**

Moved Ian Scott, seconded Di Nash

*That the ADHB approves a three year enabling contract with Olympus and Medipak Surgical for the purchase of Endoscopic equipment with two rights of renewal of one year each and approves the initial Building Programme purchase to the total project value of \$1,700,038.*

Carried

## **10.10 Supply and Installation of Screen Partitions, Workstations and Associated Office Equipment**

Moved Vicki Salmon, seconded Wayne Brown

*That the ADHB endorses the enabling contract for the Supply and Installation of Screen Partitions, Workstations and Associated Office Equipment from Bourneville Group for a term of two years with one, one year right of renewal.*

Carried

## **10.11 Greenlane Clinical Centre Pharmacy**

The approach to the establishment of the Greenlane Clinical Centre Pharmacy was being made on the basis of public good with increased availability of service for the public that attended the Greenlane Clinical Centre. This would include that some specialist drugs are only prescribed at hospital.

Moved Wayne Brown, seconded Vicki Salmon

*That the ADHB endorses the proposal to establish a Retail Pharmacy at the Greenlane Clinical Centre.*

Carried

## **10.12 Non Operating Subsidiaries**

Moved Wayne Brown, seconded Ian Scott

*That the following non operating companies be wound up:*

*Auckland Hospital Limited*

*Green Lane Hospital Limited*

*National Women's Hospital Limited*

*LabPlus Limited*

*Starship Children's Hospital Limited.*

Carried

## **Annual Accounts**

Moved Ian Scott, seconded Pat Snedden

*That the ADHB Board authorises the Chairman and the Chair of the Audit Committee to sign the Annual Accounts to 30 June 2003 when they consider these have been satisfactorily completed.*

Carried

## **Health Support Limited (HSL)**

The Audit Committee had received a draft report on ADHB's relationship with HSL. The Internal and External Auditors had reviewed the report and proposed governance recommendations would be provided to the next meeting.

## **11 GENERAL BUSINESS**

There were not items of General Business.

## **12 NEXT MEETING**

The meeting closed at 4.06pm.

The next meeting will be held on Thursday 9 October 2003,

Marie Hosking Room

Greenlane Clinical Centre.

Please note the venue has been changed to accommodate a visit to the Greenlane Clinical Centre.

**CONFIRMED**

**CHAIR**

**DATE**