

AUCKLAND DISTRICT HEALTH BOARD

**Minutes of the meeting of the Board held on Wednesday 5 February 2002
in the Marie Hosking Room, Level 7, Building 14, Greenlane Clinical Centre, Auckland
commencing at 1:15pm.**

The Chair declared the meeting open at 1:25pm.

1. ATTENDANCE AND APOLOGIES

Board Members

Wayne Brown (Chair)
Margaret Horsburgh (Deputy Chair)
Crystal Beavis
Susan Devoy
Di Nash
John Retimana
Vicki Salmon
Ian Scott
Pat Snedden

Management in Attendance

Graeme Edmond – Chief Executive
Ian Ward - Chief Financial Officer/GM Shared Services
Marek Stepniak – Chief Operating Officer
Nigel Murray – GM Building Programme
Brenda Saunders - GM Communications
Ian Bell - Board Administrator

Committees

The Committee membership for 2003 would be:

Building and Change Committee: Wayne Brown (Chair), Vicki Salmon, Pat Snedden, Ian Scott.

Audit Committee: Vicki Salmon (Chair), Wayne Brown, Pat Snedden, Ian Scott

DSAC: Margaret Horsburgh (Chair), Susan Devoy, Crystal Beavis, John Retimana, Di Nash, Wayne Brown

Quality Committee: Di Nash (Chair), Susan Devoy, Crystal Beavis, John Retimana, Margaret Horsburgh

Responsibilities

Responsibilities for services where reassigned:

Cardiac: Crystal Beavis,
Women's Health: Di Nash,
Children's Health: John Retimana,
Medical Services: Susan Devoy,
Surgical Services: Pat Snedden,
Clinical Support: Margaret Horsburgh
Community/Ambulatory and Mental Health: Ian Scott
Support Services: Vicki Salmon
Change Programme: Vicki Salmon
Building Programme: Wayne Brown

2. CONFIRMATION OF MINUTES 5 DECEMBER 2002

Moved Ian Scott, seconded Susan Devoy.

That the minutes of the meeting of the Auckland District Health Board held on 5 December 2002 be confirmed as a true and correct record.

Carried

Item 9.2 was taken next.

9.2. Costing System

Moved Wayne Brown, seconded Vicki Salmon.

That the ADHB approve capital expenditure of \$595k in order to implement Power Cost Manager (PCM) clinical costing system noting that the NPV will be updated.

Carried

Item 4 was taken next.

4. CHAIRMAN'S REPORT

The Chairman reported on:

- Terms of Reference had been set for the review with a time frame of one month. There would be an emphasis on confirming savings.
- Help would be provided to maximise ACC revenue. Graeme Edmond advised that this was already being done.
- A weekly report on the building and change progress is being provided
- Focus on Medical and Surgical Services.
- Encouragement to management to be bold in implementing integration and standardisation.
- Recognising doing better to be incorporated into when the forecast result is reviewed.

5. CHIEF EXECUTIVE

5.1 Report

Graeme Edmond spoke to his report noting the \$4.6m identified in plans in the 2003/2004 forecast. In addition to this ACC may contribute another \$2m. The balance of the savings were gains in Funder and Provider forecasts and an update would be provided to the next Board meeting.

Detailed work was being done in the Change Programme on tracking benefits. This would be provided to the next Building and Change Committee meeting. The concerns on the shift of paediatric cardiac services were noted.

There were a number of HR strategic projects to be completed before the change freeze. The Board requested principles behind the remuneration and performance management project. They were advised that the level of salary at risk went to a maximum of 25% and that the relationship to overall performance of the organisation as against personal performance had more emphasises on organisational performance the higher the management position.

Crèche funding would have an impact on staff and alternative sources of funding were being considered. Vicki Salmon undertook to write to the Ministry of Education concerning the rush the matter had been put to the Board, to have its support for the project, at the Ministry's behest.

The Clinical Workstation capex issues were being addressed. Ministers had signed off the radiology capex.

While the Creme project was behind schedule and would not deliver benefits this year, this would not impact on the bottom line.

The Standard and Poor's improved rating of AA+ was noted. The Board Administrator was requested to write to Treasury confirming their agreement to the interpretation of liability for the \$120m bond issue under the Health Sector (Transfer) Act 1993.

The concerns on the MoH directive for second trimester abortion services were noted.

The HSDP business case summary would be presented to the next Building and Change Committee and a letter of assurance had been finalised and was being circulated to managers for signing.

5.2 Plan Timetable, District Annual Plan 2003/2004

The Chairman and Chair of the Audit Committee were being kept informed of progress.

6. FINANCIAL REPORT – December 2002

The report was noted, particularly that results were better than budget. The next Board meeting would focus on the Change Programme.

Item 3 was taken next.

3. PRESENTATION - PHARMAC

Richard Waddel, Chairman of Pharmac introduced the presentation and the CEO, Wayne McNee. It was noted that Pharmac has strengths that may assist DHBs by providing analysis, expertise in negotiating contracts and the provision of health knowledge. Pharmac's budget was less than the spend in 1995 but volumes had increased by 30%. This was not sustainable and they were looking for a 3 to 4 year funding package from Government.

There was discussion on making compulsory the use of NHI numbers so that drug prescribing information could be tracked and the use of skilled pharmacists to reduce subscribing costs.

Wayne Brown left the meeting at 3.08pm. Margaret Horsburgh took the Chair. She thanked Pharmac for their presentation.

7. BUILDING AND CHANGE COMMITTEE

There was no report.

8. QUALITY COMMITTEE

Items covered at the Quality Committee meeting were the accreditation of Children's Services followed by accreditation of Medical and Surgical Services through March 2003. The process and self assessments were going well.

The Clinical Risk schedule was significant with Mental Health remaining at the top of the list with an expectation that these risks may change with the opening of the new facility.

The Clinical Board was very active around the issue of RMOs and the focus for this year would be on getting in place quality reporting structures. The Body Parts, Tissues and Substance action plan was proceeding well. The audit plan for 2003 included four policy audits that had clinical implications. Medical Legal had expressed concerns at the impact of the proposed Health Practitioners Competence Assurance bill and its focus on blame and culpability. It would be difficult to comply with the Medicines (Standing Orders) Regulations 2002.

9. AUDIT COMMITTEE

9.1. Report (Verbal)

The Audit Committee had confirmed Treasury policies including that no breach was to occur of the 65% balance sheet covenant. The Letter of Comfort had been agreed.

The well presented reports from Internal Audit were noted. A review of the recording of leave was being undertaken.

The Committee had asked for forecasts to be recast and noted that the Annual Accounts audit was complete.

10. GENERAL BUSINESS

There were no items of general business.

11. NEXT MEETING

The next meeting Thursday 6 March 2003.

The meeting closed at 3.23pm.

CONFIRMED

CHAIR

DATE