



AUCKLAND DISTRICT HEALTH BOARD

Minutes of the Auckland District Health Board meeting
held on Thursday 2 September 2004
in the Marion Davis Library, Building 43,
Auckland City Hospital
commencing at 1:30 pm

1. ATTENDANCE AND APOLOGIES

Board Members

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

Management in Attendance

Garry Smith – Chief Executive Officer
Michael Boersen - Chief Financial Officer
Nigel Murray – GM Auckland City Hospital
Ian Bell - Board Administrator

Apologies

The Chairman declared the meeting open at 2.01 pm.
Apologies had been received from Vicki Salmon and Ian Scott.

2. CONFIRMATION OF MINUTES 5 AUGUST 2004

Moved Margaret Horsburgh, seconded John Retimana

That the minutes of the meeting of the Auckland District Health Board held on 5 August 2004 be confirmed as a true and correct record.

Carried

3. ACTION POINTS 5 AUGUST 2004

A separate article would be in Nova concerning a lady who had worked as a volunteer for 30 years.

4. CHAIRMAN

4.1 Report

Wayne Brown advised that his activities in the last month have been:

- Working with management on financial budgets
- Input into the national salary scale

- Meeting with the Minister the following Monday with Pat Snedden
- Noted the positive increase in Accident Compensation Corporation revenue to ADHB
- Attended a Starship Foundation meeting
- Reviewing Deloitte's input to the Change Programme

4.2 Early Processing of Returned Voting Documents

This resolution is to allow for the early processing of returned voting documents. It must be noted that there will be no totalling until the close of voting on 9 October 2004, only capture of data.

Moved: Pat Snedden; seconded Harry Burkhardt

That the Auckland District Health Board resolves to adopt early processing of returned voting documents for the 2004 Auckland District Health Board triennial elections, as permitted under section 79 of the Local Electoral Act 2001.

Carried

4.3 ACC Revenue

The increase in revenue from ACC to \$7.2m from \$2.8m was noted although this was still only half of that paid to Canterbury District Health Board.

5. CHIEF EXECUTIVE OFFICER - REPORT

Garry Smith noted that the loss for the month was now higher when volumes had been finalised. The top five cost issues would be identified and a policy of only doing work for which ADHB was paid was being introduced. Full price would be paid for services to ADHB's population and this would be offered to other DHBs.

The quanta of IDFs were based upon historic practices and were priced under the national average price mechanism. Six months notice would have to be given to other DHBs if ADHB decided not to provide high cost input drugs to their populations without being funded. Services that were high cost for a low volume were being reviewed.

Increased direct treatment costs did reflect some changing practice to disposables and clinical practices would be reviewed where there was the ability for re-use. There had been some positive change in direct treatment costs trends. There had been some increased confidence in SSS with parts of the audit report being positive but still a need for the Clinical Board to support SSS when they were assured that services had improved. An audit of waste in operating theatres was being undertaken.

The Management and Administration Review had been completed. Now that structures were settling down there was an emphasis on accuracy of data. The Quality Committee had received a presentation from the Decision Support Unit.

The Board noted the increase in overpayments to staff and requested that there should be a clause in employment contracts that if overpayments were made ADHB would have the ability to deduct those overpayments from the next pay.

NDSA worked well for planning and regional mental health as well as DSS planning but with the latter regional management was not working so well. The items at the Regional Funding Forum held on 17 August 2004 had all been supported by papers on each activity.

The Chairman noted that the Starship Foundation were going to write concerning the Revised Deed of Trust and this was awaited as well as a set of financial accounts. He noted that if the General Manager of Children's Services was unable to attend meetings he should be informed and if he was unable to attend he may nominate another Board member to attend.

6. FINANCIAL REPORT – JULY 2004

The Audit Committee had considered the finances in detail with cash being managed and equity support being negotiated with the MoH.

7. DISABILITY SUPPORT ADVISORY COMMITTEE

The regional meeting would be held on 15 September 2004 with a focus on issues for aged care and future planning. In a workshop the 3 DHB DSACs discussed regional cooperation. A meeting was to be held with the Minister for Disabilities.

8. QUALITY COMMITTEE

The Committee had reviewed the Terms of Reference for the Population Health Clinical Board and suggested a number of changes. There had been good progress through the year on improving clinical indicators with these now to come forward with comment from clinical leaders. The Quality Committee would have oversight on any high cost treatment service changes.

9. AUDIT COMMITTEE

9.1 Report

The Audit Committee had considered audit reports on equity claim verifications, RFP 505 Audit Review, had decided to rebid the consumables contract with the two tenders and agreed that the pharmaceutical contract be signed. Standard reports were received as was a report on repatriating services to the Greenlane site. Delays in MoH approval of HRM and Payroll and the Regional Pharmacy business cases were noted and authority given to continue the projects pending that approval.

9.2 Auckland Regional Public Health Services

Moved: Pat Snedden; seconded; Margaret Horsburgh

That the following contract be approved by the Auckland District Health Board:

- *Auckland Regional Public Health Services*
- *Annual value of the contract is \$10,798,075 (excluding GST)*
- *Term of the contract is 1 year July 2004 to June 2005*
- *No right of renewal*

Carried

9.3 NZ Blood Service Contract for Supply

Moved: Di Nash, Seconded, Margaret Horsburgh

That the following contract be approved by the Auckland District Health Board:

- *New Zealand Blood Service Supply Agreement*
- *Annual value of the contract is \$13,305,246*
- *Term of the contract is 1 year July 2004 to June 2005*

And that the CEO be authorised to sign the contract on behalf of the Auckland District Health Board.

Carried

The Audit Committee had noted the growth in use of blood products.

9.4 Spotless Ltd (Asset Services)

Moved: Margaret Horsburgh; seconded: Harry Burkhardt

That the Auckland District Health Board resolves:

That the Spotless NZ Ltd. (Asset Services) contract to provide facilities maintenance and engineering services at the Auckland City Hospital site and the Greenlane Clinical Centre site, be extended without re-tendering, for a further one year term from 29th April 2005 on the following price terms:

- *Fixed price component at the existing fixed price of \$3,284,722 pa (adjusted for CPI), or less if the fixed price has been adjusted down further at that time due to changes in scope.*
- *Variable price component of approx. \$1,275,000 pa for new and refurbished facilities for which Asset Services is currently being paid on a time and materials basis – charged at the current schedule of rates. These facilities are expected to be added into the fixed price once a reliable maintenance cost history has been established.*

And that acceptance of Spotless's offer of an extension include two additional one year rights of renewal to be exercised at ADHB's discretion.

Carried

9.5 Annual Account Signing

Moved: Margaret Horsburgh; seconded: Harry Burkhardt

That the Auckland District Health Board resolves to delegate to the Chair and the Chair of the Audit Committee the authority to sign the Annual Accounts to 30 June 2004 when audit clearance has been received.

Carried

This resolution is the same as the Board adopted the previous year.

9.6 Greenlane Site Building Occupancy Plan

Moved: Wayne Brown; seconded: Margaret Horsburgh

That the Auckland District Health Board resolves that \$4.41m of capital required to implement the Greenlane Site Occupancy Plan be budgeted over the next 3 years.

Carried:

9.7 Linear Accelerator and Radiotherapy Prices

Moved: Wayne Brown; seconded: Pat Snedden

That the Auckland District Health Board resolves that it:

- *Accepts the \$112k being the IDF price adjustment of \$70 per case for six months on the new linear accelerator;*
- *Allocates \$168k to fund local population access to the new accelerator;*
- *Puts into its Statement of Intent and writes to Gordon Davies, Karen Poutasi and the Minister about the imperative to have prices on all linear accelerator machines adjusted from 1 July 2005; and*
- *Will not support the Oncology Satellite Service for North Shore until the pricing issue is resolved.*

Carried

10. GENERAL BUSINESS

HRMS, Pharmacy business cases and asbestos.

Michael Boersen tabled a paper updating the Board on the HRMS, Pharmacy business cases and Asbestos. There was a risk to the organization that the payroll system would crash so instructions were being issued to AMS to continue on a monthly basis and there would be a need to order hardware and software in October.

Moved: Wayne Brown; seconded: Margaret Horsburgh

That the ADHB supports the ongoing work on the HRMS project and approves the interim letter of engagement to AMS to assist this work while there is continued engagement with MoH as to why this project has not been approved.

Carried

Moved: Wayne Brown; seconded: Margaret Horsburgh

That the ADHB supports the ongoing work on the Pharmacy Project and approves the interim letter of engagement while they continue to engage with the MoH as to why this project has not been approved.

Carried

Moved: Wayne Brown; seconded: Margaret Horsburgh

That the ADHB supports the ongoing removal of asbestos and approves the approximate \$11.385m that is required to be spent. The recommendation to the MoH for funding this is:

- \$3.0m from the ADHB capital plan
- \$8.385m from MoH via deficit support

Carried

Navy

A response to the Navy was to be drafted.

Opening Day

It was proposed that there be an official opening day on Saturday 4 December 2004 with a lunch and a family picnic day on the following day.

11. NEXT MEETING

The meeting closed at 3.03 pm.

The next meeting will be held on:
Thursday 7 October 2004
Marion Davis Library
Auckland City Hospital
Grafton

CONFIRMED

CHAIR:

DATE: