

## AUCKLAND DISTRICT HEALTH BOARD

Minutes of the Auckland District Health Board meeting  
held on Thursday 1 December 2005 in the Marion Davis Library  
Building 43, Auckland City Hospital, Grafton  
commencing at 1:30 pm

### 1. ATTENDANCE AND APOLOGIES

#### Board Members

Wayne Brown (Chair)	Ross Keenan
Tony Bierre	Harry Burkhardt
Chris Chambers	Barry de Geest
Virginia Hope	Di Nash
John Retimana	Ian Scott

#### Management in Attendance

Garry Smith – Chief Executive Officer  
Denis Jury – Chief Planning and Funding Officer  
Roger Jarrold – Chief Financial Officer  
David Sage – Chief Medical Officer  
Nigel Murray – General Manager Auckland City Hospital  
Janice Mueller – Director Allied Health  
Andrew Norton – General Manager Human Resources  
Ian Bell – Board Administrator

The Chair declared the meeting open at 1:42 pm.

### 2. CONFIRMATION OF MINUTES – 3 NOVEMBER 2005

Moved Harry Burkhardt, seconded Ross Keenan

*That the minutes of the Auckland District Health Board meeting held on 3 November 2005 be confirmed as a true and correct record.*

Carried

### 3. ACTION POINTS – 3 NOVEMBER 2005

The premium for the cladding of the Domain Carpark was \$400K or equivalent to 20 carparks. The resource consent application would go forward without the cladding. The disability funding boundary issues has been raised with the Ministry and the Minister was aware of the issues. It had also been raised at the DHBNZ Chairs and Regional meetings.

## **4. CHAIRMAN**

### **4.1 Report**

Wayne Brown reported on his activities for the month to the Board:

- The regional meeting had been positive and they were improving.
- He would be attending the DHBNZ meeting on 12 December 2005 but continued to have problems with the governance structure and the fact that the DHB Governance Group had access to the Minister whereas ADHB did not although it contributed a major amount of funding to DHBNZ. ADHB should consider what has been achieved for it by being a member of DHBNZ.
- He thanked management and all those involved in the Celebration Week. The historical book on Auckland hospitals was complimented. He noted that the Minister stating that he had not noticed any issues when the migration occurred was in fact great praise on how the migration had been handled.
- He had attended the function for people employed by ADHB over 30 and 40 years totalling 300 people with a number over 40 year service.
- He had visited ED as part of the Christmas Cheer programme.
- The service reviews were progressing and would be the focus over the next three months.
- He had visited Women's Health Services with Kirsty Troy and Denys Court. He had been disappointed with the need for repairs to walls and had asked the CFO to review Biems repair requests.
- The virtual tour of the facilities which took 22 minutes would be kept running in the foyers. Gary Smith complimented the Photography Department for their efforts in producing the video which would be further enhanced to include Mental Health and then would be available on CD. The book compiled by Mr Dow was an initiative of the Building Programme.
- The Board had gathered the previous evening and he thanked the Board for their efforts through the year in particular the Chairs of Committees, John Retimana, Di Nash, Barry de Geest and Harry Burkhardt.
- The review of Mapo presented by the MoH to the Maori Health Advisory Committee had been disgraceful and very negative.

### **MAORI HEALTH ADVISORY COMMITTEE**

John Retimana reported on the last meeting for the year. He expressed concern that the General Manager Maori Health had invited the MoH to talk about the relationship of ADHB and Ngati Whatua which he considered should not be discussed without Ngati Whatua's involvement. He had explained that the only relationship that should have been talked about was the relationship between MoH and ADHB and that there had been a breach of protocol.

He and Harry Burkhardt were leading discussions with the regional Maori Health Advisory Committees to get a regional focus. The meeting had received a presentation on the Well Child Programme and He Kamaka Oranga's involvement.

### **4.2 Regional Report**

Ross Keenan reported that a regional meeting had been held on the 17 November 2005 with population based funding high on the agenda. Other issues addressed were Pharmac, employment relationships and meca processes, the laboratory review being in

its initial stages and an update on the oncology project with a mandate to Boards to sign up to the recommendations. Productivity and regional benchmarking was continuing and any service planning would require signoff by all DHBs on any new services. The region would be reviewing PHO development in terms of obtaining value for money.

## **5. DISABILITY SUPPORT ADVISORY COMMITTEE**

Barry de Geest advised that the meeting had been held on 17 November 2005. The apologies from the Chair and other Board members were important to the Committee. There had been a presentation on the Auckland Pacific Disability Plan with a strategy to get across positive messages to combat the cultural attitudes of embarrassment and hiding of disabled. Other items covered were the Disability Work Plan and the Terms of Reference of DSAC. The question of regional DSAC meetings was still an issue which the Deputy Chair is to raise with Waitemata. It should not meet for meetings sake but could be of value if it looked at regional issues. The primary issues for disability funding had been raised with Ruth Dyson who considered it was still an Auckland issue. He would be talking to the Auckland City Council on 9 December 2005.

## **6. QUALITY COMMITTEE**

The Quality Committee would be meeting in December and Board members were encouraged to attend.

## **7. CHIEF EXECUTIVE OFFICER**

### **7.1 Report**

Gary Smith acknowledged the work of the team in the Celebration Week and acknowledged the visibility of the Board which the staff appreciated. He noted that the only enquiry from Herald was how much it cost and he had advised that the whole week had been organised internally. The financial trends year to date was encouraging and the push was continuing on the service reviews which would be updated to the Board on a regular basis. Priority 1 and 2 services would be completed by Christmas with 40 services under review covering 51% of revenue and 40% of FTEs. The reviews go through 4 stages with stage 4 being the implementation plan. Other services would be looked at in clusters and there were separate reviews of Greenlane Health Services, Mental Health and Auckland Regional Public Health Services. Plans were reconciled back to the District Annual Plan and planning year on year. All reviews would be completed by the second week of March 2006.

Pricing was at a significant point for ADHB. The pure pricing work on whole had been good but the issue is that the price increases were being sought to be funded by reallocation of the tertiary adjuster which was a negative adjustment of \$17m to ADHB. This would also effect Waikato, Wellington and Otago and the Chair requested a summary of the issue for the 12 December 2005 DHB Chairs meeting. Issues with DHBNZ were the voting compared with shareholding contributions and the tertiary adjuster work which has not been completed with DHBNZ proposing a 1/3 adjustment per annum for 3 years which was rejected by ADHB. ADHB was establishing credibility through its service reviews and only seeking benchmarking costs to be recovered.

Children's Health Services continued financial deterioration was to be addressed by the General Manager Children's Health Services and it would be included in the service review. A paper on the impact of mecas was tabled, this having been considered by the Audit Committee the previous day. It was apparent that Government had not costed the flow-on affects of the pay equity for nurses with PSA Mental Health nurses and Allied Health workers together with Primary Care workers seeking better conditions. Future flow-on could also be seeking of a regional allowance. DHBNZ was addressing a employment relations strategy to be proactive with their workforce with the RMO negotiations being the first of the planned approach.

24/7 infrastructural costs needed to be addressed though regional processes. The transfer of Neurosurgery outpatients to Waikato was progressing slowly. With the impatient over production there would either be a move to bring production back into line or negotiate revenue with the funder. Activity adjustment would be made on a quarterly basis to revenue. Medication safety had been raised as a result of the Health and Disability Commissioners report and this would be highlighted to the Clinical Directors and would be reviewed by the Clinical Board.

## **7.2 ADHBs 2005/2006 Objectives Report**

This was the first quarter report which would be updated each quarter. The work of Janice Mueller was acknowledged. The whole of the Executive Team had been involved in setting the measurable objectives and deliverables for 2005/2006. This was a way of cascading the District Annual Plan into the organisation.

## **8. FINANCIAL REPORT OCTOBER 2005**

Results were under budget as was the forecast. Children's Health Services were forecast to deteriorate further by \$0.8m. A new report on the funding envelope revenue had been included. The forecast reduced deficit was \$59m down from \$66m. Percentages of costs to revenue on a month, year and yearly comparison were also noted.

Ian Scott advised that he attended the Starship Trust meeting on behalf of the Chairman where the insulation of homes project was discussed however there seemed to be a failure to understand the health gains that could be made for ADHB.

## **9. AUDIT COMMITTEE**

### **9.1 Report**

Harry Burkhardt advised that it had been a good meeting and the change in Purchasing Policy was beginning to have effect.

### **9.2 Pacemakers and Implantable Cardioverter Defibrillators**

Moved Wayne Brown, seconded Harry Burkhardt

*That the ADHB approves the selection of Guidant and Medtronic as primary suppliers and Medtel and Biotronix as secondary suppliers for the supply of ICDs and Pacemakers and associate leads for a contract term of 2 years plus 2 one year right of renewal for a total value of the contracts of \$4.3m consisting of an annual spend for ICDs of \$2.6m and*

*Pacemakers of \$1.7m, subject to ADHB and CMDHB committing to the same regional outcome. Approval is subject to the supplies being from primary providers with a need for Clinical Practice Committee approval to purchase from the secondary suppliers.*

Carried

### **9.3 Vehicle Leasing and Fleet Management**

Moved Ian Scott, seconded Harry Burkhardt

*That the ADHB approves the recommendation to take up the 1 year right of renewal for the supply of Vehicle Leasing and Fleet Management to ADHB. The contract is currently with LeasePlan NZ Ltd. The right of renewal will secure the business with LeasePlan for a further 1 year until 06 December 2006. There are no further rights of renewal for this contract after this one. The estimated annual value of the contract is \$1,800,000 per annum.*

Carried

### **9.4 Legal Services Contract**

Moved Wayne Brown, seconded Ian Scott

*That the ADHB approves the contracting with external legal firms Meredith Connell, Kiely Thompson Caisley and Wilson Harle on an as required basis without a preferred supplier arrangement. Use of the firms is to be approved by General Counsel.*

Carried

There had been discussions in the Audit Committee on legal services to HR. Responsibility for HR legal issues will be handled directly by the GMHR and his team.

### **9.5 Amendments to Negative Pledge Deed**

Moved Ian Scott, seconded Tony Bierre

*That the ADHB Board authorises the Chairman and the Chair of the Audit Committee to sign the amended Negative Pledge Deed on its behalf.*

Carried

MBIA were seeking a fee to recover their costs in addressing amendments to the Negative Pledge Deed.

## 9.6 Aged Residential Care Price Increase

Moved Harry Burkhardt, seconded Chris Chambers

*That ADHB:*

1. *notes the national price increase of 4% per bed per day for the Aged Residential Care contract as previously reported to the Board by the Chair, and*
2. *approves the signing authority for these contracts be delegated to the ADHB Chief Planning and Funding Officer*

Carried

The increase was a mixture of price increase and holiday pay funding.

## 9.7 Dispensation from Tender for Provision of Office Supplies

This had been considered on a regional basis with healthAlliance using a different supplier and when costed out there was not a great cost differential compared with the cost to change suppliers.

Moved Ross Keenan, seconded John Retimana

*That dispensation from tender be granted to enter into a contract with Corporate Express New Zealand Limited for the provision of Stationery and Office Supplies at an annual estimated spend of \$1.9m on the basis of exercising the privity clause in the New Zealand Defence Force Office Supplies contract, current until 15 May 2009.*

Carried

## 10. GENERAL BUSINESS

The Chair wished everybody a Merry Christmas and happy New Year and thanked them for their efforts in 2005.

## 11. NEXT MEETING

The meeting closed at 3:52 pm.

The next meeting will be held on:  
Thursday 2 February 2006  
Marion Davis Library  
Building 43  
Auckland City Hospital  
Grafton

**CONFIRMED**

**CHAIR:** .....

**DATE:** .....