

AUCKLAND DISTRICT HEALTH BOARD

Minutes of the Auckland District Health Board meeting
held on Thursday 2 February, 2006 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)
Harry Burkhardt
Virginia Hope
Ian Scott

Ross Keenan
Chris Chambers
Di Nash
John Retimana

In Attendance

Graham Aitken

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
Steve Mayo-Smith – Chief Information Officer
Ian Bell – Board Administrator

Apologies

The Chair declared the meeting open at 1:30 pm.

An apology had been received from Barry de Geest. The Chair advised that Tony Bierre had taken leave of absence, which had been granted by the Chair, for the period of the RFP being issued for the Community Laboratory contract.

2. CONFIRMATION OF MINUTES – 1 DECEMBER 2005

Moved John Retimana, seconded Virginia Hope

That the minutes of the Auckland District Health Board meeting held on 1 December 2005 be confirmed as a true and correct record.

Carried

3. ACTION POINTS – 1 DECEMBER 2005

The Deputy Chair advised that the question of regional DSACs was not making progress and asked that this be carried forward.

4. CHAIRMAN

4.1 Report

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

- he had spoken to management and the CFO concerning capturing the year to date results by reducing forecasts. It was thought the results will also be better than forecast as present. Bonuses would reflect quarterly and half-yearly results. The practice of reforecast results was required for listed companies.
- Service Managers as well as Clinical Directors would address the HAC each month with the first Service Manager being Children and Women's Services.
- the Service Reviews must gain traction.
- the CEO had requested leave in the middle of the year and would miss one set of Board and Committee meetings.
- he and the Chair of the Audit Committee had had input into the Purchasing Policy and had recommended that scoring on quality be to a hurdle and then decisions made just on price.
- he had signed various contracts and a dispensation to tender.
- he had attended DHBNZ who had made the CEO accountable to DHB CEOs. One of the projects being undertaken was aggregation of insurance.

4.3 Minister's Priorities 2006-2007

The letter on the Minister's expectations had been included for information of the Board and the organisation. The priorities of healthy eating action strategy and cost effectiveness were noted. ADHB should measure itself against all the priorities during the year.

4.2 Regional Report

The Deputy Chair advised that the next regional meeting would be held on Thursday 9 February 2006 with a focus on population based funding, future funding, National Capital Committee and Pharmac relationship. He had attended a PHO meeting with Procure before Christmas and a meeting with MPs was planned for 10 March 2006. Other matters were:

- laboratory purchases update,
- Cancer Services update,
- work on productivity,
- clarification of cath lab resources
- Auckland Regional Collaboration Plan
- Insurance and Library Services
- Health Select Committee
- Diabetes Programme Update

Graham Aitken had been reappointed Board Advisor for six months and had updated the Board on Service Reviews advising that they were the right approach but may take longer than expected.

4.4 Spectrum Care Trust - Chairman

Moved Ian Scott, seconded Ian Brown

That the Auckland District Health Board endorses the re-appointment of Don Clark as Chairman of the Spectrum Care Trust Board for a second term of 3 years from March 2006.

Carried

4.5 Committee Members 2006

Community and Public Health Advisory Board

The sub-committee of Di Nash and Paul Stephenson had interviewed the nominees and recommended the appointment of the Chair of the PHO Forum and Manager of Auckpac Health Trust Board, a small Pacific PHO, Leilua Winston Timaloa and Paul Rosen an employee of Procure with particular project orientation.

Moved Di Nash, seconded John Retimana

That the ADHB appoints Leilua Winston Timaloa and Paul Rosen as members of the Community and Public Health Advisory Committee.

Carried

Maori Health Advisory Committee

The Chair of the Maori Health Advisory Committee, John Retimana noted that Wayne Brown had attended the meetings regularly and supported his membership of the Committee.

Moved John Retimana, seconded Harry Burkhardt

That Wayne Brown be appointed a member of the Maori Health Advisory Committee.

Carried

Audit Committee

The Deputy Chair had been attending all the Committees and the purpose of the resolution was to formalise his appointment to that Committee.

Moved Ian Scott, seconded Harry Burkhardt

That Ross Keenan be appointed a member of the Audit Committee

Carried

Quality Committee

Moved Di Nash, seconded Chris Chambers

That Ian Scott be appointed a member of the Quality Committee

Carried

Final Draft of District Strategic Plan

The Plan had been recommended by the Community and Public Health Advisory Committee as a Health Improvement Plan.

Moved Wayne Brown, seconded Ross Keenan

That the ADHB resolves to:

- (a) *note the Ministry of Health feedback on the District Strategic Plan to date*
- (b) *note that the final draft of the Plan, called the Health Improvement Plan, will be distributed so that it can be used for planning purposes*
- (c) *approves the final draft of the Health Improvement Plan for release to the Ministry of Health.*

Carried

8. CHIEF EXECUTIVE OFFICER

8.1 Report

Garry Smith advised that the focus at present was on Service Reviews, progress against the 2005/2006 objectives and KPIs and the development of objectives for 2006/2007. The funding package had been received and this together with budget preparation would be a focus for the next Board meetings. There had been a number of staff changes with Nigel Murray, the General Manager Auckland City Hospital seconded to the role of Interim Chief Executive, Southland District and the resignation of Adrian Lichkus as Internal Audit Manager, which had been acknowledged by the Audit Committee. A number of Service Managers had resigned and recruitment was being undertaken. Some key changes would be undertaken in the next six months. Performance to date was being locked in with revised forecasts which would be also translated into better 3 year forward forecasts.

8.2 Service Reviews

The delivery timeframe was of concern with delays over Christmas, quality of data and some resistance from within the organisation. The Service Reviews related to the four identified areas in the base assumption of \$100m underlying deficit with emphasis on staffing numbers, pay gap and efficiency, which required the most effort. Progress would be made separately on the infrastructural costs and national pricing.

A table on progress was included which identified theoretical savings from the process, which now had to be put into implementation plans of what, how and when. Final business plans would be inclusive of the next two years and would be owned by the Services.

Starship and Women's Services had identified efficiency issues and for Starship holding the most national services. An approach was being taken to include the Starship Foundation and Canterbury to resolve where these services were placed within a regional and national environment.

While progress was being made on efficiency issues addressing the pay gap was proving more difficult. One of the issues with benchmarking was that different organisations recorded information differently.

Ian Scott left the meeting at 2.15pm.

Garry Smith advised that he had meet with all reviewers the previous day and he sought a better engagement with management and clinical leadership to obtain good clinical outcomes as well as good management outcomes. The Board supported the strong leadership to resolve progress in the Service Reviews.

9. FINANCIAL REPORT -DECEMBER 2005

The CFO advised that the results were still not to expectation with overproduction. He noted that donations into Starship had the potential to drive up future costs. The Audit Committee had agreed a revision of the forecast to \$50m deficit which would have flow-on into the next year's District Annual Plan. The Service Reviews were needed to achieve further deficit improvement. Concerns going forward were: Inventory management and purchasing with some review of Delegated Authorities and dollar levels related to functions, purchasing outside contracts and volumes with overproduction in the first six months. The employment of temporary staff was being monitored, particularly in Shared Services where three temporary accountants have been employed. Recruitment was being undertaken in the accounting finance area. Some of the temporaries were related to the MeNZB programme which was funded.

6. MAORI HEALTH ADVISORY COMMITTEE

John Retimana, Chair of the Committee, reported that they held their first meeting for 2006 particularly focussed on the Health Improvement Plan with some changes recommended by the GM Maori Health and comment to come from Tiki Ora Mapo. The Committee had also decided to write to the Ministry concerning use of Mental Health underspend and blueprint money.

7. QUALITY COMMITTEE

Di Nash, Chair of the Quality Committee, reported on the meeting held on the 15 December 2005. Points noted were:

- Following the presentation in October on the regional results repository security issues, security levels supported by the Committee at CRIS level had been agreed by the project group.
- The CIO had talked on business continuity, CRIS, systems reliability and non work activity monitoring.
- The Quality Work Plan was awaiting the commencement of the new General Manager Quality.
- The Incidence Reporting System was being implemented with a challenge being sharing information learnt across NGO's

- Audit and certification would be used as a means of monitoring quality in the NGO sector.
- HealthPac and HealthShare audits would continue with contract monitoring also being provided through the Funding Management Committee.

The next meeting would be held on Thursday 16 February.

10. AUDIT COMMITTEE

10.1 Report

Harry Burkhardt, Chair of Committee, advised that the Committee had looked at the forecast going forward and received a presentation on the funding package. There was a recommendation from the Committee concerning Pumps and IV which had been debated, particularly in relationship to the process. Work requests relating to the new hospital would be analysed, particularly in relation to corridors.

10.2 Provision of Volumetric and Syringe Driver Pumps, Needleless and Needlefree systems and IV Consumables.

Moved Harry Burkhardt, seconded Chris Chambers

That the Auckland District Health Board approves the selection of Cardinal Health (formerly Alaris Medical Systems) as the supplier for the supply of Volumetric and Syringe Driver Pumps, Needleless and Needlefree Systems and IV Consumables with a contract term of 5 years plus two rights of renewal for 2 and 3 years respectively.

Carried

11. GENERAL BUSINESS

The Chair welcomed everybody back with the emphasis for the year on Service Reviews and achieving a better year annual result.

12. NEXT MEETING

The meeting closed at 2.55 pm.
The next meeting will be held on:
1:30pm, Thursday 2 March 2006
Marion Davis Library
Building 43
Auckland City Hospital
Grafton

CONFIRMED

CHAIR:

DATE: