

AUCKLAND DISTRICT HEALTH BOARD

Minutes of the Auckland District Health Board meeting
held on Thursday, 1 February 2007, 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
Barry de Geest
Di Nash
Ian Scott

Ross Keenan
Chris Chambers
Virginia Hope
John Retimana

Management in Attendance

Garry Smith – Chief Executive
Denis Jury – Chief Planning and Funding Officer
Roger Jarrold – Chief Financial Officer
David Sage – Chief Medical Officer
Taima Campbell – Executive Director Nursing
Janice Mueller – Director Allied Health
Ian Bell – Board Administrator

Apologies

The Chair declared the meeting open at 1:35 pm.

2. CONFIRMATION OF MINUTES – 7 DECEMBER 2006

Moved Chris Chambers, seconded Ian Scott

That the minutes of the Auckland District Health Board meeting held on 7 December 2006 be confirmed as a true and correct record.

Carried

3. ACTION POINTS – 7 DECEMBER 2006

Communications Wheel

A communication wheel was distributed showing what the communications department messages would be.

Non CPE Travel

Details of non CPE overseas travel greater than \$7,000 were tabled.

Research

The presentation on research had been made to the Hospital Advisory Committee.

4. CHAIRMAN

4.1 Report

Wayne Brown reported on his activities for the month:

- There had been continued involvement re LabTests
- The Domain Carpark application had been lodged. The Council had suggested that the carpark be built at the Medical School which was unacceptable as it did not address the access needs of patients visiting the hospital and was not on ADHB land.
- The Minister's visit on 25 January 2007 had been very positive.
- A response had been received from the Minister and Minister of Overseas Aid stating that overseas aid would not be used to fund foreign debts incurred with ADHB. The Board's policy was where foreign debts were incurred after referral from private hospitals to bill the referring hospital.
- He had attended the December regional meeting and the February meeting was to be held 12 February 2007.
- Following the Minister's Letter of Expectations a paper on capital issues and central procurement was being developed with a suggestion in relation to procurement that rather than setting up a new organisation nationally that it be built on what ADHB and the Auckland region were doing.
- ADHB was not a member of DHBNZ but was still participating in the CEO projects. Membership was still a matter for debate.

4.2 Regional Report

Ross Keenan, Deputy Chair advised that the December Chairs and CEOs regional meeting had been an opportunity to get to know the two new chief executives and to share the regional work programme. The next meeting had been moved to Monday 12 February 2007. The issue of dermatology services had been raised at the Hospital Advisory Committee and this would be discussed at the regional meeting.

4.3 Minister: 2006/2007 Priorities and Assessment of ADHBs 2005/2006 Performance

The letter was noted. The 2006/2007 District Annual Plan was linked to the Minister's priorities. Stephen Munn had presented to the Minister on SPNIA with the suggestion that Auckland was ahead of the Ministry and may possibly be a better lead agency for this project. The Chairman expressed his thanks to Stephen Munn for his presentation to the Minister.

4.4 Minister: Letter of Expectations

The expectations can all be tracked to the District Annual Plan and were being acted on.

It was noted that the Ministry of Health was doing an assessment and review going back to first principles of what was the function of the Ministry as this had not been undertaken since the 21 DHBs had been formed.

5. DISABILITY SUPPORT ADVISORY COMMITTEE

The Chair of the Disability Support Advisory Committee, Barry de Geest thanked the Board for their support of the Disabled Persons Assembly Conference which had raised their capacity in the political area. He is to prepare a report on the Conference to the Board. The Committee had participated in a workshop on the District Annual Plan and their comments had been acted on i.e. palliative care being a separate item. The Committee was seeking to have research on the use of ADHB services by the disabled population.

6. MAORI HEALTH ADVISORY COMMITTEE

The Chair of the Committee, John Retimana reported to the Board on the previous days meeting. Issues considered were the proposed change by MoH of the relationship to Mapo and devolution of its funding to DHBs which was an issue to be discussed by Mapo and the Runanga. The Committee had had input into the District Annual Plan. There had been conflicting instructions from the Ministry of Health concerning reference to the Treaty of Waitangi and the Committee had supported continuing what ADHB had been doing in terms of its references to the Treaty.

The Committee had received a presentation on Breast Screening Services Aoteroa by Waitemata/Northland which had highlighted access issues particularly in Auckland with only one site. The use of digital screening had proved beneficial for Waitemata/Northland in attracted staff using the new technology. The use of research, digital theatres etc could be a point of differentiation for attracting health workforce to ADHB.

There had been a good presentation to the Minister by the Tamaki PHO, Guy Naden.

7. QUALITY COMMITTEE

The Chair of the Quality Committee, Di Nash reported to the Board on the meeting held in December 2006. The level of fraud in the pharmacy sector was noted including collusion between GPs and pharmacists on close control. It was noted that this had been publicised in the pharmacy and medical sectors. The Board noted that branding groups were good at self discipline and issues of professional responsibility had been raised with the Pharmacy Guild. Internal Audit were looking at patterns revealed by the monthly audit reports.

The question of whether accreditation was worthwhile had been raised and the Committee had agreed to continue paying the base levy to Quality New Zealand but not a capital contribution.

There was discussion on the name of the Quality Committee, however it was agreed to continue as the Quality Committee as the Quality Framework is being developed to provide a culture of quality across the ADHB including finance, funding, hospital and the primary and NGO sectors. Risk management was part of that proposed quality culture. A national quality initiative was the bar-coding of drugs.

8. CHIEF EXECUTIVE OFFICER

8.1. Report

Garry Smith noted that it was the beginning of a new calendar year which included finalisation of the District Annual Plan in both words and financials and to finish this financial year at a \$20m deficit and the following year breakeven. There was pressure on production to meet ESPI compliance and this should be assisted by the three Operational Efficiency Projects being undertaken. He acknowledge the work of the team in preparing for and supporting the Minister's visit where it had been good to report progress and thank the Minister and the MoH for their support. The Health 2020 was progressing well and would be highlighted in the next issue of NOVA. Work was being undertaken on refreshing communications.

Presently under 65s were being funded through an interim funding pool and ADHB was part of the group reviewing this issue.

8.2 Objectives 2nd Quarter 2006 - 2007

The report was noted.

This was widely distributed to the Senior Management Team and the organisation.

9. FINANCIAL REPORT – DECEMBER 2006

The comparison with the previous year for the same period was \$21m deficit compared with the previous year of \$24m deficit taking into account \$2m held in the previous year in the Funder. Production was comparable but there had been impacts of strike actions in the 2006/07 year. There has been some increase in mental health staff and employee costs were \$21m greater than the previous year. There had been \$29m increase in revenue. Direct treatment costs were being contained and so as a percentage of revenue had decreased. Going forward there would be a focus on production. The challenge would be to get increased output from the extra \$21m that had gone into employee costs however in the second half of the financial year there would be release of the Tier II \$15m and land sale which was shown in the forecast of the year end position.

Prices and expenditure proposals coming through the Expenditure Committee were showing cost containment. The emphasis needed to be on people being at work i.e. no strikes. It was noted that the smaller DHBs were doing well having gained out of being paid average prices while not incurring average costs.

10. AUDIT COMMITTEE

10.1 Report

The Chair of the Audit Committee, Harry Burkhardt reported to the Board on the previous days meeting. The Committee had accepted the Letter of Comfort for the current financial year but would not be seeking one in the next financial year. The library service contract had been approved but would be raised on the regional agenda. The move of the legal advisor at Waitemata to Counties Manukau raised the question of whether legal services should be a regional service based at ADHB. The Audit Committee was recommending to the Board approval to lodge an appeal to the Auckland City Plan

Change in the Environment Court. The Terms of Reference of the Audit Committee were to be reviewed.

10.2 Crown Health Financing Agency

Moved Harry Burkhardt, seconded Ian Scott

That the ADHB approves the extension of the facilities with Crown Health Financing Agency as follows:

AK001 to 31 December 2017

AK002 to 30 April 2013, and

Authorises the Chair and Chair of the Audit Committee to sign the letter of offer from Crown Health Financing Agency and the accompanying Board Member's Certificate

Carried

10.3 Cleaning Services

This had been discussed at the Audit Committee who had requested information on OCSs current rates which were advised to the Board by the CFO.

Moved Harry Burkhardt, seconded Ross Keenan

That the ADHB approves the services agreement with OCS Ltd for the provision of cleaning and associated services for a term of (7) seven years effective from 1 January 2007 to 31 December 2013 for an estimated value of \$41.6m over the term of the agreement.

Carried

10.4 Replacement Linear Accelerator

The Audit Committee had been advised that while the replacement machine was being installed it was proposed to run additional shifts on the remaining machines.

Moved Harry Burkhardt, seconded Ian Scott

That the ADHB approves the purchase of a Dual Energy Linear Accelerator from Varian Medical Systems Australasia Pty Limited for \$US 2,349,771

Carried

Auckland City District Plan - Appeal

Moved Harry Burkhardt, seconded Di Nash

That the ADHB authorises the Chief Executive to lodge with the Environment Court an appeal of Auckland City Council's adoption of clauses within Plan Change 163.

Carried

11. GENERAL BUSINESS

Pharmacy Contract

The Pharmacy contract was being renewed by effectively rolling over the existing contract. The question of the performance of the ACH Retail Pharmacy was raised and work was being undertaken with the Retail Consulting Group on its location.

Moved Wayne Brown, seconded Ross Keenan

That the Auckland District Health Board notes the renewal of pharmacy contracts for a further 3 years and delegates to the Chief Planning and Funding Officer authority to sign contracts with term value and excess of \$2.5m.

Carried

Part of the retail review was looking at a possible gym location with a suggestion that this be part of the Domain Carpark.

12. NEXT MEETING

The meeting closed at 3:26 pm.
The next meeting will be held at
1:30pm, Thursday 1 March 2007
Rangitoto Room
Level 3, LabPlus
Auckland City Hospital
Grafton

CONFIRMED

CHAIR:

DATE: