

## AUCKLAND DISTRICT HEALTH BOARD

Minutes of the Auckland District Health Board meeting  
held on Thursday 6 December 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
Dr Chris Chambers	Barry de Geest
Dr Virginia Hope	Dr Di Nash
John Retimana	Dr Ian Scott

#### In Attendance

Bob Tizard – New Board Member

#### Management in Attendance

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

#### Apologies

The Chair declared the meeting open at 1:32 pm and welcomed all members to the last meeting of the 2004 – 2007 Board.

An apology had been received from Ross Keenan. The interests register was tabled and available for members to update.

### 2. CONFIRMATION OF MINUTES – 1 NOVEMBER 2007

Moved Barry de Geest, seconded Ian Scott

*That the minutes of the Auckland District Health Board meeting held on 1 November 2007 be confirmed as a true and correct record.*

Carried

### 3. ACTION POINTS – 1 NOVEMBER 2007

#### Meeting with ADHB and Auckland City Council

Efforts to arrange a meeting between the Chair and the Mayor with their respective CEOs had been unsuccessful.

## **Suppliers**

Suppliers associated with companies that had been fined in the USA had been written to and five responses had been received. In the case of one, who had been involved with sponsorship of medical practitioners, the suggestion had been made that this be provided by reduced prices or contributions to the A+ Trust which could be allocated for educational purposes. This had been accepted by the supplier.

## **Top Five Issues**

The top issues to be raised with the new Board were:

- Prioritisation and SPNIA
- Regional structure with the Board wishing the regional momentum to be continued
- Population based funding and issues of another ethnicity classification for Southern Asians
- Asset revaluation and capital charge
- Employment and industrial relations
- PHOs

## **4. CHAIRMAN**

### **4.1 Report**

Wayne Brown thanked everyone for the farewell function held in his honour recognising his 15 years contribution to Health which he had found very humbling. He thanked the Board and Management for six amazing years at ADHB. He wished the two ongoing Board members good luck emphasizing the need for continuity.

### **4.2 Regional Report**

Ross Keenan, the Deputy Chair for the 3 regional DHBs had made comments on his position to the Ministry and to the Regional Chairs. Salient points were that his appointment absorbed the true Deputy Chair role and Boards, he believed, were large enough to appoint their own Deputy Chair. The position had been full of potential conflicts i.e. IDFs and service configurations and the "Labs case" demonstrated why sitting on three Boards was untenable. The Office of the Auditor-General's investigation into the handling of conflicts of interest was a further demonstration of the impossibility of the position and the position had no authority.

His recommendation for the future was that there was a role for regional coordination who could be appointed by the Chairs, a step removed from DHB Board membership, which could be a Regional Commercial General Manager. There were a large number of work streams being undertaken in the region and Chief Executives needed assistance in prioritising and managing the projects.

Ross Keenan's paper was to be circulated to the Board members and raised with the new Board and his views were supported by the Chair and CEOs. Regional collaboration between the four DHBs, including Northland, was high and Ross Keenan had left the region in a good state. It was noted that regional procurement was more effective than national procurements processes. The Chair commended Ross Keenan's efforts.

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

A succinct presentation had been made at the Community and Public Health Advisory Committee by Sacha Dylan on behalf the Disability Support Advisory Committee. The Board fully supported the DSAC.

## **6. AUDIT COMMITTEE**

### **6.1 Report**

The Chair of the Committee, Harry Burkhardt reported that the previous days meeting had addressed a number of expenditure items.

### **6.2 Sterile Customised Procedure Packs (CPPs)**

The processes undertaken were very robust and mature.

Moved Harry Burkhardt, seconded John Retimana

*That the Auckland District Health Board approves the selection of Cardinal Health NZ 313 Limited as the supplier for Sterile Custom Procedure Packs (CPPs) to ADHB with the estimated annual value of the contract being approximately \$1.73m and the proposed term of the contract being 8 years with 2 years rights of renewal.*

Carried

### **6.3 Lithotripsy Machine**

The purchase of a lithotripsy machine would put capacity in the public sector where as it had been totally in the private sector.

Moved Di Nash, seconded Ian Scott

*That the Auckland District Health Board approves in principle the purchase of a Lithotripter to provide Extracorporeal Shockwave Lithotripsy for the Auckland region as part of a regional stone management service at Greenlane Clinical Centre with final approval delegated to the CEO and CFO up to \$1,017,860.*

Carried

### **6.4 Radiology Replacement CT Scanner**

The Audit Committee was recommending that the dispensation to tender be approved as it was a quality product and there was capability in the future for tender. The Committee had asked that the CFO review maintenance contracts, both internally and regionally, to see if maintenance could be added to existing contracts and whether a number of maintenance contracts could be amalgamated.

Moved Harry Burkhardt, seconded John Retimana

*That the Auckland District Health Board approves the purchase of a 64 Slice CT Scanner for the Radiology Department from Siemens Ltd and the dispensation to tender for a purchase price not to exceed \$1,194,834 net to take into account the trade in sales value of the existing machine on Level 2 noting the compelling clinical reasons for the approval.*

Carried

## **6.5 Legal Action**

The Audit Committee had discussed cogeneration on the Auckland City Hospital site with a need for an action plan to have back up power. Both gas turbines had failed to fire up within 74 seconds as specified in the contract. The proposal to defend any legal action was supported by the Audit Committee and the incoming Board should be briefed on cogeneration. The issue was quite technical. The Committee had noted that this involved two Government owned entities.

Moved Wayne Brown, seconded Harry Burkhardt

*That the Auckland District Health Board authorises the Chief Executive and General Counsel to initiate or defend any legal action required concerning the Cogeneration BOOT contract with Meridian Energy Limited.*

Carried

## **IFRS End of Year Financial Year Requirements 2006 - 2007**

The Audit Committee had noted the Controllers and Auditor-General's comments on IFRS not being appropriate for the public sector.

Moved Harry Burkhardt, seconded Ian Scott

*That the Auckland District Health Board authorise the Chair of the Board to sign the Statement of Representation to the MoH, in accordance with IFRS reporting requirements for 2006/2007.*

Carried

## **7. MAORI HEALTH ADVISORY COMMITTEE**

The Chair of the Maori Health Advisory Committee, John Retimana reported that there had been a formal launch of the Maori Health Action Plan and a presentation to Wayne Brown on his retirement as Chair. The Committee had been successful in pushing a more community focus and monitoring of mainstream services. The Director of Nursing had reported on the Rangitahi scheme and the Committee had endorsed Naida Glavish's appointment in the joint position of Chief Advisor Tikanga and General Manager Maori Health.

The Chair thanked John Retimana for his work as Chair of the Maori Health Advisory Committee.

## **8. QUALITY COMMITTEE**

The role of the Chair of the Committee, Di Nash was acknowledged in championing quality over the last six years and her counter fraud work. She described major points over that period which she had found was an interesting experience and she had learnt a lot. Points were the revision of reports dropping irrelevant information, restructuring of quality out of a silo into the quality framework, reporting including Clinical Board and Primary Care Clinical Board and the development of the risk register replaced by Quantate and RiskPro with their associated reporting. Further work undertaken was implementing the Clinical Effectiveness positions, audit and counter fraud work and the need to overview and work with NGOs to improve their quality. Counter fraud included contact with Jim Gee and supporting HealthPac with the institution of two more positions. She was proud to have been part of the organisation for six years and felt that she was leaving it in good heart.

## **9. CHIEF EXECUTIVE OFFICER**

### **9.1 Report**

Garry Smith spoke to his report advising that overall performance year to date was satisfactory but the organisation could not be complacent on acute and elective volumes with rules around wash ups. Risks to the organisation were the wage settlements coming through with RMO and SMO negotiations not completed.

The planning process for 2008/2009 District Annual Plan had commenced with the first version due in Wellington in February. Legal work being undertaken related to fraud and the Aged Residential Care contract which was continuing.

Naida Glavish had been confirmed as Chief Advisor Tikanga and General Manager Maori Health and Greg Balla as Director Performance and Provider Development. Quality indicators going forward would be at the top of his agenda. Ian Civil has been appointed Director of Surgery and was undertaking visits to all surgical departments.

There had been positive feedback on the Health Village Action Zone (HVAZ) and the IMTS strategy was being reviewed, including Northland, with the quantum of regional work increasing.

He acknowledged everyone's contribution to Celebration Week which had been received very positively. Westfield had donated Christmas decorations to the hospital and staff had decorated the hospital in their own time and it looked great. He made a NOVA presentation to Ian Scott an acknowledgement of his attendances during Celebration Week.

A local response to the nurses' settlement was being developed as there was a need to make productivity improvements to fund that settlement. This would be done by incremental changes rather than anything drastic on what nurses could do to contribute to productivity. This included counting better to ensure revenue streams.

The CMO advised that any SMO strike would be most divisive for the organisation, noting that there was a generational split in that workforce. All was being done to avoid a strike which had been indicated to be partial withdrawal of labour rather than full withdrawal. It was noted that a party to the negotiations was pushing the negative of perceived cuts to new technology, perceived cuts of funding to SMOs through sponsorship and delays in the negotiations for 18 months however there had been positive moves in adding new research funding through the A+ Trust and the opening in the last month of the SMO lounge.

## **9.2. Controller and Auditor–General Service Performance Information**

This was for the information of the Board.

## **9.3 2007 – 2008 Objectives First Quarter Report**

The results against objectives were positive. Garry Smith acknowledged the Board, the Senior Management Team and staff for their support and achievements made. He also acknowledged the Chairs of the Audit Committee, Maori Health Advisory Committee, Quality Committee and Disability Support Advisory Committee who had worked closely with Management to achieve the positive results.

## **10 FINANCIAL REPORT – OCTOBER 2007**

Work was being done on the electives that were transferred to acute which included review of the admission processes. There were a range of reasons for the transfers. The investigation started with the admission process, booking and planning and the effect of funding streams.

Overall financial performance for October was not good but year to date was on target. Risks were Meca, including extra leave for nurses. The pricing project through DHBNZ was not successful and approaches were being made direct to the MoH as prices were affected by wage increases beyond ADHB's control. The Chair and CEO had continued to support him in relation to negotiations on IDF prices and adjustors. It was noted that Cabinet Minutes stated that the MoH would set prices.

The new Board would be briefed on the impact on production of strikes. It was suggested that talks should be directly between employees and the DHB rather than through advocates.

The cash position was reasonable. IDF billing was progressing with production for customers slightly behind schedule and this was being focused on.

## **11. GENERAL BUSINESS**

Virginia Hope, who had been elected to the Capital and Coast Board, acknowledged the leadership of the Chair, Wayne Brown and CEO, Garry Smith on the continued progress made over the term of the Board. She acknowledged a member of the public who had attended most meetings.



Barry de Geest acknowledged the three years that he had been on the Board and the greater understanding in the ADHB community of disability issues. He criticised the negative publicity, acknowledging the work undertaken by doctors and all staff in their jobs for the benefit of the health of patients. He thanked the Board and Management team for their support in relation to disabilities.

Wayne Brown thanked the Board and wished the new Board well.

**12. NEXT MEETING**

The meeting closed at 3:10 pm

The date of the next meeting would be determined by the new Board to be held at:  
Marion Davis Library  
Building 43  
Auckland City Hospital  
Grafton

**CONFIRMED**

**CHAIR:** .....

**DATE:** .....