

AUCKLAND DISTRICT HEALTH BOARD

Minutes of the Auckland District Health Board meeting
held on Thursday 4 March 2004
in the Marion Davis Library, Building 43
Auckland City Hospital
commencing at 1:15pm

1. ATTENDANCE AND APOLOGIES

Board Members

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

Management in Attendance

Garry Smith – Chief Executive Officer
Marek Stepniak – Chief Operating Officer
Michael Boersen - Chief Financial Officer
Denis Jury – Chief Planning, Strategy & Funding Officer
Nigel Murray – GM ACH/Building Programme
Brenda Saunders – GM Communications
Ian Bell - Board Administrator

Apologies

The Chairman declared the meeting open at 2.00pm.

An apology had been received from Vicki Salmon.

2. CONFIRMATION OF MINUTES 5 FEBRUARY 2004

Moved Pat Snedden, seconded Margaret Horsburgh

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

Carried

3. ACTION POINTS 5 FEBRUARY 2004

The action points were noted.

4. CHAIRMAN'S REPORT

4.1 Report

Wayne Brown advised that he had undertaken the following activities in the month:

- Supporting the CEO to get cost reductions in administration of \$7m.
- Work on the regional project noting that he had referred to cost comparison with the private sector not privatisation. healthAlliance was not achieving the savings that he considered could be obtained.
- Addressing the need for political support from the centre to make gains for the region.
- meeting with Ascot Hospital which was positive to work in a collaborative way.
- Met with Stephen Child concerning junior doctors as well as meeting with Louise Cosgriff.
- brief discussions with the Prime Minister on the need to talk on greater Auckland health care delivery.
- met with Phobic Trust.
- been asked to dinner with the Ronald McDonald House.
- Reviewed the papers coming to the Board and Committees and their structures.
- Received extra questions from the Select Committee many of which had been answered in the original questions asked.
- Concerns with governance issues for the region through NDSA, Mental Health etc.
- Written to the Minister in response to a letter on shortfall of volumes projected by the Ministry noting that volumes were ahead of contract despite migration.

4.2 Committee Appointments

The CPHAC had agreed that Louise Cosgriff remain as a member of that Committee until the completion of the term of the Board.

Moved Ian Scott, seconded Margaret Horsburgh

That the ADHB confirms the following change in Committee memberships accepting the resignation of Vicki Salmon from the Building Committee and appointing Harry Burkhardt as a member of the Quality Committee.

That the ADHB confirms the continuation of Louise Cosgriff's membership of the Community and Public Health Advisory Committee until the end of the term of the current Board.

Carried

The Board wished to address the four priority goals for the last two years and requested that the CEO provides suggestions.

4.3 Alexandra Home Trust Deed

Moved John Retimana, seconded Margaret Horsburgh

That the ADHB approves the proposal by the Auckland District Health Board Charitable Trust to utilise funds from the Alexandra Home Trust Fund following initiatives:

- 1. Siblings play area on the roof of Level 9, ACH.*
- 2. A woman's walking track.*

Carried

The Board requested information on the amount of funds in the Trust and what had been spent.

5. CHIEF EXECUTIVE OFFICER - REPORT

5.1 Progress Against ADHB's Goals and Key Issues

5.2 Operations Report

5.3 Shared Services Report

5.4 Planning, Strategy and Communications

Garry Smith spoke to his reports.

Control Our Finances

- Change programme reporting being changed to an output basis.
- A focus on labour and direct treatment costs.
- 2004/2005 DAP finances is the position of year two in the present DAP. Reviews of services was reviewing what was happening in the current year including staff numbers and costs. Revenue would be related to people being the ADHB population, the regional population and national services using national pricing project output and benchmarks to show that ADHB's population was not providing a buffer for the other populations.
- Laboratory workers negotiations were at a delicate and critical stage.
- New information on MoH expenditure on DSS had a detrimental effect and needed to be covered by a risk pool. This may need to be escalated to the Chair.
- PHO funding was swinging between funding and expenditure savings with HealthPac's accounting not being robust. The level of accuracy posed a high risk to DHBs.

With 76% of HealthPac's information potentially in error the risks were high. Population Based Funding formula was flawed in Auckland as the census is done in the evening when people were domicile in dormitory suburbs but migrated to Auckland during the day. If the census was undertaken in the middle of the day a totally different result would be obtained from the formula. The Chair is to raise these issues with the Minister. One solution would be the pooling of funding for the Auckland region.

Building Programme

- Development of the Greenlane campus and what services move there including the business case for the National Women's Building and its utilisation.

Change Programme

- Changing the Change Programme's way of working from a project accountability to an operating accountability through General Managers.
- New project co-ordination to be from a central office but the delivery of the project to be within the operating units.
- Project management based on business cases.
- Performance improvement focus to change behaviours and practices with clear operating reporting on issues being managed and clear communication back to the organisation and clinicians relating to managing clinical safety.
- Work on the regional shared services IS proposal but noting that the regional clinical services would have more opportunities for savings. The other DHB's were focused only on back office services and not service delivery such as the present practice of shifting patients between DHBs and the bigger issue of delivering better health for Aucklanders.

Lifting the Health of Aucklanders

- Focus on the DAP and the strict timelines around its completion.
- Concern that the changes to date are about paying for core services with little focus on health gain which is why PHOs are being developed.
- DNA project being reviewed by Jonathan Koea with 2/3 to 3/4 of the project vision delivered organisational wide with now a focus on addressing the specifics for parts of the population i.e. Maori.
- Looking at initiatives to be funded by the Primary Health Initiative Fund to ensure that evaluation shows health gains as well as fiscal gains.

Next Month

- Focus on the DAP and budgets.
- Providing support to Stephen Child on RMO issues.
- ensuring a single point of accountability in the management of issues relating to SSS and GCC.
- Continuing the re-structure and reporting as well as reviewing what is in reports.
- Continuing to implement the changes for saving \$7m in administration costs.
- Review of the Greenlane site development plans.

The impact of the Holiday Act changes was noted. The proposal for nurse to patient ratio is an inflexible self interest model which did not solve problems or address competency and quality. Ian Scott and Margaret Horsburgh are to meet with Taima Campbell to escalate discussion into other forums.

The Chairman considered that the balance scorecard reporting was not helpful from a hospital or DHB point of view.

5.5 District Annual Plan

The update regarding the DAP process before submission of the draft to the MoH on 15 March 2004 was noted.

5.6 Spectrum Care Trust - Trustee

The Audit Committee had requested deferment of this until issues of fees and the loan had been addressed by the CFO.

5.7 Election 2004

The update on Single Transferable Voting (STV) in the 2004 DHB election matters was noted. The Board Administrator advised that the cost for ADHB would be \$205k and for the Auckland region \$630k.

6. FINANCIAL REPORTS – JANUARY 2004

6.1 Financial Report

The report had been discussed fully in the Audit Committee and of noted was identification of a savings that were required to achieve the forecast.

6.2 Treasury Report

The Audit Committee had considered that now that Treasury matters had stabilised more concise reports could be provided monthly with a full report on a quarterly basis. Standard and Poor's rating for ADHB had been raised to AAA from AA+ reflecting the obtaining of finance through the Crown Financing Agency and the close relationship of the NZ Government.

7. DISABILITY SUPPORT ADVISORY COMMITTEE

The next meeting of the regional DSAC was on 19 March 2004 and the focus of the meeting would be a report from NDSA on DSS devolution. There would be a number of consumers there and it was an opportunity for them to have input into empowering the client.

8. BUILDING COMMITTEE

The Building Committee would meet in the following week and this may be their final meeting.

9. QUALITY COMMITTEE

The Board Administrator had been requested to draft new Terms of Reference for the Quality Committee including what information would be provided to that Committee.

10. AUDIT COMMITTEE

10.1 Report

Wayne Brown spoke of the activity of the Audit Committee which had been Chaired by Vicki Salmon. The meeting had undertaken a close review of finance, accepted a report on leases and the development of its processes with the principle being that services relocate to the Greenlane campus National Women's building unless supported by a business case. Management of leases would be reviewed to see the most appropriate form including possible outsourcing. The Committee had approved the concept of the bookshop at Auckland City Hospital being a Lotto outlet and had approved roll over of the logistics and supply contract.

Moved Wayne Brown, seconded Ian Scott

That as a matter of policy ADHB not have shareholding or be involved financially in providers.

Carried

Moved Wayne Brown, seconded Harry Burkhardt

That the ADHB supports the Management Finance Committee adopting the new Terms of Reference and notes that the reference to the MFC in Part A of the ADHB Delegate Authority Policy be updated accordingly also noting that the proposed changes are not considered to materially alter the decisions support principles on which the Delegated Authority Policy is based.

Carried

10.2 Leases

Moved Ian Scott, seconded John Retimana

That the ADHB approve the following leases:

- 76 Grafton Road, Grafton
- 2 Kari Street, Grafton
- 308 Ponsonby Road

and that the execution of the leases be delegated to the CEO and CFO.

Carried

10.3 Sale of Property – 5 Belgium Street, Waiheke Island

Moved Ian Scott, seconded Pat Snedden

That the ADHB approves the sale of the property of 5 Belgium Street, Waiheke Island to the Residual Health Management Unit (RHMU) for completion of the residual approvals and final sale.

Carried

10.4 Provision of Product and Logistic Services

Moved Wayne Brown, seconded Margaret Horsburgh

That the ADHB gives approval to action ADHB's first 12 months unilateral renewal of its overarching agreement for the Provision of Products and Logistics Services (C1133176) with Health Support Limited (HSL) this renewal to take effect from 1 July 2004 for a period of twelve months.

Carried

11. GENERAL BUSINESS

It was agreed that the Board after its next meeting visit Level 9 and the Support Building to gain an appreciation of the difficulties and risks of the refurbishment.

John Retimana is to review the proposed opening programme from a risk perspective and Maori Tikanga perspective.

12. NEXT MEETING

The meeting closed at 3.15pm.

The next meeting will be held on:
Thursday 8 April 2004
Marion Davis Library
Auckland City Hospital
Grafton

CONFIRMED

CHAIR

DATE