

AUCKLAND DISTRICT HEALTH BOARD

Minutes of the Auckland District Health Board meeting
held on Thursday 8 April 2004
in the Marion Davis Library, Building 43
Auckland City Hospital
commencing at 1:30 pm

1. ATTENDANCE AND APOLOGIES

Board Members

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

Management in Attendance

Garry Smith – Chief Executive Officer
Michael Boersen - Chief Financial Officer
Nigel Murray – GM Auckland City Hospital
Steve Mayo-Smith – Chief Information Officer
Brenda Saunders – GM Communications
Ian Bell - Board Administrator

Apologies

The Chairman declared the meeting open at 1.30pm.

Apologies had been received from Vicki Salmon and Ian Scott.

2. CONFIRMATION OF MINUTES 4 MARCH 2004

Moved Pat Snedden, seconded Margaret Horsburgh

That the minutes of the meeting of the Auckland District Health Board held on 4 March 2004 be confirmed as a true and correct record.

Carried

3. ACTION POINTS 4 MARCH 2004

Four priority goals will be brought to the May meeting by the CEO but it was suggested that these included lifting integrity, lifting productivity and seeing that Auckland's population receive their fair share.

The information on the Alexandra Home Trust was not available for the meeting but would be distributed to Board members by email.

A letter had been published in the NZ Herald suggesting that Magnet Hospitals would be a better outcome rather than nurse to patient ratios.

The opening ceremony was being delayed however John Retimana suggests that some of the proposed funding for the opening could be diverted into a number of events. The opening would probably be held in October/November 2004.

4. CHAIRMAN

4.1 Report

Wayne Brown advised that he had undertaken the following:

Attended the Chairs meeting with the Minister on 15 March 2004 with the following noted:

- 90% of doctors in the ADHB area were prescribing on the three month basis.
- Some pharmacists were working directly with doctors to get prescriptions under close control to increase the number of prescriptions for shorter periods.
- Pharmac purchase prosthesis on a generic basis which could be used by ADHB.
- There was support for an enquiry into junior doctor's working conditions.
- The Boards are to negotiate awards within the budget constraints and are not to factor in any moves to pay equity for nurses.
- Doctors being paid to be on-call should be called in.
- ADHB should bill the Auckland City Council for the health consequences of not fluoridating the Onehunga water supply.
- Some PHOs had management plans with pharmacies to address issues such as poly-prescribing noting that there is a preferred services project and ProCare have a management project.
- The biggest weighting for health services is based on age rather than race.

Other issues addressed during the month were:

- Response from the Ministry of Health on the 30% clinical requirement for CTA funding of training.
- Approved the Code of Good Faith for good faith bargaining subject to it covering all unions.

Attended a regional Chairs and CEOs meeting which covered:

- HR projects to have common definitions and terminology, rules of employment and basis of payment.
- Financial group.
- Reduction in management and administration costs.
- NDSA review.
- Ministry of Health and their productivity with active resistance to demands for more information imposing work on DHBs.
- Laboratory review.
- Prioritisation of services.
- Regional planning.
- Working with healthAlliance subject to addressing governance issues and doing due diligence.
- Regional strategy for purchasing and purchasing through Pharmac.
- Productivity review.
- Electronic rostering.

4.2 Committee Terms of Reference

Moved Margaret Horsburgh, seconded John Retimana

That the ADHB adopts the revised Terms of Reference for the Community and Public Health Advisory Committee, Hospital Advisory Committee, Disability Support Advisory Committee and Quality Committee TOR April 2004.

Carried

4.3 ADHB Representative Appointments

The following resolution was put to appoint representatives to NCTN and NDSA reflecting the changes in ADHB management.

Moved Pat Snedden, seconded Margaret Horsburgh

That the ADHB appoints Garry Smith as its representative director on the Northern Clinical Training Network (NCTN).

That the ADHB appoints Denis Jury as its representative director on the Northern District Support Agency (NDSA).

Carried

The following resolution was to appoint further trustees to the Auckland District Health Board Charitable Trust at the request of the Chair of the Trust, Dr Richard Frith.

Moved Pat Snedden, seconded John Retimana

That the ADHB confirms the appointment of Taima Campbell, Executive Director of Nursing and Midwifery, Dr Allan Pelkowitz, Clinical Director Primary Care and Integration and Dr Di Nash as Trustees of the Auckland District Health Board Charitable Trust.

Carried

5. CHIEF EXECUTIVE OFFICER

5.1 Monthly Report

Garry Smith spoke to his report advising that the key issues were:

- Finances: Addressing the balance of the year and establishing the base from 1 July 2004 for the next year to get to the proposed deficit of \$27m. This would be updated to the Board next month.
- Productivity with Nigel Murray managing on a daily basis and looking at reporting measures.
- Focusing on benefit realisation accepting that a number of assumptions were incorrect and addressing the need to find savings elsewhere.
- Addressing management costs, previously looking for a 1% reduction but now looking for a 3% reduction equivalent to \$20m.
- Looking at volume management and the business rules for IDFs and wash-ups of DRGs with a worse case scenario of \$4m related mainly to haematology, renal and oncology.
- Addressing waiting times and elective services.

- Pricing for the Linear Accelerator had been confirmed by the MoH to pay the higher price of \$320 but they had now reneged returning to the old price of \$256 although cancer treatment was a health priority. The impact would be a \$2.5m increase in deficit, or if the Auckland population is funded at the new price, \$1.5m. The Board requested that Gordon Davis be advised that this was not acceptable to the Board and the purchase of the new Linear Accelerator is to be held until there is a firm undertaking on price.

Pat Snedden left the meeting at 2.15 pm.

- Preparation of the pricing shortfalls related to local population, regional population and national population against the tertiary adjuster.
- Delay in the application of Weis 11 on the basis that it had not been included in other DHB's DAPs for 2004/2005.
- The DAP being developed to finalise the financials and content.
- SSS and GCC were worrying from a patient safety and patient satisfaction point of view.
- The Lab workers notice of strike had been withdrawn.
- ADHB was addressing a managed bed policy related to the DSS devolution. The sector was being affected by the closing of small business with the impact of funding and other impacts such as the Holiday's Act.
- The Waiheke Island PHO commenced on 1 April 2004. The funding of PHOs shortfall was being mitigated by reductions in GMS and nurse subsidies but there could be a shortfall of \$2.6m at year end. This had been raised with the MoH who were looking at offset from under spends in other areas.

The Chairman raised the issue of asset valuations related to the trust lands and requested that information be sought from the Department of Conservation on the principles of valuing national parks and whether they paid a capital charge on that asset value. SPM consultants had been engaged to develop a high level asset management plan for ten years which was required as part of the DAP. They were being used collectively by the region and this work should be completed by the end of May. The Chairman requested that he have input into the asset management plan.

Brenda Saunders advised that 9 episodes on interns had been filmed and these were being reviewed by an ADHB panel which held some concerns with some episodes. ADHB had full editorial rights.

5.2 Auckland Region Information Services Strategic Plan

Steve Mayo-Smith advised that the strategic plan was a result of an Auckland system review, review of healthAlliance IS and a desire to implement common systems across the region. The strategic plan was based on the NZ Health Strategy and was supported regionally by the three DHBs through their District Annual Plans. Each project would be supported by a business case. While ADHB were the only DHB to implement CRIS the other DHBs would need to implement this if they wish to go to paperless records.

Moved Wayne Brown, seconded Margaret Horsburgh

That the Auckland Regional Information Services Strategic Plan is endorsed by the ADHB within the context and priorities of the annual capex plans over the planning period acknowledging that alignment of Information Services can provide benefits in improved health outcomes, cost savings and improved quality and safety of care.

Carried

6. FINANCIAL REPORTS - FEBRUARY 2004

6.1 Financial Report

The financial reports had been discussed in detail at the Audit Committee with less work being done for more cost in every service. The benefits of the Change Programme were not being delivered however the Committee had been updated on management's actions being undertaken. Staff must be made aware through NOVA of the financial deterioration. The over production in Cardiac was noted although there may be some transfer of revenue recognising the change in clinical practice. The deterioration in the forecast against budget of nursing costs of \$8m and direct treatment costs \$13m were noted. This needed to be communicated to staff in terms that they understood i.e. increase in bureau nurse usage, patient days etc, There was also a requirement for honest leadership to improve performance.

6.2 Treasury Report

The report was noted.

7. DISABILITY SUPPORT ADVISORY COMMITTEE

The Committee would be meeting on 22 April 2004.

8. BUILDING COMMITTEE

The Building Committee had had a final meeting in March and would only meet again if necessary.

9. QUALITY COMMITTEE

The Committee would be meeting on 22 April 2004.

10. AUDIT COMMITTEE

10.1 Report

The Committee had met the previous day discussing the financials fully and making a number of recommendations to the Board.

10.2 Regional Pharmacy System

Moved Di Nash, seconded Crystal Beavis

That the ADHB approves the Regional Pharmacy System Business Case of \$1,315,652.

Carried

10.3 Spectrum Care Trust Trustee Appointment

Moved Margaret Horsburgh, seconded Wayne Brown

That the ADHB endorses the appointment of Don Clark as Trustee of the Spectrum Care Trust effective from 1 April 2003 for a second term of three years.

Carried

Amendment to the Delegated Authority Policy

Moved Margaret Horsburgh, seconded Di Nash

That the ADHB delegates its authority to carry out needs assessment for entry into long term residential care under section 69F(1) of the Social Security Act 1964 to the manager of Auckland District Health Board's NASC Service with the authority to sub-delegate their authority as appropriate this authority to be exercised in consultation with ADHB clinicians.

Carried

11. GENERAL BUSINESS

Board members were to note the cost saving initiatives being undertaken by Nigel Murray and were to monitor these with the management teams in the areas of responsibility that they had been allocated.

John Retimana reiterated the suggested that with the opening being delayed that a wind-up event could be considered.

12. NEXT MEETING

The meeting closed at 3.26pm.

The next meeting will be held on:
Thursday 6 May 2004
Marion Davis Library
Auckland City Hospital
Grafton

CONFIRMED

CHAIR

DATE