

AUCKLAND DISTRICT HEALTH BOARD

Minutes of the Auckland District Health Board meeting
held on Wednesday 1 October 2008, in the Marion Davis Library,
Building 43, Auckland City Hospital, Grafton
commencing at 1:30pm

1. ATTENDANCE AND APOLOGIES, CONFLICTS OF INTEREST

Board Members

Pat Snedden (Chair)	Susan Buckland
Harry Burkhardt	Dr Chris Chambers
Rob Cooper	Dr Brian Fergus
Dr Ian Scott	Rt Hon Bob Tizard
Seiuli Dr Juliet Walker	Ian Ward

Management in Attendance

Garry Smith – Chief Executive
Dr Denis Jury – Chief Planning and Funding Officer
Dr David Sage – Chief Medical Officer
Greg Balla – Director Performance and Provider Development
Taima Campbell – Executive Director Nursing
Chris Morgan – Manager Materials Management
Janice Mueller – Director Allied Health
Vivienne Rawlings – General Manager HR Operations
Ian Bell – Board Administrator, Acting Chief Financial Officer

Apologies, Conflicts of Interest

The Chair declared the meeting open at 1:15pm.
An apology had been received from Jo Agnew
There were no declarations of conflicts of interest relating to any agenda items.

Moved Chris Chambers, seconded Rob Cooper

That the apology from Jo Agnew be noted.

Carried

2. CONFIRMATION OF MINUTES 3 SEPTEMBER 2008

Moved Ian Scott, seconded Bob Tizard

That the minutes of the Auckland District Health Board meeting held on 3 September 2008 be confirmed as a true and correct record.

Carried

3. ACTION POINTS 3 SEPTEMBER 2008

All items in the action points had been covered.

4. PHARMAC PRESENTATION

Richard Waddel, Chairman and Matthew Brougham, Chief Executive of Pharmac were in attendance and presented to the Board. Pharmac liked to visit Boards every three years to give them an understanding of Pharmac. Richard Waddel had been Chair for 8 years and considered that it was an outstanding organisation with well qualified staff. While volumes were up 10% the spend had decreased in real terms because there had been substantial price decreases. Funding was a mix including funding from DHBs but the final decision was with the Minister and now totalled \$653m. While they did not horizon scan they kept an eye on what was happening in the UK and what was coming off patent. There was still a question of whether the amount spent on pharmaceuticals was right compared with other health services that DHBs could fund.

Exceptional circumstances applications were mainly for rare diseases. Cancer drugs were going to be a big issue so Pharmac had to be vigorous about value for money. They undertook social marketing to ensure people that should get drugs did and stop people getting drugs when they shouldn't. An example was antibiotics, to reduce usage and ensure that there was not development of resistance. Statins had been a big success in addressing underuse although adjusting for other diseases Maori and Pacific were still below European in receiving this medication.

National savings on procurement were \$20m. This demonstrated that DHBs could not undertake their own purchasing which would undermine the effectiveness of Pharmac.

Pharmac was a stand alone Crown Entity directed by the Minister on policy but not on procurement decisions. New Zealand had done well on health spending verses life expectancy. Data was being collected on what was being used in cancer treatments with a view to bringing hospital and community expenditure together and to use savings on other drugs for additional cancer drugs. They warned against targeted medicines which did have side affects.

The Board thanked them for the work and achievements that they made and suggested that there needed to be more publicity so that it was better known that decisions were well based and that their role was better understood.

6. CHAIRMAN'S REPORT

Pat Snedden advised on his activities:

- The Appeal Court decision on the Community Laboratory contract had found that, in the contract process and on conflicts between private law and public law that the DHBs had acted appropriately and could be commercial in the application of private contracting law. They also found that the conflict of interest had been managed appropriately by the DHBs and that consultation on service changes need to be with the public of New Zealand not PHOs and in this case, with there not being a change in service but a change in price, that the consultation was appropriate. In every way the DHBs had acted appropriately.

- He had visited the Tongan PHO and had now visited all PHOs. They did hold a lot of information concerning high need patients.
- He had addressed the Private Hospital Association on the role of the Quality Improvement Committee (QIC). He noting that DHBs provided 4% of their revenues and they obtain 20% from ACC.
- He had attended the AGM of DHBNZ who were pleased that Auckland had returned as a member. It had been a positive meeting, with Peter Glensor of Hutt Valley DHB now the Chair.
- He had attended a tripartite meeting between DHBs, MoH and unions which was going well.

5. DDG HEALTH & DISABILITY SYSTEMS STRATEGY DIRECTORATE

Deborah Roche, Deputy Director General Health and Disabilities Systems Strategy directorate presented to the Board. New Zealand had addressed inequalities better than most countries in the OECD. Points made were targets and performance management, quality and safety through comparative information to drive performance, driving systems cooperation and collaboration, preventative and public health programmes and working with PHOs and local communities using a long term systems framework. With workforce there was immediate work on forecasting, increasing entry and retention and promoting health as a career. In the short to medium term work would be undertaken concerning RMOs, GPs, registrars, multidiscipline primary healthcare and career pathways for care and support workers and new models of care. Technology and the rate of change will accelerate.

The Auckland regional approach was in line with what the MoH were thinking and they could provide input and focus to assist the region. Questions to be addressed were national services that ADHB delivered in a devolved system and the challenge of being expected to break even.

The Chair thanked Deborah Roche for her presentation.

7. COMMITTEE REPORTS

7.1 Audit Committee

The Chair advised that the Audit Committee had considered the firmer view on non payment of services advocated by the Corporate Counsel. They also considered the expansion on Level 4, Support Building for oncology to consolidate schedulers and planners and had addressed a number of expenditure proposals including where management had chosen not to go to tender.

7.1.2 Expenditure Proposals

Debt Write Off

Moved Harry Burkhardt, seconded Ian Scott

That the Auckland District Health Board approves the write off of \$161,998.34 owed by an ineligible patient and that the account be placed with Baycorp.

Carried

Expansion of Oncology Services Phase II

Moved Harry Burkhardt, seconded Ian Scott

That the Auckland District Health Board approves Phase II of the expansion of Oncology Services into Level 4 of the Support Building at ACH at an estimated cost of \$625,000.

Carried

Dispensation to Tender for Purchase of Intensive Care Ventilators

Moved Harry Burkhardt, seconded Bob Tizard

That the Auckland District Health Board approves the dispensation to tender for the purchase of Intensive Care Ventilators.

Carried

Dispensation to Tender for Outsourced Surgical Procedures

Moved Harry Burkhardt, seconded Bob Tizard

That the Auckland District Health Board approves the dispensation to enter into direct negotiations with various health providers for the provision of outsourced surgical procedures.

Carried

Extension of Temporary Staff Recruitment Contracts

Moved Harry Burkhardt, seconded Ian Scott

That the Auckland District Health Board approves the extension of temporary staff recruitment contracts for 12 month from 1 November 2008.

Carried

Auckland Regional External Nursing Bureau

Moved Harry Burkhardt, seconded Ian Scott

That the Auckland District Health Board approves the entering into a regional contract for Nursing Bureau personnel with a single supplier for a term of 2 years with two 1 year rights of renewal.

Carried

Supply of General and Medical Waste Collection, Disposal and Sharps Container Services

Moved Harry Burkhardt, seconded Bob Tizard

That the Auckland District Health Board approves the selection of Medismart Transpacific Technical Services (NZ) Limited as the preferred provider of General and Medical Waste Collection, Disposal and Sharps Container Services.

Carried

Dispensation to Enter into Direct Negotiations for the Manufacture and Delivery of Compounded Products

Harry Burkhardt declared a conflict of interest and did not participate in any discussion or vote.

Moved Bob Tizard, seconded Ian Scott

That the Auckland District Health Board approves the dispensation to enter into direct negotiations for the manufacture and deliver of Compounded Products.

Carried

Annual Accounts Sign Off

Moved Seiuli Juliet Walker, seconded Susan Buckland

That the Auckland District Health Board delegates signing authority on their behalf

- 1. Letter of Representation to Ernst & Young to the Chair, Chief Executive and Acting Chief Financial Officer*
- 2. Year end Financial Statements to the Chair, Chair of Audit Committee and Chief Executive.*

Carried

New Wards Level 14 Auckland City Hospital Support Building

Moved Harry Burkhardt, seconded Ian Ward

That the Auckland District Health Board approves in principle to refurbish and upgrade vacant ward space on Level 14 of Auckland City Hospital, Support Building at an expected approximate cost of \$8m.

Carried

7.2 Disability Support Advisory Committee

The Committee had considered the Select Committee report into disability services with a focus on a single agency. Disabled people wanted individual funding for packages of care. Two complaints raised by disabled people were being investigated and would be reported back to the Committee.

7.3 Maori Health Advisory Committee

There had been an excellent presentation from Dr Cameron Grant on immunisation and how to get higher performance noting that social deprivation was the biggest block to obtaining high immunisation rates. It was suggested that the presentation be made to the Board.

The Committee had had a presentation from Tamaki PHO and the Mapo review. The way forward for Mapo would come to the next Board meeting so that it could be discussed at the meeting with the Runanga. There was also a good presentation on workforce development from Te Kupenga o Hoturoa Maori PHO on their programme aimed at recruiting and training 100 Maori primary healthcare nurses by 2015 with 70% of the participants being on the DPB.

7.4 Pacific Health Advisory Committee

The Committee had discussed the regional communication on the HPV vaccine with the question raised of access for disabled women. They sought a regional PHAC meeting and had discussed the ideas for the Pacific Summit linking it to the Strategic Plan and District Annual Plan with ideas also of increasing health literacy for Pacific communities and showcasing ADHB. The Committee also had a presentation of the CEO's 'State of the Nation'.

7.5 Quality Committee

The Committee had had a presentation on the proposed revised format of reporting.

7.5.1 Presentation Revised Content and Reporting

Using the Quality Committee as an example the proposed agenda would focus on quality assurance, performance month and year to date, performance against the District Annual Plan (DAP) and Internal Audit, which in the case of the Quality Committee would be non financial but related to organisational processes. It would contain a clinical indicators exception report which would also form part of the Board's reporting from the five functional groups. These would have commentary on the exceptions.

There was discussion on the proposal noting that it was to provide assurance and report against the District Annual Plan signed off by the Board, with the Board being the proxy for the community. Indications were patient centric and intended to drive improvements in the organisation through focusing on exceptions with management reporting on what actions were being undertaken on the exceptions and explanations.

District Annual Plan reporting would be under the three goals with each having a number of strategies and reflect the project activity in the DAP.

It was planned that the new format would be used for the next Quality Committee with sections being built on and populated with information. At the next Board meeting there would be a draft Board pack and if the Board agreed this would be extended to other committees.

There was a general agreement with the approach being taken.

8. CHIEF EXECUTIVE OFFICER

8.1 Report August 2008

The Clinical and Professional Leader's report reflected the ADHB clinical quality and professional governance model which evolves from, in developing the quality framework, a change to roles in the organisation. Traditionally Clinical Directors had assumed quality was inherent in their departments but now Clinical Directors were made responsible for clinical quality and professional governance. The clear Level 3 partnerships had been positively received. The focus was on driving out variation, improving the system and having clear clinical accountability. This would require education and encouragement for change with the initial focus being on the role of the Clinical Director. The Board supported the direction of the clinical quality and professional governance model. This would be updated to the Board quarterly.

Other points noted were:

- The labour variances tended to erode as the year progressed as it took time to recruit for vacancies.
- There had been 40 acute referrals into cancer services with a reason for the increase unknown but a focus on getting the patients treated. This included offering services at Waikato with ADHB providing an SMO to supplement their treatment planning resource.
- Long standing patients in CVICU did disrupt throughput for Cardiac. There had been increased clearance of these patients.
- Permanent staff were sometimes recruited from the ADHB bureau.

Moved Pat Snedden, seconded Harry Burkhardt

That the Chief Executive Officer's report August 2008 be noted.

Carried

8.2 DHBNZ Updates August 2008

Moved Brian Fergus, seconded Seiuli Juliet Walker

That the DHBNZ updates August 2008 be noted.

Carried

9. FINANCIAL REPORT AUGUST 2008

The results were conservative with no recognition of the IDF price uplift assumed in the DAP and a low level of coding due to the completions required for year end. The next focus would be on the quarterly results to 30 September 2008 and a forecast to year end would also be provided.

Moved Pat Snedden, seconded Chris Chambers

That the Financial Report August 2008 be received.

Carried

10. GENERAL BUSINESS

Planning Day

There was some discussion on having a planning day to address the DAP with a suggestion of late November 2008.

11. NEXT MEETING

The meeting closed at 4:45pm

The next scheduled meeting is
1:30pm, Wednesday, 5 November 2008
Marion Davis Library
Building 43
Auckland City Hospital
Grafton

CONFIRMED

CHAIR:

DATE: