

## AUCKLAND DISTRICT HEALTH BOARD

Minutes of the Auckland District Health Board meeting  
held on Thursday 6 November 2003  
in the Marie Hosking Room, Level 7, Building 14,  
Greenlane Clinical Centre  
commencing at 1:15pm

### 1. ATTENDANCE AND APOLOGIES

#### Board Members

Wayne Brown (Chair)  
Margaret Horsburgh  
Crystal Beavis  
Harry Burkhardt  
Dame Susan Devoy  
Di Nash  
John Retimana  
Vicki Salmon  
Ian Scott

#### Management in Attendance

Garry Smith – Interim Chief Executive Officer  
Marek Stepniak – Chief Operating Officer  
Michael Boersen - Chief Financial Officer  
David Sage – Chief Medical Officer  
John Woods – GM Human Resources  
Megan Richards – Communications Manager  
Ian Bell - Board Administrator

#### Apologies

The Chairman declared the meeting open at 1:50pm.

An apology had been received from Pat Snedden.

### 2. CONFIRMATION OF MINUTES 9 OCTOBER 2003

Moved Susan Devoy, seconded Crystal Beavis

*That the minutes of the meeting of the Auckland District Health Board held on 9 October 2003 be confirmed as a true and correct record.*

Carried

### 3. ACTION POINTS 9 OCTOBER 2003

There would be a focus within each service on the trends raised by the analysis of variances in HBOs. The Board requested that it be kept informed of the major variance trends.

### 4 CHAIRMANS REPORT

Wayne Brown advised that the activities undertaken in the month had been:

- There was a focus on “Better Health for Greater Auckland” with Chairs and CEOs working on three streams of work. These were people focused on staff flexibility and transfer between DHBs:
  1. NewShare/HealthAlliance/NDSA lead by Kay McElvie.
  2. Wayne Brown working on where service delivery across Auckland should be.
  3. Funding and Planning, addressing inter district flows to get more dollars to the bedside lead by Ross Keenan.
- Dinners have been held with doctors and nurses and both groups were supportive of the Greater Auckland approach.
- Work on obtaining Crown Financing Agency funding had continued with the Treasury Manager with the conditions that they had proposed being addressed. It was expected that the funding would be available at the end of November.
- Work had been undertaken on identifying truly national services in Women’s and Children’s. There were less national services being provided at Women’s than in Children’s.
- The “Twaddle” issue had taken time with concern at the loose use of the term Board as members of the Board had not been involved in any way. He expressed disappointment at the quotation in the NZ Herald saying there was “tension” as he and the CEO were working with Mr Twaddle on regional work. He supported the Chief Medical Officers comments on doctors speaking out in the media. The issue was one of access to theatres which was being worked through rather than a bed numbers issue.

## **5 INTERIM CHIEF EXECUTIVE’S REPORT**

### **5.1 Progress Against ADHB’s Key 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**

- Benefit realisation.
- Volume management.
- PHO funding. There was a limit on the information available on the new way of funding and the level of funding coming in. This was being discussed with the MoH. There was some inertia in claiming for entitlements from doctors and PHOs.
- DSS funding. A regional manager had been appointed and for the first twelve to eighteen months would gather data across the sector. This was to get an understanding of resources and so not to over promise services to the community. The plan was being delayed to December as the data was not clear.
- ACC revenue. A further \$3.6m of ACC revenue had been included in the District Annual Plan and this was tracking reasonably well. Work was also being undertaken on opportunities to increase revenue in this area.
- Action orientated reporting had been developed by the COO down to ward level and if there is over expenditure in an area this is being reviewed.

## **Building Programme**

- Migration. He congratulated all staff on the migration success and advised that there was planning for a “street” party to acknowledge staff. The Board applauded staff for their efforts. The initial planning for the opening was being driven by the timing of the ACH Support Building, but the first week in July was being considered with the major activity on the Saturday.
- The load in the new hospital was being built in steps to full capacity.
- Sterile Supply Services was still experiencing some difficulties and was being closely monitored but no patients had been put at risk. The timing of the move for National Women’s would be reported to the Building Committee.

## **Change Programme**

- The clinical leadership/partnership model was being incorporated into operational changes.
- There was a requirement for operational ownership of new systems and processes as well as benefit realisation.
- The 24 Hour Centre was involved in bed management and work load phasing reporting directly to the COO. This was a critical area for the delivery of savings. Bureau management was within that Centre. Systems around operating theatres had been installed and the logistics around theatres and how they work was being escalated.
- Garry Smith was involved in the Shared Services Regional Project. The business case for an HR Information System may be delayed until February as it is part of the larger regional project.

## **Lifting the Health of Aucklanders**

- There were three major work streams on regional projects to have better health delivery to Greater Auckland.
- The Maori Health quality indicators were being integrated into reporting.
- Pacific Health had been working on a focus for Mental Health.
- The Regional IS Strategy needed to address PHO information about ADHB’s population and how to effectively manage the continuum of care model. There were issues of security and information sharing. Wayne Brown commented that there needed to be input from clinicians to where the Crème project is progressing and asked that this be debated at the Building Committee meeting.
- Primary care projects included out reach immunisation, diabetes and palliative care.
- PHO progress had been reported to the CPHAC

Garry Smith advised that a meeting would be held with MoH officials in the following week. The new regional reporting on Mental Health needed to be provided to the Auckland DHB Boards not just the MoH.

It was noted that for the first time in a number of years there was a surplus of applicants for House Officer positions which was of concern to the RDA.

## **6 FINANCIAL REPORTS**

### **6.1 Financial Report**

The financial reports had been discussed fully at the Audit Committee noting the realigning of reports for the first three months to the balance sheet position at 30 June 2003 and extracting the effects of the revaluation of assets. The over expenditure in direct costs was being researched. The increased FTEs in SSS and Clinical Records Scanning were a matter of concern. John Woods advised that there were a number vacancies in Support Services, HR, IS and Payroll which partly reflected the time it took to replace people. Michael Boersen advised that while the Shared Service Model was central with central reporting, staff were embedded in services and work directly with the service managers. Any employment legal advice has to be authorised by the GM HR or ER Manager.

Garry Smith advised that there had been a part-debriefing on "Twaddle" issue. The Board requested an explanation of what had happened and expressed its disappointment at the manner in which this had been handled.

### **6.2 Treasury Report**

Ian Bell spoke to the report. The Building Programme expenditure and budgets were being reviewed to relate both to particular projects so that the variances between actual and budget could be more fully explained. Funder arm deposits were now being used to off set debt with benefits of reduced interest cost at the margin and better utilisation of funds.

The Audit Committee had noted that the debt profile was presently outside policy and had agreed that no action be taken as it would rectify to within policy within six months.

## **10 AUDIT COMMITTEE**

### **10.1 Report**

Vicki Salmon advised that the Audit Committee had considered three expenditure proposals including the proposal under item 10.2.

### **10.2 Haematology, Fully Automated Robotic Linear Process System**

Moved Margaret Horsburgh, seconded Ian Scott

*That the AHDB approves the contracts for the purchase of a Fully Automated Linear Process System for full blood counts from Roche Diagnostic NZ Limited and Sysmex Delphic Limited for a term of five years with one, three year right of renewal. The value of the contracts over the eight year term are estimated as:*

*Roche Diagnostic Limited - \$1.62m (\$620,000 capital and \$1m operating costs),*

*Sysmex Delphic Limited - \$331,945 (\$164,365 capital and \$167,580 systems support costs)*

*subject to the contract being in the form acceptable to Corporate Counsel.*

Carried

Vicki Salmon continued reporting on the Audit Committee meeting advising that they had recommended policies on conflicts of interest and gifts to the Board as well as considered bad debt write offs.

### **10.3 Debtor Write Off**

Michael Boersen advised that this was a patient that was unable to pay a debt of \$163k and while the patient's sponsor had offered to pay \$30 per week, this was not accepted as it would have allowed the sponsor to sponsor other people in the future. By placing the debt with debt collectors future sponsorship could not be undertaken.

#### Moved Vicki Salmon, seconded Wayne Brown

*That the ADHB authorises the write off the debt totalling \$163,658.57 relating to Mr Faamafu Roberts.*

#### Carried

Inadequacies at the border and migration issues placed financial pressures on the ADHB as well as clinicians. The Audit Committee had received a report on write offs of \$190k principally related to people being illegally in the country. This posed a financial risk to the ADHB and the wider public had to meet this lost revenue. Garry Smith advised that the ADHB did receive some funding for bad debts, but not for illegal entries.

The Audit Committee had also received the audit report on the Building programme. The concerns that people may not accept change and the risks of not achieving those changes had been noted in the report. The full report was being put to the Building Committee for discussion. The report confirmed that there was good financial control and migration planning but confirmed the risks of change not being accepted into the organisation.

### **7 DISABILITY SUPPORT ADVISORY COMMITTEE**

Margaret Horsburgh reported that the Committee had looked at progress against the Annual Plan. The Committee's approach and timetable had been restructured for the following year focusing on the NZ Disability Strategy. The regional meetings were working collaboratively on DSS.

### **8 BUILDING COMMITTEE**

Wayne Brown advised that Fletchers had done a good job and there was good progress on finalisation of the final claim. Migration was progressing well.

### **9 QUALITY COMMITTEE**

The Quality Committee would now meet on Wednesday 26 November 2003 and all Board members were invited as a tutorial on questions on quality at a governance level was being given.

### **11 GENERAL BUSINESS**

#### **Election 2004**

The Board Administrator distributed an update on Single Transferable Voting (STV) and the 2004 DHB election advising that the MoH was consulting on having the election as "at large" rather than by constituencies. Submissions closed at 5pm on Wednesday 19 November 2003.

## **Reports to the Board**

The standard and improvement in reporting to the Board was noted.

## **12 NEXT MEETING**

The meeting closed at 3.30pm.

The next meeting will be held on  
Thursday 4 December 2003,  
Marion Davis Library,  
Auckland City Hospital  
Grafton.

**CONFIRMED**

**CHAIR**

**DATE**