



AUCKLAND DISTRICT HEALTH BOARD

**Minutes of the Auckland District Health Board meeting
held on Monday 6 December 2004
in the Marion Davis Library, Building 43,
Auckland City Hospital, Grafton
Commencing at 12:00 noon**

1. ATTENDANCE AND APOLOGIES

Board Members

Wayne Brown (Chair)
Ross Keenan (Deputy Chair)
Tony Bierre
Jackie Blue
Harry Burkhardt
Chris Chambers
Barry de Geest
Virginia Hope
Di Nash
John Retimana
Ian Scott

In Attendance

Graham Aitken – Board Advisor

Management in Attendance

Garry Smith – Chief Executive Officer
Denis Jury – Chief Planning and Funding Officer
Warwick Russell – Acting Chief Financial Officer
Nigel Murray – General Manager Auckland City Hospital
David Sage – Chief Medical Officer
Taima Campbell – Executive Director Nursing and Midwifery
Janice Mueller – Director Allied Health

The Chair declared the meeting open at 12:00 noon

2. CHAIRMAN'S OPENING REMARKS

The Chair welcomed all the Board members to the first meeting and looked forward to the clinical input at Board level. He wished to have a team approach and invited each member to consider a Service in which they had skills or an interest to develop more insight into that Service for feedback to the Board. He also advised that his address to each Board meeting would outline all that he had undertaken in the month.

Board members were invited to outline their backgrounds and interests to the Board.

Di Nash – GP interested in primary care and obstetrics - interested in Women's Health services, clinical quality and laboratory services.



John Retimana – Marketing background involved with Territorial Authorities, Maori issues and PR and marketing. The Chair noted that John had assisted in the heart issue for the last Board.

Chris Chambers – Interests in health IT, governance issues and clinical quality.

Barry de Geest – His condition was a result of a medical issue - he owns a disability support service, very community orientated and interested in money and balance sheets.

Ross Keenan – Commercial background in aviation and health, previous Chair of Counties Manukau, background in accounting and economics. The purpose of his position was to provide a focal point for collaboration, alignment of services and elimination of duplication to get regional efficiencies.

Ian Scott – GP background with a speciality in addictions interested in moving the emphasis away from hospitals and getting resources out to the community to stop admissions - previously on the Audit Committee and Building and Change Committee.

Harry Burkhardt – Appointed 18 months ago as a Maori appointee with a background in the commercial world, manufacturing business as well as off shore businesses - takes a commercial view of the healthcare model interested in the health provision to Aucklanders.

Tony Bierre – pathologist with 25 years of experience in laboratories - undertaken a MBA at Otago interested in health and economics, the provision of services within both primary and secondary.

Jackie Blue – breast physician who had trained in the hospital - interest in cancer services and HR. She was a director of the St. Marks Clinic.

Virginia Hope – Due to health issues in her family she had taken an interest in medicine and now worked in public health - has a commerce degree, interested in managing professionals in the provision of services.

Wayne Brown – Wayne has been Chair of Northland Health, Tairāwhiti and the Auckland District Health Boards with business interests in property and clothing. The previous challenge had been on completing the Building Programme with now an emphasis on extracting the efficiencies promised in the business case as was solving regional issues of collaboration and service provision. He noted that Graham Aitken had been appointed as advisor to the Board to provide analysis, number checking and review of detailed information.

Graham Aitken –has spent 30 years in the health sector and was now contracted to the Ministry of Health to advise on elimination of the ADHB deficits. He had managed Greenlane and Auckland City Hospitals - been consulting in health for 14 years including health quality accreditation in primary care and rest homes.

4. RESPONSIBILITIES, INDEMNITY AND RISK

The papers were taken as read and the Interest Register circulated. The Board Administrator would update the register from the new members. With regards to conflicts of interest it was noted that these only related to transactions and the Chairman invited

members to take part in discussion on matters to give benefit to the Board of their expertise and point of view.

2.4 Meeting Schedule 2005

The CPHAC and HAC were held on the same day as the Board so that there was a focus in the month and all Board members heard the same presentations. Members were able to attend any committee meetings. The Board met in private between 8:00 am and 9:00 am to deal with management issues and the Chair sought that issues be brought at this time rather than too much going to the Audit Committee. Discussions on the month's finances would be held in the Board meeting rather than in the Audit Committee.

Moved Ian Scott, seconded Di Nash

That the ADHB adopts the Committee and meeting structure together with the meeting schedule for 2005.

Carried

5. TERMS OF REFERENCE OF COMMITTEES AND APPOINTMENT

5.1 Community and Public Health Advisory Committee

This Committee had additional members such as Esther Cowley-Malcolm representing Pacific and Aroha Hudson, Ngati Whatua. Sam Su had represented Asian interest however it was suggested that the Asian community be invited to nominate a representative. Mark Wills, CEO of Procure, also contributed to the Committee. There was discussion on Auckland City Council and/or the Regional Council nominating a representative.

The Community Consultation Manager is to seek input for nominations in the Asian, Samoan and other communities. It was suggested that Mark Wills continue and that nominations be considered at the February meeting.

5.2 Hospital Advisory Committee

Professor Pat Alley had made a contribution as had Peter Smith as Dean of the Medical School as ACH was a teaching hospital. It was suggested that rather than the Dean necessarily being appointed that he be asked how he wished to manage the relationship with also a suggestion of a member from the School of Population being on the CPHAC. Discussions are to be held with the University and there was support for Professor Pat Alley being reappointed.

5.3 Disability Support Advisory Committee

Barry de Geest was happy to Chair this Committee which was better working outside the main Board day as ADHB did not dominate this sector made up of NGOs. The Disability Strategy needed a population base focus rather than a disability group focus. Barry de Geest is to make recommendations to the Board on appointments and it was agreed that the Deputy Chair would attend the regional DSAC meetings.

5.4 Maori Health Advisory Committee

The Chair supported John Retimana and Harry Burkhardt continuing on the Committee and asked other members if they were interested. Jackie Blue, Tony Bierre and Chris Chambers expressed an interest. It was noted that any Board members could attend any committee meetings and it would be worth while attending the Maori Health Committee at least once a year.

Ian Scott stated that he wished to be on the Audit Committee.

Ian Scott and Graham Aitken left the meeting at 1:07 pm.

5.7 Remuneration Committee

This was an ad hoc committee which only met to review the CEO's and senior management remuneration. All members would be members of this Committee.

5.6 Quality Committee

This Committee could use the expertise around the Board table as there were issues with SSS and OAS and financial issues tended to go hand in hand with quality issues. This had been subsumed by migration but there needed to be more emphasis on quality supported by the active Clinical Boards which were working well. It was suggested that Di Nash chair the Committee and other Board members expressing an interest were John Retimana, Chris Chambers, Tony Bierre, Jackie Blue and Virginia Hope.

5.5. Audit Committee

Wayne Brown advised that this was a committee that he did not chair and he also did not want members feeling that they had to attend the Audit Committee to keep up with information. In the coming year there should be a more technical focus on finances with issues being debt, governance, bonds and management of capex. The previous Committee had been chaired by Vicki Salmon and she had advised that she would be happy to continue on the Committee which would give continuity to discussions on the Change Programme.

Moved Wayne Brown, seconded Di Nash

That Vicki Salmon be appointed to the Audit Committee.

Carried

Other members of the Committee suggested were Harry Burkhardt, Tony Bierre, Barry de Geest and Wayne Brown. It was emphasised that finance and treasury would be discussed at the Board meetings.

Governance Committee for Forensic Lab Services

Margaret Horsburgh had been chairing this committee for the last 3 years with Fiona Ritsma being the General Manager with oversight. It was suggested that Tony Bierre chair this Committee.

3. CHIEF EXECUTIVE OFFICER

3.2 Senior Management

Garry Smith tabled an ADHB functional structure schematic. A Clinical Practice Committee was being formed to address operational issues so that the Clinical Boards could concentrate on policy issues. At present the Clinical Board Hospital was mixing policy and operational issues. In the longer term it was intended to move to one Clinical Board.

Nigel Murray headed Auckland City Hospital with Fiona Doughan managing the Greenlane Clinical Centre and Mental health. The Advisory section including David Sage, Taima Campbell and Janice Mueller moved across the organisation with Warwick Russell coordinating Support Services which also operated across the organisation. Denis Jury managed the Population Health and Primary Care cluster including Public Health which managed a regional contract. The CEO advised that he had a good accountability management structure and good team.

Managers were invited to outline their major issues:

Warwick Russell – Managing the year's deficit and risk exposure as well as producing the three year projection. There will also be a review of reporting information systems.

Nigel Murray - completing end state locations and the Support Building with a focus on how to do things better both financial and in quality performance.

Denis Jury - the issues were the Health of Older People which had been devolved in October 2004 and the rest home distribution which was distorted in Auckland, Population Based Funding and the impact on ADHB appearing to be "over funded" by \$12 - \$14m in revenue and implementation of the Primary Care Strategy to get community based programmes and how to make these changes in a rational way.

David Sage - focus was the clinicians within the hospital to try and move them from an inwards/migration focus to a outwards community focus. This included moving to a single Clinical Board and altering the way services are run in primary care an example being diabetes in Auckland being hospital centric were as in Counties Manukau it was community focused. It would take some years to change over 1,000 clinicians' behaviour.

Taima Campbell – she defended the number of nurses and was focused on workforce shortages, fitness to practice, supply and retention. Other areas of interest were organising people, smoke free policy and immunization.

Janice Mueller –provided a professional leadership role for allied staff over a wide number of fields and this included competency issues. She had a role with the Community Integration Programme looking at functions and relationships to look outwards from the hospital environment. Other involvements were implementing the Health Practitioners Competency Act and the air ambulance service.

2.1 FINANCIAL REPORTS

These had been addressed earlier in the meeting as well as at the previous Board meeting day.

2.2. Resource Allocations

This presentation had exposed clinicians to the NZ situation spending the average per capita on health.

It was agreed that the 16 December 2004 meetings of the Quality Committee and Disabilities Support Committee be deferred.

6. AREAS OF RESPONSIBILITY

There were discussions on Board members adopting areas of responsibility to get a closer understanding of those services with some of the suggestions being Ian Scott Mental Health, Tony Bierre Cardiac, John Retimana and Jackie Blue Children and Women, Tony Bierre Surgical, Di Nash Clinical Services and Chris Chambers Greenlane.

Di Nash left the meeting at 1:50pm.

Barry de Geest expressed an interest in RehabPlus, population health and PHO relationships.

Members are to advise the Chair, Wayne Brown, which areas of interest they wish to adopt.

3.1 Main Issues

Garry Smith addressed the Board outlining the key issues as being:

- Meeting the 2004/2005 District Annual Plan while managing \$47m of risks. MOH consultants had identified a \$100m problem. There were a number of benchmarking exercises and costs were within national and Australasian guidelines. Other important areas were managing direct treatment costs, SSS and OAS to get the savings scheduled for the second half of the year.
- Development of the three year view prior to Christmas noting the impact of depreciation and interest, as a result of the new building, moving from \$90m through to \$130m as while operational profits were being made the infrastructural costs were driving the organisation into deficit.
- The revision of the Strategic Plan would be undertaken in early 2005.
- The need to keep pressure on the sector to resolve sectorial problems related to ADHB with 50 percent of work done for other DHBs, pricing which had a delay of two years on costs. Pricing issues had been outlined to the Minister as costing the Government twice, in paying for the services and also paying for deficits. ADHB under PBFF got no demographic adjuster as it was perceived to be “over funded”.
- The issue of community pharmacies use of NHI numbers and the rest home situation in Auckland had been heard by the Minister.
- Keeping traction on regional issues particularly IDF rules which don't support regional configurations.
- Focusing on ADHB's local population by ensuring pricing, benchmarking and services match other DHB's with an example being the need for chronic care management which is available in Counties Manukau to be available to the ADHB population.
- The Mapo review should be addressed as a regional solution.



The Chair raised the issue of the perceived “over funding” and asked that a few pages be prepared for the first Board meeting on Population Based Funding highlighting the rules and IDF rules. He noted that engagement at the centre on these problems was difficult and that the Director General of Health was not aware that ADHB did not get a demographic adjuster when she requested the 1% increase in the older people pricing to be paid. Issues were the pricing with an effect of \$17m to \$18m, demographic adjusted \$12m and the previous capital adjuster of \$42m, prior to PBF, being removed. These issues are contained in Chapter 1 of the DAP which is to be circulated to Board members prior to the next meeting.

The media policy was tabled noting that the Chair of the Board is the principal spokesman on governance matters, the Chief Executive on operational issues and the CMO on health.

The Chair advised that the benefits of the Change Programme were being discussed through the Audit Committee related to the HSDP business case on promises made, what could be delivered and what could not.

The point of contact for Board members was through the Board Administrator.

The Chair wished Board members well for their orientation with the Ministry of Health on Thursday.

NEXT MEETING

The meeting closed at 2:35 pm.

The next meeting will be held on:
Thursday 3 February 2005
Marion Davis Library
Auckland City Hospital
Grafton

CONFIRMED

CHAIR:

DATE: