

AUCKLAND DISTRICT HEALTH BOARD

Minutes of the Auckland District Health Board meeting
held on Thursday 7 July 2005 in the Marion Davis Library
Building 43, Auckland City Hospital, Grafton
commencing at 1:30 pm

1. ATTENDANCE AND APOLOGIES

Board Members

Wayne Brown (Chair)
Tony Bierre
Chris Chambers
Virginia Hope
John Retimana

Ross Keenan
Harry Burkhardt
Barry de Geest
Di Nash
Ian Scott

Management in Attendance

Garry Smith – Chief Executive Officer
Denis Jury – Chief Planning and Funding Officer
David Sage – Chief Medical Officer
Adrian Lichkus – Acting Chief Financial Officer
Nigel Murray – General Manager Auckland City Hospital
Andrew Norton – General Manager Human Resources
Ian Bell – Board Administrator

Apologies

The Chair declared the meeting open at 1:08 pm.

An apology had been received from Jackie Blue.

2. CONFIRMATION OF MINUTES – 2 JUNE 2005

Moved Chris Chambers, seconded Virginia Hope

That the minutes of the meeting with the Auckland District Health Board held on 2 June 2005 be confirmed as a true and correct record.

Carried

3. ACTION POINTS 2 JUNE 2005

Wayne McNee, the General Manager of Pharmac was going to raise with his Board the question of them having an expanded role.

An article on paying back salary overpayments would be in the August issue of NOVA and the Board requested that it also address theft of time.

Paul Jepsen was in attendance advising that the Grafton site had been substantially rebuilt except for the Dialysis, Marion Davis Library and a number of other buildings. Demolition planned would be undertaken in the next 6-9 months with the Support Building to be completed and the Domain car park to be developed. Car parking would be in line

with the resource consent when the Domain car park is developed for the public. The Board requested a report on the Pt Chevalier site be provided for the next meeting.

The meeting between Tony Bierre and Materials Management had yet to be undertaken.

4. CHAIRMAN

4.1 Report

Wayne Brown reported to the Board:

- He and the CEO had visited Ministers King and Cullen and provided them with information on ADHB's position and way forward. Service review teams were being implemented.
- He had visited Women's and Children's Services with three Board members noting that there was interesting data on inpatients in the first 6 months with revenue from ADHB's population \$10.5m, Waitemata \$12.5m and Counties Manukau \$8.5m. The percentage of revenue to cost was ADHB 87%, Waitemata 60% and Counties Manukau 60%. The percentage of revenue to cost for Waitemata and Counties Manukau should be raised to the same level as ADHB. Losses in the 6 months were \$13m.
- The tertiary adjuster appeared to be an excuse for what other DHBs did not want to pay but was the subject of continuing discussions with the MoH. Status of the tertiary adjuster is to be advised to the next meeting.
- He had travelled on the shuttle bus between the Auckland City Hospital and Greenlane Clinical Centre noting that it was only partially full. The Board advised that the shuttle was principally for staff but should be available for patient transfer.
- A number of publicity visits had occurred and he had requested a policy on conditions of entry to ADHB as if it was to someone else's benefit ADHB should be reimbursed.
- The CMO was invited to the Chairs/CEOs meetings and three regional CMOs do meet regularly. There was a suggestion that there be a regional clinical board.
- There had been a number of IT presentations attended by himself, Harry Burkhardt and John Retimana on partnership/outsourcing which was progressing.
- The HSDP report had been received by the Audit Committee who had approved it for publication as well as inclusion in the Annual Report.
- There was regional work being undertaken on laboratory services.
- He had met with the Chair and CEO of Crown Health Financing Agency.

Southern Community Laboratories

Southern Community Laboratories, a member of the New Zealand Diagnostic Group presented to the Board advising that their contract was for \$8m and they employed 105 staff who could be made redundant if their contract terminated. They asked for an opportunity for their proposal, with two models, either a joint venture or a capped contract, to be considered the latter perhaps being an interim measure to get to a joint venture. SCL had been involved in laboratory service reviews around the country and with the ADHB review process for a year.

The Chairman advised that their proposal would be given serious consideration.

4.2 Regional Report – Deputy Chair

The work streams on regional services were coming together and the next regional meeting would be held on 14 July 2005.

4.3 DHBNZ Meeting – 14 June 2005

Tony Bierre had attended the meeting on the Chair's behalf which had been useful for him, hearing both sides of the tertiary services debate, sustainable health funding and having a meeting with the Minister. There was a question of the role of DHBNZ and what functions it should undertake although governance had been separated from other work streams with some projects providing value. ADHB obtained good value from the tertiary providers group.

4.4 Lease of Premises at Greenlane Clinical Centre for Crèche

The Ministerial approval was noted.

5. CHIEF EXECUTIVE OFFICER - REPORT

Garry Smith advised that he was balancing work on the Strategic Plan, District Annual Plan and operational issues. The new payroll system was now working. He had had a meeting with Tihi Ora Mapo and attended the Health Innovation Awards. Adrian Lichkus had assumed the role of Acting CFO. The Minister had visited Fertility Plus.

6. FINANCIAL REPORT – MAY 2005

The results for the month were unfavourable \$450k with continuing pressure in direct treatment costs. Year to date results were \$10m favourable reduced to \$6.2m favourable with timing differences. There had been release of revenue related to public health and asbestos costs of \$8.9m. Pharmac rebates would be adjusted to \$9m. The Chair and the Chair of the Audit Committee had met with the Auditors following the Audit Committee meeting and had agreed with them the treatment of research revenue in advance, which had been different from that adopted by the Audit Committee, to be consistent with the treatment of mental health money. The treatment of research funds was to be reviewed to see if overheads had been applied and the CFO was asked to report to the Chair and Chair of the Audit Committee on these funds. The Chairman and the CEO had spent time with Gordon Davies getting understanding of the better year end result. There was a need for financial information, including reporting on a contribution basis, to be understood in clinical areas so that ADHB could manage costs that it could influence.

7. DISABILITY SUPPORT ADVISORY COMMITTEE

The Disability Support Advisory Committee would be meeting on Thursday 21 July 2005.

8. QUALITY COMMITTEE

The Chair of the Quality Committee advised that Internal Audit had attended their meeting. They had received a report back on triage times which were improving and were comparable under benchmarking. The CIO had attended on privacy matters

advising that while an open system had been established and it was dependent on staff accessing the system appropriately, audits on access were undertaken.

A quality structure was being established and there had been review of research with clarification of the line between research and audits. MoH supported the development of a quality culture which needed to be embedded in the organisation. There were areas of concern with cultural competency evident in the audit of NGOs. There had also been use of NHI numbers after death which had a potential exposure of \$700k for ADHB with a process underway for recovery. Patient satisfaction reports had been received and the Committee had asked for trends to be highlighted together with clusters of complaints and consumer comments which would be useful. The Clinical Board Primary Care was not keen on merging with the Clinical Board at this time but joint meetings would be held.

9. AUDIT COMMITTEE

9.1 Report

The Audit Committee had considered the Regional Cancer and Blood Service Proposal but were not convinced at the single solution offered and wanted more information on the opportunities for further utilisation of the Grafton site. It was important that the use of the ADHB site was maximised. The proposal would be subject to a number of covenants including support from the MoH although the arguments for increased capacity were accepted. It was proposed in the future to have low level chemotherapy and haematology at Counties Manukau.

9.3 Community Laboratory Proposal

The Audit Committee had referred this back to the CEO with a need for a high degree of integrity in processes.

9.4 Salvation Army New Zealand Trust Board

The Audit Committee had recommended that there be KPIs to measure value after year one.

Moved Ian Scott, seconded Wayne Brown

That the following contract be signed on behalf of Auckland District Health Board:

- *Salvation Army New Zealand Trust Board*
- *Alcohol and Drug Services for Adults*
- *Estimated annual value of the contract is \$6,067,886*
- *Term of the contact is two years*
- *No right of renewal, Agreement to be terminated prior to the end of the two year period*
- *Agreement will be devolved to a region/local level across the country, provided there is agreement by the Minister of Health (A mandatory requirement).*
- *The Northern Region DHBs will retain the portion of the Agreement that relates to the Northern region after the current Agreement has expired in two years time, if the above conditions are met.*
- *KPI measures to be developed for implementation in year 2 of the contract.*

Carried



9.5 Debt Write-off

The Audit Committee had not agreed to write off this debt and wanted to raise the issue of ineligible patients eroding ADHB’s resources for public debate.

10. GENERAL BUSINESS

A+ Charitable Trust

The Chair of the Audit Committee advised that the Trust held funds of some \$8.5m with a good steady stream of monies being received. The requests for funding appeared to come from those not approved through ADHB’s annual processes.

HRMS/Payroll Project

The Board was advised that this was now functioning however there were delays in paying back pay to SMOs. There were changes with responsibility centres being controlled in the employment of staff and the new system also required staff to certify holiday leave. There had been a recruitment advertising campaign aimed at British visiting at the time of the Lions tour. Notice had been given to a temporary staff supplier of termination of the contract as well as a move to employ more staff through the ADHB bureau.

Manawanui

Di Nash advised that she had attended the ceremony of laying a Mauri stone at the Manawanui whare kai.

Lifting the Health of Aucklanders

Moved Di Nash, seconded Ian Scott

That the Community and Public Health Advisory Committee be delegated authority to monitor the “Lifting the Health of Aucklanders” development.

Carried

11. NEXT MEETING

The meeting closed at 3:00 pm.

The next meeting will be held on:
Thursday 4 August 2005
Marion Davis Library, Building 43
Auckland City Hospital, Grafton

CONFIRMED

CHAIR:

DATE: