

## AUCKLAND DISTRICT HEALTH BOARD

Minutes of the Auckland District Health Board meeting  
held on Thursday 6 October 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  
Barry de Geest  
Di Nash  
Ian Scott

Ross Keenan  
Harry Burkhardt  
Virginia Hope  
John Retimana

#### In Attendance

Graham Aitken – Board Advisor

#### Management in Attendance

Garry Smith – Chief Executive Officer  
Roger Jarrold – Chief Financial Officer  
Denis Jury – Chief Planning and Funding Officer  
David Sage – Chief Medical Officer  
Adrian Lichkus – Manager Internal Audit  
Janice Mueller – Director Allied Health  
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 1:35 pm.

An apology had been received from Chris Chambers. The Chair advised that Jackie Blue had tendered her resignation following her election as a list member to Parliament.

### 2. CONFIRMATION OF MINUTES – 1 SEPTEMBER 2005

Moved Virginia Hope, seconded Harry Burkhardt

*That the minutes of the Auckland District Health Board meeting held on 1 September 2005 be confirmed as a true and correct record.*

Carried

### 3. ACTION POINTS – 1 SEPTEMBER 2005

#### Emergency Planning

The Chief Executive Officer introduced David Allen, Coordinator Emergency Management Service, and advised that planning was being undertaken for a pandemic through the Ministry of Health, with a national Health Planning Response and an

Auckland Regional Civil Defence Emergency Group Plan. It was important to coordinate locally and regionally as any national health response would be coordinated at a regional level not by individual DHBs. Planning was consequence focus rather than event focused based on a proposed regional structure with governance provided by the regional Chairs/CEOs. Communication was a work stream that was being handled nationally. Planning was well advanced recognising that Auckland had a big population and was also a large gateway into New Zealand. There was a need for a single decision maker with power to make decisions with clear accountability.

## **4. CHAIRMAN**

### **4.1 Report**

Wayne Brown reported to the Board:

- There had been a Regional Chairs meeting which had been held at the Manukau Super Clinic and he noted that that building had aged very well.
- He had attended DHBNZ in Wellington where he had raised the question from the annual reports of each DHB as to what percentage of their revenue they diverted from the public to support their Providers i.e. if they spent \$100m and then a further \$10m to the Provider to eliminate a deficit, prices need to increase by 10% above the national prices. This diversion of funds masked inefficiencies and meant the MoH was paying twice.
- He had attended the Clinical Leaders meeting which had been a good productive day and now being past migration was looking at the way forward.
- He had attended the Starship Foundation meeting where they still support the concept of a national health service and he advised them that they were not spokesperson for Children's Services. The Starship Foundation CEO had been invited to attend the CPHAC meeting.
- He had spoken with a concerned staff member concerning Sexual Health Services.
- Letters had been received from the Minister on part payment charges which would be responded to by the Chief Planning and Funding Officer.
- He had declined the offer of a free trip to Melbourne from a supplier as this did not meet the State Services Commission Standards of integrity.
- He had been well briefed for a meeting with Deborah Powell of the RDA which had been constructive with a will on both sides to resolve junior doctor issues balancing training and output. Concerns were a lack of portfolio management in health i.e. one Meca versus 21 DHBs and issues of SMO public and private practice conflicts.
- He welcomed Roger Jarrold, the new Chief Executive Officer, to the ADHB team.
- He had met with Baxters concerning an innovative idea for service provision which was being assessed by management. He was keen to see Pharmac working in the area of prosthesis purchasing.

### **4.2 Regional Report**

Ross Keenan, Deputy Chair, advised that the scheduled bi-monthly meeting had been held with the agenda being kept to essentials. He had also attended the CEOs meetings.

### **4.3 Meeting Schedule 2006**

The meeting schedule for 2006 was considered with the first Maori Health meeting in February to be held at Manawanui.

Moved Wayne Brown, seconded Ian Scott

*That the Auckland District Health Board adopts the meeting schedule for 2006.*

Carried

## **5. CHIEF EXECUTIVE OFFICER**

### **5.1 Report**

The Chairman noted that the financial results were positive and the Audit Committee had requested management to embed these with the Chief Financial Officer to recast and rephrase the budgets.

Garry Smith welcomed Roger Jarrold to the Executive Team and acknowledged the work of Adrian Lichkus as Acting Chief Financial Officer. The Strategic Plan had been issued for public consultation and consultation was also being held with staff although there had been relatively low turnouts. The pricing project for next year was at a critical stage particularly related to surgical prices and the tertiary adjuster. The 2004/2005 outcomes against the objectives had been distributed to Board members. Objectives for 2005/2006 had been developed at a high level and now measures were being developed which would be brought to the next meeting together with how they were to be reported on.

He outlined the service review process with the objective being to develop a 3 year business plan together with an implementation plan for each service which would be signed off by the service manager and clinical director. It covered how ADHB would deliver services and was being assisted through a steering group consisting of himself, the Deputy Director General of Health Gordon Davis, the Chief Financial Officer, Chief Medical Officer, Executive Director of Nursing and Midwifery and Director of Allied Health. The ownership of the business plans would be transferred to each service and while the project was 2 weeks behind schedule, a project manager had been appointed and other DHBs involved with a priority date of 30 November 2005. A communication strategy had been developed. The reviews were very operational focused. Garry Smith was the spokesperson being supported by the Board and MoH. This should be seen as a positive to apply resources in a positive way to meet the needs of Aucklanders, the region and nationally to get better improved and responsive services.

It was proposed to have a Recognition Week to recognise history and the substantial completion of the HSDP by year end with the development of Auckland City Hospital and Greenlane Clinical Centre. It was proposed to hold this in the week 21 November 2005 to 25 November 2005 as a celebration of milestones which would be less official but touch the whole organisation to create excitement for the organisation. The suggested form would be some formal ceremonies at both sites, educational activities, emphasis on research and education, staff recognition, cultural activities and staff greet and treats. Other suggestions were virtual tours, book launch, information on the size and scope of the organisation and a DHB focus rather than just hospitals. The Board endorsed the concept and direction.

### **5.2 Northern Clinical Training Network Annual Report 2005**

The annual report was noted.

## **6. FINANCIAL REPORT – AUGUST 2005**

Adrian Lichkus reported that there were many favourable variances as a result of phasing of savings with the Provider and Funder both contributing to the favourable variance mainly through employee costs and revenue. The budget would be adjusted for the land sales to be deferred to June 2006. Direct treatment costs related to increased volumes but would need to be kept under control with inventory and purchasing being priority areas. The Annual Report was almost finalised and the draft DAP deficit for 2005/2006 had been reduced to \$65m.

Roger Jarrold, the new Chief Financial Officer, thanked Adrian Lichkus for his assistance and made the observation that while the results were good it was against a soft budget which would be rephrased. Reporting against last years results would be distributed and new reporting would include percentage of costs to revenue and aging of creditors. Revenue for the year was \$19m favourable compared with the previous year with costs increased by \$7m giving a net favourable improvement of \$12m. The Board supported the direction of improved reporting and rephrasing of the budget.

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

The Chair of the Committee, Barry de Geest, advised that the regional DSAC meeting would be held the next day with a question being what reason was there for having a regional committee. It was intended that the ADHB Committee meet with the Auckland City Council's Committee. The Committee had had good input into the Strategic Plan and District Annual Plan. The question of the venue for Board meetings was raised.

## **8. QUALITY COMMITTEE**

The Quality Committee would be meeting later in the month.

## **9. AUDIT COMMITTEE**

### **9.1 Report**

The Chair of the Audit Committee, Harry Burkhardt, reported that Internal Audit had a good focus and raised issues for consideration. The increase in price for Aged Residential Care had been considered by the Audit Committee who had voted unanimously not to support it as there was an existing \$4m impact on ADHB's deficit. The regional DHBs had been made aware that there was a negative \$7m effect at present in the region. The request was to have national agreement to a percentage price increase on the assumption that national uniform prices were paid, however this was not the case with ADHB historically paying more with a Territorial Local Authority adjuster used to alter the funding incidence. The history of ADHB was that adjusters were arbitrarily removed. Management had been taking a pragmatic approach in getting regional support for the increase subject to the TLA adjuster being reviewed. The concern of the Committee was that the TLA would not be addressed and nor the issue of there not being national prices. The Board recognised the need for increased funding in the sector noting that it was a difficult situation however it awaited clarification and a constructive response to the issues raised.

Di Nash left the meeting at 4:15 pm.

## **9.2 Auckland Regional Public Health Service**

Moved Harry Burkhardt, seconded Wayne Brown

*That the Auckland District Health Board approves the following revenue contract:*

- *Auckland Regional Public Health Service*
- *Annual value of the contract is \$11,507,254 exclusive of GST*
- *Term of the contract is one year July 2005 – June 2006*
- *No right of renewal.*

Carried

## **9.3 Relocation of Home Health and Older Peoples Health Day Programme to Cornwall Complex**

Moved Barry de Geest, seconded Ian Scott

*That the Auckland District Health Board resolves;*

- *That the capex for \$976,429 to relocate Home Health and Older Peoples Health Day Programme to the Cornwall Complex be approved. This project is in accordance with the Greenlane Building Occupancy Plan.*
- *That the contract for \$709,766 with Canam Construction Ltd for the building works component be approved, and*
- *That the Chief Executive Officer is delegated authority to execute the contract with Canam Construction Ltd.*

Carried

## **10. GENERAL BUSINESS**

### **Christmas Function**

It was agreed that there be a Christmas function for the Board on Wednesday 30 November 2005.

### **Home Care Services**

This had been discussed earlier in the CPHAC meeting and a report had been requested for the next meeting including options of access to the asset base of clients to support co-payments.

### **Debt**

There had been publicity of a debt for \$32k and the Board was advised that subsequent donations of \$15k had been received. The Board noted that the media had not given context to the debt issue.



**11. NEXT MEETING**

The meeting closed at 4:27 pm.

The next meeting will be held on:  
Thursday 3 November 2005  
Marion Davis Library  
Building 43  
Auckland City Hospital  
Grafton

**CONFIRMED**

**CHAIR:** .....

**DATE:** .....