



AUCKLAND DISTRICT HEALTH BOARD

Minutes of the Auckland District Health Board meeting
held on Thursday 3 August, 2006 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) | Harry Burkhardt |
| Chris Chambers | Barry de Geest |
| Virginia Hope | Di Nash |
| Ian Scott | |

Management in Attendance

Garry Smith – Chief Executive
Roger Jarrold – Chief Financial Officer
Denis Jury – Chief Planning & Funding Officer
David Sage – Chief Medical Officer
Taima Campbell – Executive Director Nursing
Janice Mueller – Director Allied Health
Rosemary Pearson – Acting General Manager Human Resources
Ian Bell – Board Administrator

Apologies

The Chair declared the meeting open at 1:57 pm.
Apologies had been received from Ross Keenan and John Retimana.

The Chair advised the meeting that Dr Tony Bierre had resigned from the Auckland District Health Board to focus on implementation of the Community Laboratory Services contract. Dr Bierre had gone beyond statutory requirements in standing down from all Board business months prior to the Community Laboratory RFP and was not privy to any information or participated in any discussion or decision regarding the tender. The process had been over seen and signed off by Audit New Zealand. The Chair noted Dr Bierre's valuable contribution over a wide range of health issues confronting the Board.

2. CONFIRMATION OF MINUTES – 6 JULY 2006

Moved Ian Scott, seconded Virginia Hope

That the minutes of the Auckland District Health Board meeting held on 6 July 2006 be confirmed as a true and correct record.

Carried

3. ACTION POINTS – 6 JULY 2006

ESPIs had been presented to the Hospital Advisory Committee.

Funding for Healthpac audits could be transferred to the DHB. It was proposed to tender for audits of Health of Older People rest homes conducting both financial as well as quality audits. Internal Audit had advised that it may be better to continue with Healthpac as they had developed expertise in detection of fraud.

4. CHAIRMAN

4.1 Report

The Chair reported on his activities for the month:

- There had been considerable communication on the Community Laboratories Services contract through e-mails etc.
- The costs to ADHB of ineligible patients had received wide media coverage.
- He and the Chair of the Audit Committee had been interviewed by the Office of the Auditor General concerning the Baxter proposal. He expressed disappointment that that Office was being used by disappointed tenders.
- He had met with the new Chair of DHBNZ which had been positive but did not alter the decision to leave DHBNZ. He had pointed out that one vote for one DHB was flawed.
- The CFO had advised of a tax dispute which, although of zero sum game to the revenue, did impact on the expenditure of health funds.
- He had received a copy of an academic investigation into the history of the capital charge regime and the taxation of charitable institutions which suggested that the capital charge was illegal.
- He has a meeting with the Minister on the 14 August 2006. Issues he would be raising would be procurement, ESPIs, networks, etc.
- He had noted the item on television on the very low use of seat belts by the Pacific Island community and suggested that this be a target for the Pacific Health group. He had been involved in a discussion on national radio on health care insurance trends which were away from comprehensive cover to surgical cover with high excesses.
- He had attended two meetings concerning the Domain Carpark with Barry de Geest also attending the second meeting. The second meeting had required a change of venue as there was no disability access to the first floor which revealed some internal management issues.
- The CFO had expressed concerns at the costing/pricing project being undertaken.
- The proposed letter to the Minister concerning communication through DHBNZ had not been sent and this issue would be raised when he met with the Minister.
- The power outage had had a negative impact on the organisation but more importantly had an impact on 600 people and where as ADHB had worked to being 680 ahead on electives 600 had been lost in that one day. There were no sanctions against the supplier other than adverse publicity but he proposed that the costs be billed to Vector, copied to Transpower, to force accountability. The Board supported the CFO in recovering \$500k.

4.2 Regional Report – Deputy Chair

The Deputy Chair was absent however both he and the Chair were interested in the proposed health network which they had heard of outside of health.

4.3 Spectrum Care Trust

Moved Ian Scott, seconded Barry de Geest

That the Auckland District Health Board endorses the appointment of Heather McLeish as a Trustee of the Spectrum Care Trust.

Carried

5. DISABILITY SUPPORT ADVISORY COMMITTEE

A regional meeting would be held to develop a response to the Social Services Select Committee inquiry into the Quality of Care of Service Provision for Disabled People with the ADHB DSAC taking a leadership role for the region. The Chair of the Committee had attended the meeting on the Domain Carpark. He had also been invited to a 50 year planning conference by Auckland City Council and had raised a number of issues.

6. MAORI HEALTH ADVISORY COMMITTEE

Harry Burkhardt advised that while there was a lot of discussion at the Committee it was difficult to get a focus on what the Committee was doing. The Committee had received research from Ella Henry of Plunket on MeNZB however it had a very narrow focus and did not really address the difference in uptake between Auckland and Counties Manukau and Waitemata although it was thought that there were more community providers in Counties Manukau.

7. QUALITY COMMITTEE

The Quality Committee would be meeting in August.

8. CHIEF EXECUTIVE OFFICER

8.1 Report

Garry Smith spoke to his report noting the favourable financial result which demonstrated a commitment from the whole ADHB organisation. While there were a number of items to be finalised for the final accounts he congratulated staff on their efforts. A subcommittee of the CEO, Chair Audit, Chair and Chief Financial Officer would make a final recommendation on the year end result to the Board.

Production management would be a key focus going forward including how ADHB managed the front door and then moved people through the organisation. Neurosurgery services at Waikato had commenced which had raised a number of tensions to be managed. He planned to visit the Waikato service. The Chair asked that he be updated

on the Waikato neurosurgical unit issues. ADHB clinicians had been supporting the Waikato service however the opening date continued to be extended and there were cost implications, estimated at \$3m, with ADHB staff still providing 2-3 days cover.

Garry Smith acknowledged the work done in mental health planning and contracting. Maori language week had gone well and Pacific had opened a Samaria Pacific room at Greenlane Clinical Centre which was an important occasion. The feedback on accreditation had been positive.

The proposal to form a regional RMO management organisation was supported by the three regional DHBs. This would not be the employer but would provide back office management as it was not possible to have RMO regional employment yet. The training of hiring management was part of upskilling managers and indoctrinating them into ADHB values. The CIO was moving IS into an Information Management strategy and Healthpoint implementation was progressing. A forward notification of the need to replace CMS and PHS had been made to the Audit Committee. Privacy issues concerning information sharing access would be going to the Quality Committee.

State of the Nation addresses would be given to staff in mid August and it was proposed to have a Celebration Week in November. A Communication Strategy both internal and external was going through management processes and would be coming to the Board.

Regional work included regional service planning and the CEO/Chairs provided governance of projects through bi-monthly meetings. These meetings also provided a forum to escalate problems concerning the 3 regional DHBs.

8.2 Objectives 2005 – 2006 Year End Report

This was a final report on the achievements against the 2005/2006 Objectives and the work of Janice Mueller was acknowledged. This was a major tool for the organisation and was cascaded through the organisation and became part of the objective setting for all individuals. The Objectives adopted by the Board for 2006/2007 at the previous meeting were a further improvement on these Objectives.

Barry de Geest left the meeting at 3:06pm.

The Objectives were an integral part of the integrated management model.

9. FINANCIAL REPORT – JUNE 2006

The land sale had not been activated so the result of \$46.5m deficit was comparable to a budget of \$71m with the improved result being principally the result of extra funding and efficiencies being made. At the Audit meeting a comparison had been made to a one year construction project with a need for production planning against a lump sum revenue stream and management of contract variations to get to year end. Production planning and scheduling with constant monitoring was key to getting results.

The final year end results would depend on finalising some accounting principles including the carry forward of some advanced funding. Cash flow for the year had been good. It was important to get consistent results between years not necessarily being governed by accounting rules.



Moved Ian Scott, seconded Harry Burkhardt

That the Auckland District Health Board supports transparent reporting of financial results actually achieved by Auckland District Health Board.

Carried

10. AUDIT COMMITTEE

The Audit Committee had noted that variations to contracts, using the building project analogy, were an area where there could be consolidation of further revenue. There were good opportunities going forward.

The Audit Committee had considered the proposal for extending the contract with Mercy Hospice Auckland.

Moved Harry Burkhardt, seconded Ian Scott

That the Auckland District Health Board approves the signing of a two year contract renewal with Mercy Hospice Auckland and authorises the CEO to sign the contract on its behalf.

Carried

11. GENERAL BUSINESS

There were no items of general business.

12. NEXT MEETING

The meeting closed at 3:45 pm.

The next meeting will be held at
1:30pm, Thursday 7 September 2006
Marion Davis Library
Building 43
Auckland City Hospital
Grafton

CONFIRMED

CHAIR:

DATE: