

## AUCKLAND DISTRICT HEALTH BOARD

**Minutes of the Auckland District Health Board meeting  
held on Thursday, 7 September, 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  
Barry de Geest  
Di Nash

Ross Keenan  
Chris Chambers  
Virginia Hope  
John Retimana

#### **Management in Attendance**

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

#### **Apologies**

The Chair declared the meeting open at 1:38 pm and welcomed members of the public.

### 2. CONFIRMATION OF MINUTES – 3 AUGUST 2006

Moved Wayne Brown, seconded Di Nash

*That the minutes of the Auckland District Health Board meeting held on 3 August 2006 with amendments to reference to tenderers and comparison to a budgeted deficit of \$71m be confirmed as a true and correct record.*

Carried

### 3. ACTION POINTS – 3 AUGUST 2006

#### **Power Outage**

The claim to Vector and Transpower of some \$500k should also refer to the consequential impact on patients and ADHB's suppliers so that any future outage could be handled better by the power suppliers. A precedent had been set in 1989 for payments for consequential loss to retain customer goodwill.

#### **Financial Results 2006**

The subcommittee of the CEO, Audit Chair, Chair and Chief Financial Officer had met informally the previous day however the year's result had not been finalised.

Moved Ross Keenan, seconded Chris Chambers

*That the Auckland District Health Board authorises the Chair and the Chair of the Audit Committee to sign the Annual Report for the 2005/2006 year on their behalf.*

Carried

**Audit Committee**

Moved Wayne Brown, seconded Harry Burkhardt

*That the ADHB appoints Chris Chambers as a member of the Audit Committee effective from 1 September 2006.*

Carried

**Community and Public Health Advisory Committee**

Moved Virginia Hope, seconded Di Nash

*That the ADHB appoints the CEO of Tihi Ora Mapo as a member of the Community and Public Health Advisory Committee.*

Carried

**4. CHAIRMAN**

**4.1 Report**

Wayne Brown reported on his activities for the month:

- He had met with the Minister of Health covering the topics of:
  - community laboratories
  - Office of the Auditor General re renal services
  - the effect of receiving payment late from the MoH of \$6m in interest which just increases cost to the Crown
  - pricing exercise excluding ADHB data which is completely illogical and is at a cost of \$25m to ADHB with this decision being made by an analysis within the MoH. This also has an ultimate cost to the Crown as other DHBs spent the funds
  - the 4% increase in cost of services of ADHB compared with the sector increase of 16% in 2004/2005 this analysis being based on MoH figures not ADHB figures
  - the importance of meeting EPSIs with a possibility of more funds being released.
- ADHBs withdrawal from DHBNZ was forcing them to address some issues.
- He had visited the Crown Health Financing Agency with whom ADHB has a good relationship.
- He had attended the Star Jam function with Barry de Geest and Minnie Baragwanath of the Auckland City Council.
- He had met with the planner from Auckland City Council concerning the Domain Carpark and a further meeting would be facilitated through Mark Vinall.

- He had attended the quarterly Clinical Directors meeting where there had been a presentation by LabTests Auckland Ltd which he had asked to be repeated at the next Board meeting.
- Another issue raised at the Clinical Directors meeting was the impending shortage of junior doctors and he had been impressed with the SMOs' attitude noting that the way that the hospital operates would need to change which would be challenging.
- He acknowledged the work of Allan Pelkowitz and wished him well for the future.
- He had agreed a salary movement for the CEO with the State Services Commission.
- While Graham Aitkin was no longer Board Advisor he was accessible as a resource to ADHB.
- The retirement of David Major from Starship after 40 years was acknowledged.

## **4.2 Regional Report**

The Deputy Chair, Ross Keenan advised that the regional meeting had been held on 10 August 2006 which included the three Auckland metropolitan DHBs and Northland. Discussions on the community laboratory contract had dominated, information on benchmarking and productivity would be updated for 2005/2006 at the October meeting, the CEOs work streams were progressing well and he had attended the National Capital Committee in Wellington which recognised the 20 year plan that the Auckland region had developed. The next regional meeting would be on 10 October 2006.

## **5. DISABILITY SUPPORT ADVISORY COMMITTEE**

The three regional DSACs had worked together with Lisa Gestro to write a submission to the Select Committee undertaking the review of disability services. The submission was that disability services were in a mess and people were not getting the service that they deserved and that the function should be devolved to DHBs or go to another Ministry rather than the Ministry of Health as disability was not a sickness.

## **6. MAORI HEALTH ADVISORY COMMITTEE**

This Committee has not met the next meeting being in October.

## **7. QUALITY COMMITTEE**

The Board Chair noted the considerable work being undertaken by the Quality Committee as well as the level of fraud in the health sector. The Chair of the Committee advised that the Committee had received presentations on the Quality Framework and the system for managing reportable risks including the risk scoring tool. The Aged Residential Care contract could not be relied on to ensure quality and so ADHB was continuing to assist the sector to improve quality including visits from gerontologists etc. to assist provider development. The lack of nurse cover at times in the Residential Care sector was noted.

## **8. CHIEF EXECUTIVE OFFICER**

### **8.1 Report**

The report was noted. The Board supported the Efficiency Improvement Project.

## **9. FINANCIAL REPORT – JULY 2006**

This was the first month of the year and the result had been discussed at the Audit Committee with the month being under budget after making provision for adjustments to revenue. Increased volumes of medical work had been undertaken at a cost to surgery. Case weight at 400 per day continued at the high level. Cash flows were good and the Expenditure Committee had approved the acquisition of an IMRT improvement for radiation therapies. The national pricing project was a major issue for ADHB.

### **8.2 Quality Framework**

The Chief Medical Officer, David Sage presented to the Board. The adoption of values by the Board and CEO for the organisation had been very successful and positive and they could be annunciated by staff with them accepting a level of expectation from the organisation. The purpose of the Quality Framework was to state what the organisation's expectation was concerning quality. Board members were invited to provide feedback on the Framework through the Board Administrator. This was a good well developed Framework.

Ross Keenan left the meeting at 3:00pm.

### **8.3 Information Management Framework**

The Chief Information Officer, Johan Vendrig presented to the Board. The Board noted the need to present information in such a way as to enable an individual clinician to make an informed decision to effect change in what ADHB does. It was noted that some systems were robust, some needed improvement and there were some integration difficulties.

### **8.4 Meeting Dates 2007**

The meeting schedule for 2007 was noted.

## **10. AUDIT COMMITTEE**

### **10.1 Report**

The Chair of the Audit Committee, Harry Burkhardt advised that the Audit Committee had addressed a lot of work on the previous day including reviewing the Financial Report.

### **10.2 Supply of Sutures and Endosurgical Instruments**

Moved Di Nash, seconded Barry de Geest

*That the ADHB approves the contract for the supply of both Sutures and Endosurgical Instruments with Johnson & Johnson Medical New Zealand with an estimated value over 4 years of \$10,074,900 the contract being for a period of 4 years with an option for two further 2 year rights of renewal.*

Carried

### 10.3 Security and Related Services

Moved Harry Burkhardt, seconded Virginia Hope

*That the ADHB approves the contract for the provision of all Security and Related Services to ADHB with Chubb NZ Ltd with an estimated annual value of \$1,975,889 averaged over 7 years the contract being for a period of 4 years with an option for a 2 year right of renewal and a further 1 year right of renewal.*

Carried

### Regional Public Health Services

Moved Barry de Geest, seconded Harry Burkhardt.

*That the Auckland District Health Board (as regional service provider) approves the contract with the Ministry of Health for the provision Regional Core Public Health Services Ref 305321/00 subject to final approval of the ADHB Legal Counsel at a value of \$35.5m for three years.*

Carried

## 11. GENERAL BUSINESS

### Forensic Governance Group

Moved Wayne Brown, seconded Barry de Geest

*That Di Nash be appointed Chair of the Forensic Governance Group.*

Carried

## 12. NEXT MEETING

The meeting closed at 3:45 pm.

The next meeting will be held at  
1:30pm, Thursday 5 October 2006  
Marion Davis Library  
Building 43  
Auckland City Hospital  
Grafton

**CONFIRMED**

**CHAIR:** .....

**DATE:** .....