

## AUCKLAND DISTRICT HEALTH BOARD

Minutes of the Auckland District Health Board meeting  
held on Wednesday 2 July 2008, in the Marion Davis Library,  
Building 43, Auckland City Hospital, Grafton  
commencing at 11:30am

### 1. ATTENDANCE AND APOLOGIES, CONFLICTS OF INTEREST

#### Board Members

Pat Snedden (Chair)	Jo Agnew
Susan Buckland	Dr Chris Chambers
Brian Fergus	Dr Ian Scott
Bob Tizard	Seiuli Dr Juliet Walker
Ian Ward	

#### Management in Attendance

Garry Smith – Chief Executive  
Roger Jarrold – Chief Financial Officer  
Dr Denis Jury – Chief Planning and Funding Officer  
Dr David Sage – Chief Medical Officer  
Greg Balla – Director Performance and Provider Development  
Taima Campbell – Executive Director Nursing  
Margaret Dotchin – Nurse Director  
Janice Mueller – Director Allied Health  
Vivienne Rawlings – General Manager HR Operations  
Ian Bell – Board Administrator

#### Apologies, Conflicts of Interest

The Chair declared the meeting open at 12:07pm.

Apologies had been received from Harry Burkhardt and Rob Cooper. Susan Buckland had apologised for being absent from the meeting for a period of time.

Moved Pat Snedden, seconded Seiuli Juliet Walker

*That the apologies be sustained.*

Carried

No conflicts of interest with items on the agenda were declared.

### 2. CONFIRMATION OF MINUTES – 4 JUNE 2008

Moved Pat Snedden, seconded Brian Fergus

*That the minutes of the Auckland District Health Board meeting held on 4 June 2008 be confirmed as a true and correct record.*

Carried

## 6.2 ADHB Health Emergency Plan

Justin Rawiri, Coordinator Emergency Management was in attendance and presented to the Board.

The Health Emergency Plan was a requirement of the MoH under the Operational Policy Framework and had been developed after consulting widely with the organisation and reviewing what was being done within services. The ADHB Plan fed into the Regional Plan which in turn fed into the National Health Emergency Plan and there was alignment within the Northern Region DHBs. It was noted that if there was a regional activation in Auckland then it would probably be a national activation due to the size of Auckland's population. The Plan was based on the Four Rs of Comprehensive Emergency Management being reduction, readiness, response and recovery. It was also based on the Civil Emergency model having an Incidence Controller who has complete control of the incidence. The incidence control mechanism had been used when there was power outage and the CJD issue.

The system was well structured with an escalation process and the Incidence Controller opens and closes incidences which are followed by formal comprehensive debriefs. Debriefs from previous incidences had demonstrated that the Control Room had been too small and that there needed to be a separate room for Communications and this had been implemented. Civil Defence practices had been very good at testing the system.

Moved Ian Scott, seconded Chris Chambers

*That the Auckland District Health Board approves the ADHB Health Emergency Plan 2008 for submission to the Ministry of Health.*

Carried

## 3. ACTION POINTS – 4 JUNE 2008

### Training Requirements

The response to the Select Committee had been made and the Board Administrator advised that Members had expressed an interest in a financial course which he would arrange with the Institute of Directors. It was suggested that there be a re-orientation workshop follow-up for the Board for half a day now that the Board had been operating for six months. It was also suggested that a standard figure for members training be determined with the Board Administrator to ascertain what neighbouring DHBs' Members training policy were.

### Lunch

The Board broke for lunch at 12:40pm and resumed at 1:13pm.

## 4. CHAIRMAN

The Chair noted in the Interests Register his membership on the Tamaki Establishment Board and advised that Garry Smith, the CEO was also a member.

## 4.1 Report

The Chair reported on his activities for the month:

- The Minister's visit has been successful and an opportunity to meet the Board. The Minister's press release had been advised to the organisation but had not been picked up externally.
- He had attended the launch of QIC Incident Management at the Wellington School of Medicine where Jim Baigent, an American involved with Veteran Hospitals, which were run on a system of local governance but had a system of quality, presented on bio-medical engineering. This was a world class presentation, in line with IHI principles, and he suggested that he be brought to the Regional Group in February 2009 for the "Saving 1000 Lives" to talk to the Board and engage with staff.
- The Northern Regional DHB CEOs and Chairs had met with the appointment of Gary Wilson to his regional role. The four CEOs were working on a strategy concerning DHBNZ relating to budgeting and regional work to ensure that there was not an over commitment of resources to both regional and national levels.
- He had launched the Pacific Nursing Conference, which was the Pacific section of NZNO, addressing issues such as how to better train Pacific people including Pacific nurses in the Islands.

### Committee Appointments

Farida Sultana and Lynda Williams were to be appointed to the Community and Public Health Advisory Committee and Hospital Advisory Committee and Professor Anne Kolbe, who was a paediatric surgeon, to the Hospital Advisory Committee.

Moved Pat Snedden, seconded Jo Agnew

*That the following appointments be made to Board committees:*

- *Community and Public Health Advisory Committee – Farida Sultana, Lynda Williams.*
- *Hospital Advisory Committee – Farida Sultana, Lynda Williams, Professor Anne Kolbe.*

Carried

## 4.2 Tamaki Establishment Board

ADHB had been engaged at the invitation of Housing New Zealand along with other infrastructural agencies with the project being an opportunity to focus on a community and to look at the whole environment and responses to the community under a Board structure. Denis Jury was a member of the Steering Committee. It was an opportunity to do things in a different way and right for ADHB to be involved. The proposal had gone to Cabinet who want a more intensive business case developed by November for a 5-6 year programme of redevelopment. This would include measures of success through outcome measures. HNZ owns 50% of the real estate in the community and is a major player. ADHB's involvement would be employee's time and involvement in the health initiatives that ADHB is undertaking. The infrastructural support had been borne by HNZ to date.

There had been a lot of work on outcomes based on previous ADHB work, synergy with the Primary Healthcare Plan with the concept of neighbourhood delivery being picked up

and Sarah Marshall and Frank Booth would provide a more detailed briefing to the next month's Community and Public Health Advisory Committee. Auckland City Council and Auckland Regional Council were represented on the Board.

The present community is 5,000 households of 18,000 to 20,000 people expected to move to 9,000 to 10,000 households with a 36,000 to 40,000 population.

Moved Pat Snedden, seconded Seiuli Juliet Walker

*That the Board notes the letter from the Minister of Housing, Honourable Maryan Street concerning the Tamaki Establishment Board.*

Carried

#### **Remuneration Committee Terms of Reference**

The terms of reference of the proposed Remuneration Committee had been distributed to members. The membership was discussed with the proposal that it consists of the Chair and Chairs of Board Committees and Ian Ward put his name forward to be a member.

Moved Pat Snedden, seconded Ian Scott

*That the Auckland District Health Board receives the terms of reference of the Remuneration Committee and that it be comprised of the Chair and Chairs of Committees and Ian Ward.*

Carried

Later in the meeting this item was further discussed with the following amendment:

Moved Pat Snedden, seconded Ian Scott

*That the terms of reference of the Remuneration Committee be amended to exclude review of the senior executives and direct reports to the Chief Executive.*

Carried

The review of senior executives' and direct reports' to the Chief Executives remuneration and KPIs would be reviewed, on the principle of one over one, by the Chair and Deputy Chair.

#### **4.3 ADHB Response to Hawkes Bay DHB Report**

The report on Hawkes Bay DHB had highlighted the question of conflicts of interest within DHBs and a need for a risk management approach. Reference was made in the report to the Institute of Director's "Four Pillars Principles" and the Board Administrator was requested to obtain a copy. After discussion it was agreed that there should be a re-orientation for members, to be attended on a voluntary basis, with issues to be advised through the Board Administrator. There was also the question of having a self assessment appraisal of the Board's functioning.

## 5. COMMITTEE REPORTS

### 5.1 Audit Committee

#### 5.1.1 Report

Bob Tizard had Chaired the previous day's Audit Committee.

#### 5.1.2 Expenditure Proposals

##### **Nuclear Medicine Gamma Camera**

This had been discussed by the Committee and was an opportunity to purchase at a good price. The question of maintenance contracts had been raised with a decision to cover both machines under maintenance contracts.

Moved Bob Tizard, seconded Ian Scott

*That the ADHB approves the purchase of two Nuclear Medicine Gamma Cameras from General Electric International Inc for the Radiology Department, one to be purchased at \$665,000 in 2007 – 2008 for Level 5, ACH with an option to purchase a second for Greenlane within 6 months at \$585,000*

Carried

##### **Perfusion Consumables**

Moved Bob Tizard, seconded Ian Scott

*That the ADHB approves the selection of Obex Medical, Medtronic and Terumo Corporation as suppliers of choice to provide a range of Perfusion Consumables at an estimated annual value of \$1,150,000 for a period of two years with a right of renewal of one year with prevailing price level based on a 3 year term.*

Carried

##### **Home Based Support Services, Palliative Care**

Moved Bob Tizard, seconded Ian Ward

*That the ADHB approves the Home Bases Support Service contract with Methodist Mission Northern, trading as Life Wise Home Care Services which is likely to exceed Delegated Authorities and approves the contract with Mercy Hospice Auckland Healthcare Services for Palliative Care services for a period of two years at a total value of \$7,557,834 and that the Chief Planning & Funding Officer be authorised to sign these contracts on its behalf.*

Carried

### **Starship Level 7 Upgrade**

The building was half way through its life and there was a review of refurbishments of the building, which had no air conditioning, with the principle being to move administration from the building to increase clinical space. The next upgrade would be theatres. The project was substantially supported by the Starship Foundation and the Board expressed its thanks to the Foundation and their donors. ADHB would bear any cost over runs.

#### Moved Bob Tizard, seconded Ian Ward

1. *That the Board approves the upgrade and refurbishment of Starship Level 7 for the paediatric haematology/oncology service. The total project cost is \$6.32m. The Starship Foundation has committed to donate \$4.8m to the project. ADHB will contribute the balance of \$1.52m; and*
2. *That the tender from Mainzeal to undertake the Level 7 works be accepted and the CEO be delegated authority to execute the contract on its behalf.*

#### Carried

It was noted that there needed to be a start no later than November so that completion could be made before the next winter period.

### **Theatre Business Case**

The room space had been undertaken earlier however the theatre had not been fitted out.

#### Moved Bob Tizard, seconded Jo Agnew

*That the Auckland District Health Board approves the business case for Commissioning Operating Room 7, Level 8, Auckland City Hospital at a capital cost of \$639,668.*

#### Carried

### **6.3 Consultation Community Laboratory Services**

Tim Wood, Project Director was in attendance. Geraint Martin, Chief Executive, Counties Manukau District Health Board was the lead CEO for the region for the project in a complex legal environment. The proposal was to undertake consultation to inform the strategy going forward.

Susan Buckland joined the meeting at 2:16pm.

The CEO expressed concern at the creation of a precedence for consultation on contracts however the two other regional DHBs supported the proposed consultation approach and he recommended ADHB's support. There was considerable discussion by the Board as to the extent of the consultation and a need to get forums combined where possible. The intent of the survey, which had been tabled, was that it would form a database of valuable information for future laboratory strategic work. If consultation was delayed until legal certainty was obtained this would delay advancing planning for laboratory services indefinitely.

There was general discussion with points being:

- Consultation proposed was too wide with GPs needing to be given more weight.

- Comment that the results of the survey could not be used statistically although there needed to be some design in how results were analysed.
- There was a need for some consultation including GPs, professionals and to have Maori Health Advisory Committee and Pacific Health Advisory input.
- Concern at the timing as the Court case, or cases, were not finished.
- Need to express the aim of contracting being to obtain savings.
- There was support from the other two Boards and there had been a finding by the Judge that previous consultation was inadequate.

The Board requested that there be a front page Executive Summary of facts about Community Laboratory Services so that those surveyed were informed. In addition the CEO of ADHB was to address any content issues required for clarification prior to the public release of the survey.

#### Moved Ian Scott, seconded Chris Chambers

*That the Auckland District Health Board in relation to Community Laboratory Services:*

- (1) approves the consultation approach;*
- (2) notes the consultation themes; and*
- (3) notes the recommended representation at consultation forum.*

#### Carried

Brian Fergus, Susan Buckland and Seiuli Juliet Walker voted against the resolution.

### **5.4 Pacific Health Advisory Committee**

Seiuli Juliet Walker reported that the proposed Summit was delayed to the next year to tie in with ADHB's Strategic Plan consultation and due to lack of capacity to organise immediately. There had been a presentation on the Pacific Responsiveness Plan, with the draft to come back to the Committee, viewing cultural competency as a quality issue. Hilda Fa'asalele had presented on a Pacific Staff Workshop in Adult Services. There was a sense of connectiveness of the Committee to the community with good members, with a number of them being on the Auckland City Council Pacific Committee.

### **5.5 Quality Committee**

The Committee had received a report on initiatives to shift expenditure to Primary Care initiatives which was a move in the right direction. There had been a presentation by the Clinical Governance Team on clinical quality and professional governance.

#### **Recess**

The meeting went into recess at 3:10pm and reconvened at 3:18pm.

## **6. CHIEF EXECUTIVE OFFICER**

### **6.1 Report – May 2008**

Garry Smith noted that ADHB as we are a very large organisation there was often sad events and he mentioned there had been a number of recent deaths of valued staff and family members. These were note by the Board.

He tabled a briefing paper on Board and Board Committee Meetings – Function and Reporting, the purpose being to make meetings more focused including a focus on performance measures with the purpose being to have:

- Focus on the big important items
- Clarity of function within committees
- Link from committees to specific functions
- Eliminate the division of risk into financial and clinical risk

This was supported by the Integrated Management functional framework with five functional groups supporting the Board's governance committees and the Board itself. A significant change was to re-orientate to a Quality, Risk and Audit Committee with Internal Audit reporting to that committee rather than the previous Audit Committee which would become a Finance Committee. It was proposed that there be more financial discussion at Board meetings. CPHAC, DSAC were responsible for population health and the Board is required to have a Hospital Advisory Committee. The Maori Health Advisory Committee and Pacific Health Advisory would make recommendations through CPHAC which addressed the whole population. Reporting would move through the four levels of Management consolidating up to reports to the Committees and Board with more charts and graphs showing highlights and trends. The reports would focus on accuracy and brevity and what actions were required. A one-pager "Issues" was requested to be sent to Board members with their weekly media update and it was suggested that the timing of meetings of Committees and Board be reviewed to allow time and improved flow of information to be better read and absorbed.

The Board supported the direction of travel related to the realignment of the Board, Board Committees and functional group structure.

A point noted from the monthly report was the uplift of IDF prices had not been discussed at the CEOs meeting and their reaction being to look at the tertiary adjuster or regional adjuster. The proposed project relating to Sexual Health had raised the debate of what constituted the Sexual Health Service. The RMO contract had expired and individual employment contracts were offered when RMOs joined ADHB with these mirroring the MECA pay offer tabled. There were ongoing discussions with the union. Questions by the MoH on the DAP had been answered and the SOI had now been signed. The MoH had signed off the SOI reflecting the District Annual Plan with the revenue assumptions.

Moved Pat Snedden, seconded Ian Scott

*That the Chief Executives Officer's Report May 2008 be noted.*

Carried

## **7. FINANCIAL REPORT – APRIL 2008**

The May result has been satisfactory and although there had been a strike there had been more aggressive planning around electives. June indications were that it may not be a record month but the aim was to get to breakeven even without the land sale or large donation. Issues included revaluation of gratuities and continuing medical education entitlements. The other major issue was IDF wash-ups. ADHB had credibility

with the sector and while sector Providers were showing deficits of \$120m ADHB's Provider only contributed \$11m.

Challenges for the ensuing year were:

- Wages tracking ahead of FFT
- The need by ADHB to have volumes to break even which required better regional service planning
- There had been major constraints on capital expenditure which needed to be freed up.

Revaluation was an issue with it agreed to revalue to June 2007 however there was a question of revaluing to June 2008 which could add another \$150m with ADHB only funded to the 2007 valuation. An improvement was that IDF payments were now being paid in advance rather than arrears. The Board expressed its appreciation of the work done by the CFO.

Moved Pat Snedden, seconded Bob Tizard

*That the Financial Report for May 2008 be received.*

Carried

### **Items to be Considered in Public Inclusion**

Moved Pat Snedden, seconded Susan Buckland

*That, in accordance with the provisions of Schedule 3, Clauses 32 and 33, of the New Zealand Public Health and Disability Act 2000, the public be excluded for consideration of Item 9.1.*

*The general subject of the matters to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under the above clause for the passing of this resolution are as follows:*

<i>General subject of each matter to be considered:</i>	<i>Reason for passing this resolution in relation to each matter</i>	<i>Ground(s) under clause 34 for the passing of this resolution:</i>
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<i>9.1 Community Laboratory Contract</i>	<i>To enable the Board to carry on without prejudice or disadvantage commercial activities and negotiations: Official Information Act 1982 s.9(2)(i) and s.9(2)(j)</i>	<i>That the public conduct of the relevant part of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under s9 of the Official Information Act 1982.</i>
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Carried



**8. GENERAL BUSINESS**

There were no items of general business.

**9. NEXT MEETING**

The meeting closed at 4:50 pm

The next scheduled meeting is  
1:30pm, Wednesday, 6 August 2008  
Marion Davis Library  
Building 43  
Auckland City Hospital  
Grafton

**CONFIRMED**

**CHAIR:** .....

**DATE:** .....