

CONFIDENTIAL DRAFT

Minutes of the Meeting of the Members of the
Counties Manukau District Health Board
Held in the Board Room, 19 Lambie Drive, Manukau
Tuesday 8th April 2003 at 10am.

Present: Mr Ross Keenan (Chair), Mr Donald Barker, Mr Paul Cressey, Ms Maxine Moana-Tuwhangai, Mr Brent Morrissey, Dr Charles Small, Mr Lindsay Smith (until 11.45am), Ms Airini Tukerangi, Dr Juliet Walker, Mr Bob Wichman
In attendance: Mr Stephen McKernan, Mr Chris Mules, Mr Ron Pearson Ms Elisabeth Harding, (Board Secretary)
Apologies: Mr Alan Johnson

1. Welcome

The Chair welcomed members and members of the public and media. The public meeting was opened at 10am with a prayer from Ms Maxine Moana-Tuwhangai.

2. Apologies

Apologies were received from Mr Alan Johnson.

3. Ratification of previous minutes (11th March 2003)

Resolution:

Amendments

Item 5 Disclosure of Interest: association changed to organisation.

Item 6 page 3 PHO development: Inclusion of the estimated number of Maori, Pacific and low decile living in an Interim access region and the estimated number of non-Maori, Pacific and low decile living in an area where there is Access funding.

Devolution of services for older people: establishment plan to be developed by May 2003.

On the basis of the above amendments, the minutes of the meeting of Board held on Tuesday 11th March 2003, having been circulated were taken as read and confirmed.

Moved Mr Paul Cressey, **Seconded:** Mr Ross Keenan, **Carried** unanimously.

4. Matters arising

DHB relationship with MAPO: It was noted that the relationship is primarily between the Ministry and MAPO. It was expected the Ms Ria Earp from the Ministry of Health would give an update on this matter during the meeting with Manawhenua later in the day. At present MAPO has a role in monitoring some Maori provider service agreements. The MAPO had been established and the relationship entered at the time the regional health authorities were established.

Devolution: It was expected that there would be regional infrastructure, but local devolution of service. The outstanding problem was the lack of information provided by the Ministry regarding the existing service agreements.

5. Procedural issues

- **Deputations:** There were no deputations.

- **Disclosure of interests/Conflict of Interest:**

The register of interests was available for inspection. Members will be asked to update the register at the next Board meeting.

Mr Brent Morrissey has been nominated as a Board member for the Middlemore PHO.

Ms Airini Tukerangi has been appointed as a trustee of the National Urban Maori Authority.

- **Committee reappointments:**

Resolutions

Pacific Health Advisory Committee:

That the Board approves the appointment of Ms Audrey Aumua to the Pacific Health Advisory Committee for a term of 12 months to 8 April 2004.

Moved: Dr Juliet Walker, **Seconded** Mr Ross Keenan, **Carried**

Community and Public Health Advisory Committee

That the Board approves the reappointment of Ms Metua Faasisila to the Community and Public Health Advisory Committee for a further term of 12 months from 19 March 2004.

Moved: Mr Paul Cressey, **Seconded** Mr Lindsay Smith, **Carried**

CONFIDENTIAL DRAFT

That the Board approves the appointment of Ms Jenny Prince to the Community and Public Health Advisory Committee for a term of 12 months to 8 April 2004.

Moved: Mr Paul Cressey, **Seconded** Dr Charles Small, **Carried**

CPHAC is awaiting a nomination from the Pacific Health Advisory Committee to replace Dr Debbie Ryan and from the M-HAN group.

DiSAC is awaiting a nomination from the Pacific Health Advisory Committee to replace Dr Siro Fuata'i.

The Chair asked the Committee chairs to consider whether they were satisfied that their members provided broad representation.

8. Radiology refurbishment (10.40am)

Mr Brad Healey and Ms Jenny Shepherd provided a revised radiology refurbishment plan identifying the changes from the original plan presented June 2002. The changes have arisen following input from architects, user group, engineering and quantity surveyors. A revised floor plan is now proposed taking a 'greenfield' approach. Radiology will access the space currently occupied by NICU.

The main changes are to the building refurbishment costs from \$2.6m to \$5.358m. Equipment costs increase from \$10.139m to \$10.693m. Total changes are \$12.74m (June 2002) to \$16.051m (March 2003).

Additional operating costs have been factored into the 2003/2004 draft budget, with an annual operating cost impact of \$1.124m.

Advice had been sought of an independent construction management consultant who provided 'audit' of the design, process and costs.

The question was raised as to whether the proposal contemplated the provision of community radiology services. It was noted that in the past CMDHB has not met the contracted volumes for community radiology due to equipment and staffing shortages. Radiology is working towards addressing community radiology needs. Ms Shepherd noted that a survey over the last 12-18 months indicated that GPs were getting access to services except in the area of ultrasound. This was different to the view put forward by Dr Walker and Mr Cressey. A report on the impact of the upgrade will have on community radiology access will be provided to the next CPHAC meeting.

It is anticipated that the upgrade will attract and help retain staff. Current staff shortages were 1.5 FTE SMO and 5 FTE Ultrasonographers. There was also a shortage of RMOs, which was being addressed through the NCTN.

Mr Brad Healey and Ms Jenny Shepherd left the meeting.

Mr Ron Pearson provided an update on the facilities development and the linkages between radiology, burns unit, NICU and gynaecology. This was now being coordinated at a high level to re-establish controls with independent advice to assure robust processes and business cases. All projects are contingent on additional infrastructure to cover power, chilled water (air-conditioning) water and gas supply as current infrastructure at the northern end of the Middlemore site is at maximum capacity. The cost of this is currently being assessed but is thought to be around \$4-5m.

The Board then formally considered the radiology capital expenditure request and noted recommendations (1) (2) (4-7). With regard to recommendation (3) the Board approved in principle the capital expenditure but it was not yet in a position to approve without understanding the bigger picture, the adequacy of the community radiology service and the phasing of the planning. Certainty was needed for the future planning. Further information will be reported through HAC. In the interim it was agreed that the radiology business case should be submitted to Wellington for review as required with any capital item over \$1m.

6 Chief Executives report

Performance

- Financial: amended reports noted

Information Services Programme

- IS strategic update – noted. Concern was raised about the impact on CMDHB of the CIO covering both CMDHB and WDHB and therefore losing focus on CMDHB developments. The current position is that along with regional discussions, CMDHB was maintaining its local strategic initiatives.

7 Board Committee reports

- 7.1 HAC:** The Chair of the Committee provided members with an update of the issues. Ms Nettie Knetsch and Ms Ann Hanson were commended for their presentation on section 88 notices for maternity services, particularly as the approach taken was to look at community solutions. Mr Lindsay Smith left the meeting at 11.45am.
- 7.2 CPHAC:** The Chair of the Committee tabled his report, noting the venue of the next meeting. The Board endorsed the resolutions of CPHAC, **Moved**, Mr Paul Cressey, **Seconded** Ms Airini Tokerangi, **Carried** unanimously.
- 7.3 DiSAC:** The establishment plan for devolution of disability services for older people was expected to be reviewed at the May DiSAC meeting. There were some concerns by providers of residential care services of managing relationships with 21 DHBs when in the past they have only had to deal directly with the Ministry, emphasising the importance of national service specifications. The contribution of Manawhenua at the regional DiSAC meetings was acknowledged.
- 7.4 Maori Health Advisory Committee:** Four places remain reserved for Manawhenua.
- 7.5 Pacific Health Advisory Committee:** Ms Audrey Aumua has been appointed to the Committee. Previously, Ms Aumua was Chief Adviser, Pacific Health at the Ministry of Health. The presentation by Dr Teuila Percival was commended and recommended that it should be presented to the Main board.

6 Chief Executives report (cont.)

- **Regional collaboration**

Cardiac catheter laboratory: the NDSA Board has agreed that the next cardiac catheter laboratory will be at CMDHB (Middlemore hospital) scheduled October 2004. In the interim CMDHB physicians will have access to ADHB facilities for the provision of cardiac catheterisation services. ORL - it has been agreed that ADHB will be the hub for acute services. Elective and outpatient services will still be provided locally by CMDHB.

- **Parking**

The heads of agreements are being finalised and the next step is to meet with Union representatives.

- **Industrial relations**

National developments:

- Christchurch nurses are the next group to review pay. Nurses are seeking pay parity with teachers and police. The Minister at the CEOs meeting yesterday advised that four Ministers (Finance, Labour, State Services Commission, Women's Affairs) are overseeing a national project regarding pay parity.
- ASMS (Association Senior Medical Specialists) have agreed to a national negotiations to start later in May. Mr Stephen McKernan has been appointed as the national CEO spokesperson for these issues.

- **Staffing update**

Mr Bernard Te Paa has been appointed as GM Maori Health and will start 12 May 2003. He is currently working at WDHB, being involved in the Orion project. Advertising for the position for GM Pacific Health has been extended. Mr Derek Wright formally GM North Shore Hospital has been appointed the Regional Director of Mental Health.

- **Health Science Fest**

The calibre of the entrance was very high, with 38 applications and 10 finalists. The winner was for a project involving taking specialist services to the community. In the future the Clinical Board is considering opening up the Science Fest to primary care in the region.

- **Pharmacy**

CONFIDENTIAL DRAFT

All DHBs have now agreed to enter the national agreement with pharmacies. The price increase will be backdated to October 2002, with payment expected in July/August 2003. The price increase has been funded by the Ministry of the 2002/2003 financial year. This will lead to a deficit in dispensing funding for 2003/2004, depending on the volume of prescriptions, could range from \$700k-1.3m. At present volume growth is greater than demographic growth.

Pharmac has proposed savings on dispensing costs by allowing prescriptions to be dispensed for a three-month period. It was noted that in 1996, changes were made to reduce drug wastage. The changes now are based on the need for savings for dispensing and patient convenience.

Mr Don Barker, noting his interests, advised the Board that pharmacists were very unhappy about the Pharmac proposal and the changes could lead to the viability of the profession with the possibility of up to 300 pharmacies having to close. The time for consultation was short. There were also concerns about making changes to an agreement, which had only just been entered, and issues related to high wastage.

PHOs

There are three more PHOs. Concerns were raised about the naming of one of the PHOs, Middlemore and the possibility of people linking the PHO to CMDHB. This issue has been raised with the PHO.

Implications of the funding formula continue to arise with some practices claiming to be severely disadvantaged by the interim formula. Management continue to discuss these concerns with the Ministry. Mr Cressey noted that under the interim formula he has estimated that 25k people who are Maori, Pacific or low decile are in areas designated as interim formula whereas there are approximately 60k people in areas where there is the access formula who are not Maori, Pacific or low decile.

The HealthPAC report on the review of the registration and enrolment process has been made available for comment. The findings include the need to improve patient awareness. Advertising in the region started yesterday. The report also identifies the need for tighter business rules.

9. healthAlliance - update

Mr Craig Presland provided the Members with the March report to the healthAlliance Board. In particular he noted the cost controls in place and the performance under budget. There is an estimated \$3m cost savings for 2003/2004 financial year over the benchmark levels established by Arthur Anderson prior the formation of Health Alliance. Health Alliance costs for 2003/2004 budget are forecast at \$175k less than in the current year. At present those savings are estimated to be 60:40 (CMDHB: WDHB). Mr Presland noted that healthAlliance has been approached by other DHBs regarding assistance.

Moved by Mr Brent Morrissey /seconded Mr Paul Cressey) that the public and media be excluded from the items on the Capital Charge and the risk register (OIA s 9(2)(i), Standing orders Schedule 2 cl 2(g)) to enable the carrying out of commercial activities. The motion was carried unanimously.

The meeting was reopened to the public.

11 General Items

Achievement register

- Enthusiasm, commitment, and achievement of members of statutory and Board committees, noting the broad mix of representation.
- Next cardiac catheter laboratory will be sited at Middlemore Hospital, October 2004. In the interim, CMDHB physicians will be able to access to ADHB facilities.
- Health Science Fest: The high calibre of participants noted with 38 applications and 10 finalists. The winner was for a project involving taking specialist services to the community. In the future the Clinical Board is considering opening up the Health Science Fest to primary care in the region.
- Defined benefits from healthAlliance in the current year.
- Next stage of the radiology refurbishment.

CONFIDENTIAL DRAFT

The next meeting of the Board will be Tuesday 13th May 2003 at Counties Inn, Rimu Room, 17 Paerata Road, Pukekohe at 10am.

The meeting closed at 1.10 pm.

Signed as a true and correct record on the day of 2003

Chair:
Mr Ross Keenan

The minutes of the meeting of the Counties Manukau District Health Board of 8th April 2003 are approved.

Recommendation (moved...../seconded.....)