

Counties Manukau District Health Board

Minutes of the meeting of the members of the Counties Manukau District Health Board held on Wednesday, 4 April 2007 at 1pm at CMDHB offices, Manukau City

Present: Mr Pat Snedden (Chair), Ms Airini Tokerangi, Ms Miria Andrews, Mr Don Barker, Ms Jillian Dooley, Mr Bill Mudgway, Anae Arthur Anae, Mr David Collings, Mr Bob Wichman, Mr Ross Keenan

Apologies: Mr Paul Cressey

In attendance: Mr Geraint Martin, Mr Ron Pearson, Mr Chris Mules, Mrs Anna-Maree Harris (Board Secretary)

1. Welcome

The Chair welcomed Board members noting that there were representatives from the media and public present.

Apologies

Apologies were received from Paul Cressey, and from Miria Andrews for lateness.

2. Ratification of previous minutes (7 March 2007)

Resolution:

The minutes of the Board meeting held on Wednesday 7 March 2007, having been circulated, were taken as read and confirmed.

Moved Bill Mudgway **Seconded** Bob Wichman **Carried** Unanimously

Ratification of previous minutes (special emergency Board meetings 27 and 29 March 2007)

The draft confidential and public minutes for these meetings were circulated for Board approval at the meeting on 2 May 2007.

3. Matters arising

There were no matters arising.

4. Presentation – Productivity analysis report – Mr Andrew Gaudin

Following the public release of the Auckland region productivity reports, management invited Mr Andrew Gaudin, the author, to speak to some of the key issues and highlights from the reports.

§ 25% increase in funding bought more activity

§ 32.7% personnel costs greater than 25% increase in funding

§ Management of personnel costs is the key issue to managing costs during 1999/2000 – 2003/04 across all Auckland DHBs.

§ The extent of DHB provider-arm financial deterioration across the sector, notwithstanding significant funding increases, can be more than attributed to:

- unfunded doctor wage inflation
- unfunded doctor productivity decline
- unfunded nurse productivity decline

§ Addressing productivity is a key future planning “sustainability” challenge– in light of ageing population demands, inflationary pressures and tighter funding environment

- § The maximum efficiency potential estimate in total across the agreed common services, & the split between Auckland Region DHBs, has remained relatively stable for each of the last three years – at around 13% of direct doctor and nurse costs
- § Trends since 2003/04 indicate doctor productivity decline remains a key issue

Representatives and members from the Food and Service Workers' Union arrived at 1.12pm

Mr Martin noted that the reports were a starting point for discussion of productivity, quality and critical mass for the region. Mr Keenan said that the reports were being updated for 2005/06
The Board thanked Mr Gaudin for his comments.

SFWU delegation

SFWU delegation – the Chairman invited the representatives to speak to the Board, and noted his previous association with the Union (financial advisor to 2002). The delegates presented letters asking for Board support to the MECA ratification and agreement. The Chair accepted the letters and Union information and thanked the members for their straight forward approach.

The Union representatives and members departed at 1.24pm

5. Procedural issues

Terms of membership – extension to co-opted membership of Board committees

Following last month's discussion the paper recommended the extension of Maori and Pacific co-opted members to November 2008 and all other co-opted members to March 2008. This applies to co-opted memberships only.

Resolution

The Board approved the extension of all co-opted Maori and Pacific committee memberships to November 2008 and all other co-opted memberships to March 2008.

All memberships expiring before the end of March 2007 are to be extended to end April 2007.

Moved Arthur Anae **Seconded** Airini Tukerangi **Carried** Unanimously

Register of Interests

Amendments noted by the Board Secretary:

P Snedden – Member of the Chairs Committee of DHBNZ

A Tukerangi – Director of Waiora Healthcare (a West Franklin PHO)

D Barker – West Auckland Community Trust

Following the Labtests issues, the Office of the Auditor General will be conducting a review of conflict of interest management in the Auckland DHBs. Disclosure of conflicts could be extended to committee members and management in the future.

The Chair will put forward a proposed format along with legal advice, for Board members to disclose the nature of their conflict. Mr Keenan noted that the onus will now change to individuals to declare their interest with more emphasis on the nature of that involvement. There was discussion around the significance and financial implications as Board members will be expected to disclose details of their financial interest in the register.

6. Chair's Report

- Labtests/DML – the Chair invited Board members to make further comment on the outcome of the laboratory testing contract issues:
 - Jillian Dooley – disappointed not to be told the whole truth
 - Don Barker – happy with the decision. Feels let down by Dr Pierre and ADHB
 - Bob Wichman – confident the Board made the right decision with the information they had
 - David Collings – if information had been up front it would have been highlighted to the Board with red flags

- Arthur Anae – the right decision was made on the information to hand, the judge has set new levels, we tried to do the right thing, more information needs to be out there to say why the decision was made – i.e. financial and service.
- Bill Mudgway – echoed Arthur’s comments
- Airini Tukerangi – look at systems, made the right decision with information available.
- Ross Keenan – previously commented
- The Chair convened a senior clinicians’ meeting at CMDHB to discuss the questions around the conflict, consultation and disruption to services, financial (what was at stake), positioning – the reputation of the crown, and regional decision making. Feedback from the clinicians was that they supported the Board Chair in his explanation and upfront approach and will now move on.

Visit to Hawkes Bay DHB – following a visit by the Chair to Hawkes Bay DHB recently, their Board have now invited this Board to visit for a 2 day period. There was discussion around who might attend as well as management and clinician support.

The Board Secretary will co-ordinate possible dates as soon as possible.

7. Chief Executive’s Report

Key issues:

Performance

- Financially stable platform
- The electives situation looks more unfavourable than it is. If the ADHB work is counted, the deficit is 130 WIEs. Mr Martin noted that the Board would be supplied with a manual reconciliation of WIEs in the future.
- Lab workers will strike in late April and work is underway to keep lost WIEs to a minimum
- The redesign of ED is a high priority for the CEO and an update will be provided to the next Board meeting highlighting plans for winter 2007. Staff are clear that this is a concern to the Board. There was discussion around a GP positioned at the front of ED and whether this would encourage people to attend for free GP treatment. A large part of the ED problem involves working with primary care to ensure that patients can be seen as required.

Miria Andrews arrived at 2.07pm

The Board noted the issue around cataracts and requested further work in this area.

Strategic development

- Mr Ron Dunham has been confirmed as the Chief Operating Officer. The Board extended their congratulations to him.
- Mr Manu Sione has been confirmed as the new General Manager Pacific Health, commencing in late May.
- Further interviews for the Director of Nursing are taking place on 5 April.

Corporate governance

- A Primary Care Summit is under development.
- As part of a review of the performance management systems, a stocktake of meetings attended by the Executive Management Team is underway.
- Internal staff communications are to be stepped up with the reinstigation of staff fora and internal newsletter.

General

Approval for the Core Consolidated Business Case III has been received.

Resolution

The Board:

Received the Chief Executive’s report

Moved Bob Wichman

Seconded Miria Andrews

Carried Unanimously

Correspondence

The Board noted the confirmation of the Core Consolidated Business Case III.

Health and Disability Commission – the CEO spoke to the trend information from the Commission and noted that the DHB is ensuring that it has policies and procedures in place for each of the issues highlighted, and that there were learnings from the complaints. There was discussion around whether the low rate relative to CMDHB's % population was accurate given that Maori and Pacific patients often do not complain. The Board requested data around the complaints to be provided to Pou and PHAC for further discussion.

Mr Martin also noted quality as the driver of services and the set up of the Quality Improvement Unit to be led by Dr Mary Seddon. This expert team will be available to work with clinicians and will give real rigour to the quality focus.

Resolution

The Board noted the correspondence and requested hard data on complaints be supplied to Pou and PHAC.

Moved Bob Wichman

Seconded Airini Tukerangi

Carried Unanimously

Planning and Funding

The report was noted.

Key issues:

- Social marketing – the baseline random survey resulted in a very low uptake of people taking the opportunity to have a free diabetes check.
- The campaign to fight diabetes which previously involved boxing glove imagery is being re-modelled.
- PHO after hours plan is being completed
- Waiuku – Mr Don Barker updated the Board on work towards a primary healthcare centre at Waiuku. The local GP provider at present doesn't support a publicly owned centre and the community continues to be in favour of it.
- Chemotherapy pricing – a key issue is emerging for 2007/08 with regard to funding and a revised pricing regime for chemotherapy, given the intended transfer of responsibility for the drug budget to Pharmac and allocation of costs to DHBs of domicile as opposed to supply. This has been deferred to July 2008 and this gives DHBs an opportunity to actively participate in the process with Pharmac and MoH.
- Mr Keenan noted that at the last CEOs/Chairs meeting, CEOs were asked to take stock of all outstanding issues, one of which is the Otahuhu boundary issue for CMDHB. Agreement has been reached with ADHB and the only outstanding issue is now price. A full communications programme will be launched to advise GPs and patients where to go for service once the boundary change is in effect.

Resolution

It was agreed that the Board note the Planning and Funding report

Moved Jillian Dooley

Seconded Don Barker

Carried Unanimously

Moved by Bob Wichman/David Collings that the public and media be excluded from the Finance & Audit committee report, the Chief Executive's Report, the Maternity Services paper, national Pharmacy contract, Cardiac ultrasound machine, Provider update, Board facility delegations, 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.

Ross Keenan left the meeting at 2.53pm

The meeting was reopened to the public at 4.30pm.

Finance Report

The finance report was taken as read.

Resolution

The Board noted the Finance update.

Moved Pat Snedden

Seconded Bill Mudgway

Carried Unanimously

Interim Review of Delegated Authority Policy

The paper requested the Board noted management's recommendation that the Chief Operating Officer be given the same level of delegated authority as the General Manager Finance & Commercial and the Chief Planning and Funding Officer i.e. level 2 authority. The next review date of the policy by the Finance & Audit Committee is May 2007.

Resolution

The Board reviewed management's recommendation and approved renewal of the Delegated Authority Policy.

Moved David Collings

Seconded Bob Wichman

Carried Unanimously

Messrs Collings, Anae and Wichman left the meeting at 4.37pm

The Board did not have a quorum from this point onwards.

DHB funding per person

Mr Pearson spoke to this information-only paper which illustrated the breakdown of how the PBF is calculated per DHB. Essentially CMDHB has 10.3% of the population, however receives 10.1% of funding.

The Board noted the DHB funding per person paper.

The meeting closed at 4.42pm.

The next meeting of the Board will be Wednesday 2 May 2007 at CMDHB, 19 Lambie Drive.

Signed as a true and correct record on 2 May 2007

Chair

Mr Pat Snedden

The minutes of the meeting of the Counties Manukau District Health Board of 4 April 2007 are approved.

Recommendation (moved Arthur Anae/seconded Airini Tukerangi)