

**Minutes of the meeting of the Members of  
the Counties Manukau District Health Board Hospital Advisory Committee,  
Held in the Board Room, 19 Lambie Drive, Manukau  
on Wednesday 5<sup>th</sup> February 2003 at 1.00pm**

Present: Mr Lindsay Smith (Chair), Mrs Jo Cameron, Ms Ailua Fatialofa, Mr Ross Keenan, Ms Maxine Moana-Tuwahangai (from 1.15pm), Mrs Pare Rauwhero, Dr Charles Small, Dr Juliet Walker, Mr Robert Wichman (from 1.15pm)

In attendance: Mr Stephen McKernan (until 2.10pm) Dr Ian Brown, Prof. Harley Gray, Mr Ron Pearson, Mr Paul Ravlich, Mr Chris Fleming, Ms Elisabeth Harding (Board Secretary), Mr Paul Cressey

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**1. Welcome**

The Chair welcomed Committee members. The Chair noted that there were no public or media in attendance.

**2. Apologies**

There were no apologies.

**3. Minutes of Previous Meeting**

The minutes of the meeting held on 4<sup>th</sup> December 2002 were confirmed.

**Moved:** Dr Charles Small, **Seconded.** Mr Ross Keenan **Carried** unanimously.

**4. Matters Arising**

Facilities upgrade: weekly meetings are being held to determine best strategic location for Burns Unit, NICU, radiology and cardiac catheter laboratory. Rotary will not be providing any funding for the burns unit. Development will be in conjunction with the Auckland regional requirements and priorities.

Management will provide an update on the development of the burns unit and the flow on effects to the positioning of other units to the February Board meeting.

**5. Procedural Issues**

There were no matters arising.

**6. Operational report**

**6.1 Key Issues**

***Acute Mental Health Crisis***

- The Mental Health Commission's Mental Health Ringfence Review released late 2002 finds that CMDHB has acted appropriately.
- Mental Health Commission Review of the continuum of Mental Health services funded by the DHBs in the Auckland region was released December 2002. The report outlines 6 action steps designed to alleviate acute demand in the Auckland region. CMDHB has commenced implementing the review recommendations (refer to paper from Dr Sue Hallwright).
- Mental Health staff took industrial action during late 2002 under the Health and Safety sections of the Employment Relations Act. After recurrent attempts to negotiate a solution CMDHB successfully took out an interim injunction in the employment court. Advice, still awaiting confirmation, indicates that staff have now called off the industrial action on the basis of additional staff and extra beds being made available from additional funding.
- Child & Youth Mental Health Service is undertaking remedial action to implement recommendations of an external 360 review of the service.
- A project is about to begin in the Older Peoples Mental Health Services to develop the service in line with regional and national strategy and to bring it closer to contract expectations.
- The Intensive Community Team, Maori Clinical Team and Pacific Clinical Team continue to implement service growth in line with the regional mental health plan. Dr Sue Hallwright in her role as Mental Health Development Manager is working closely with the provider arm's manager and senior clinicians to develop adult mental health services in line with regional plans and Blueprint expectations.

Committee members agreed that it was important to be proactive about the changes in mental health services and ensure that there was communication with the community regarding the action plan.

### ***Industrial relations update***

An update was provided regarding negotiations with Nurses and Midwives, Psychologists and Service Workers and home aides. The Agreement with the SMOs has been finalised and is now being actioned.

### ***Women's Health***

Safety Report positions approved:

- 3 additional SMO in addition to the previously approved 0.85 FTE High Risk Obstetrician (currently recruiting and there has been excellent interest in the positions)
- 3 additional registrars (2 registrars recruited with another expected in the run commencing June 2003)
- 3.26 FTE additional midwifery staff on A floor (in place)

Funding for these additional staff was to come from internal efficiencies and prioritisation's within the Provider Arm currently being finalised.

Sessions have been scheduled with CMDHB Funding and Planning staff to progress CMDHB planning towards compliance with Primary Care Maternity Services (Section 88 notice). At this stage CMDHB approach is for a staged implementation recognising the requirement of continuity of care but also offsetting this against revenue increases, costs and industrial/staff issues. We will also need to address the medium and long-term availability of independent LMCs for the Counties Manukau population. The changes in the Section 88 notice may result in more independent midwives pulling out of their contracts with MOH, increasing pressure/volumes on CMDHB employed midwives. This issue has been signalled to Mr Gordon Davies at the Ministry that CMDHB will use best endeavours to move towards compliance, but that this may take some time to fully implement. In the meantime the community will need to be kept informed to ensure that they are aware of the services they are entitled to receive.

Mr Bob Wichman and Ms Maxine Moana-Tuwahangai arrived at 1.15pm.

The facilities for Women's Health on Middlemore campus are now part of the long-term facilities plan. There will be a review of the utilisation of Papakura and Pukekohe Community Units and discussions with other providers about options for a level 0 Unit in Mangere.

### ***Manukau Surgery Centre (MSC)***

Late last year Theatres 9 & 10 were closed due to air supply problems. The infection rate for patients following joint replacement was higher than acceptable. Remedial action has been undertaken (primarily at the cost of the contractor) over the Christmas New Year period, and is due to be completed by the end of this week. Operational plans have always intended elective surgery being closed over the January period. Theatres will re-open for inpatient surgery from Monday 10<sup>th</sup> February 2003. Independent testing is being undertaken prior to recommencement. The infection rate has now fallen although it is not possible to pin point a specific cause. The sterile theatre policy is being reviewed.

Utilisation of commissioned facilities is 69%, the target should be around 90% for elective surgery theatres.

Expansion of MSC utilisation includes:

- 24<sup>th</sup> February 2003 – Orthopaedic Hand and elective Plastic Surgery sessions transfer to MSC. This is expected to increase resourced beds available to 25.
- 31<sup>st</sup> March 2003 – Additional General Surgery and Orthopaedic sessions to transfer. This is expected to increase resourced beds available to 36.
- April to June – as confidence increases to transfer additional sessions to fill any gaps in the 3 inpatient theatres to decrease the fluctuations.

There will be an impetus to ensure that transfers occur, as pressure on acutes remains at the Middlemore site. Three theatres will be decommissioned for about 6 weeks in May to replace the Air Handling Units at Middlemore Hospital.

### ***Burns unit***

The pricing matrix is being finalised. The Ministry has required a further consultation process with the three other regional plastic surgery units, including ascertaining what is a complex burn and transfer protocols. ACC has agreed that patients with burn injuries transferred outside business hours and agreed clinically to have complex burn injuries will be accepted by ACC.

## **6.2 Financial performance**

The following points were noted:

- The reports include the revised forecast
- The \$0.5m deficit relates primarily to personnel costs, particularly in the area of nursing. The Director of Nursing, Ms Dale Oliff will present on this issue at the next Committee meeting.
- There has been recognition by the Ministry of the level of non-resident debt in the 2003/04 funding advice of \$3m.
- The Ministry has been advised, although not responded, of the decision not to accrue capital charge on the revaluation amount.
- Credit rating has been increased by Standard and Poor from AA to AAA.
- The Medical average salary/FTE rate has decreased, compared to the previous report. This is now in line with inflationary movements.
- Contract monitoring report – a revised version was distributed. The aim is for negative medical acute growth. This is being assisted by the integration initiatives involving greater involvement of primary care. Analysis of level of services set by the funding arm and actual services provided will help to identify the cause of such variance.
- MSC Capacity: - it is anticipated that there should be the ability to make one theatre and some beds available for use by the Manukau Health Trust. Such an initiative is seen as positive from a workforce perspective. Increase of private use of available unutilised capacity by such people as Manukau Health Trust will help our financial position and make it a going concern.

### 6.3 Clinical performance

It was noted:

- Patient satisfaction continues to improve (analysis by ethnicity will be provide at the next Committee meeting).
- The day surgery rate has increased by 5%.
- The POAC and FAMA initiatives have influenced the decrease in the readmission rates.

#### 6.3a Strategic Review

The working draft was provided before Christmas and feedback has been provided to the Ministry regarding its accuracy. It has now been agreed that the executive summary and action plan will be redrafted and actions taken by CMDHB incorporated into 02/03 and 03/04 annual plans. The operating position for 02/03 has been provisionally agreed taking into account the cost reductions being made by CMDHB and the additional support from the Ministry.

Is it expected that the revised review report will be available for the March Board meeting. There remains \$5m in dispute, which CMDHB considers should be incorporated into the base. The Committee urged management for resolution of this matter.

### 6.6 Health Alliance

- Health Alliance is operating to the revised budget
- The savings on indirect costs (such as direct procurement cost reductions) are greater than direct costs (such as staffing levels).
- Bank funding has been obtained as working capital for payroll and HR processes.
- The proposed increase in the price of surgical implants was noted with healthAlliance considering all possible alternatives to avoid these increases

Mr Stephen McKernan left the meeting at 2.10pm.

### 6.7 Strategic Issues

#### *Parking*

Negotiations with the parking company are progressing well and new terms of contract are at lawyers at present. The goal is for there to be sufficient parking for all staff. It is expected to achieve this there will be a nominal charge for staff. Ultimately, there will be a parking building on the western campus (crèche site). The relocation of the crèche is still being considered. Staff will be kept fully informed of the changes as soon as these are able to be confirmed.

It was emphasised that the parking offered is not secure. Best efforts will be made, but no guarantee can be offered for the security of cars while parked on any CMDHB sites.

The parking company is in discussion with CMDHB regarding the demolition of one of the old medical blocks to make way for further parking spaces. Any such demolition would be at the parking company's expense.

The Committee commended management's work on seeking resolution of this matter.

***Capital/Capital Funding***

There is discussion at Ministry level, influenced by Treasury, regarding the centralisation of capital spending. It was noted that already any capital spending greater than \$1m requires Ministry approval. It will be important to plan now for further capital requirements, supported by business cases, taking into account the regional collaboration on capital spending.

The Committee resolved (moved Mr Bob Wichman /seconded Mrs Jo Cameron) that the public and media be excluded from the items on 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.

**7. General Business**

***South Auckland Health Foundation***

Mr Ross Keenan spoke with regard to the importance of the Foundation and it was emphasised that it contributed approximately \$2m/per annum to CMDHB through donations and campaigns. It was important to strengthen this relationship. It is also important for SAH management to have full transparency around all transactions so the Foundation and Board or contributors can see where the money has come from and what it has been spent on. Mr Stephen McKernan will be presenting to the Foundation Board on 24 February 2003. The Foundation has requested space near the main entrance to enable it to fundraise through selling items.

***Powhiri for Mr Brian Rousseau***

Ms Jo Cameron queried the number of people going to Mr Rousseau's Powhiri at Otago DHB. Management will follow up on this request.

**8. Next Meeting**

To be held Wednesday 5<sup>th</sup> March 2003 at 1.00pm Lambie Drive.

The meeting closed at 2.43 pm.

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

Chair: .....  
Mr Lindsay Smith

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

**The minutes of the meeting of Counties Manukau District Health Board Hospital Advisory Committee of 5<sup>th</sup> February 2003 are approved.**