

2.1 Confirmation of Minutes of the Meeting of the Board on 30 August 2006

Recommendation: (Moved...../ Seconded.....)

That the Minutes be approved.

Minutes of the meeting of the Waitemata DHB Board

Wednesday 30 August 2006

held at Waitemata DHB, Boardroom, Level 1, 15 Shea Terrace, Takapuna
Commencing at 1.00pm

BOARD MEMBERS PRESENT: Kay McKelvie (Chair)

Ross Keenan
Pat Booth
Warren Flaunty
Everdina Fuli
Aroha Hudson
Penny Hulse
Brian Neeson

ALSO PRESENT:

Dwayne Crombie (Chief Executive)
Rosalie Percival (Chief Financial Officer)
Keith Ferry (Acting Board Secretary)
Bryony Hilless (Communications Manager)

PUBLIC AND MEDIA REPRESENTATIVES

Allan Ong of Fresenius Medical Care and Annette Lindsay of Procure Network North PHO were present during the public section of the meeting. There were no media representatives in attendance.

APOLOGIES:

Max Abbott
Mike Cohen
Lynne Coleman

DISCLOSURE OF INTERESTS

There were no notifications of additions or amendments to interests that had been previously advised by members.

PART I – Items considered in public meeting

1 AGENDA ORDER AND TIMING

Items were taken in the order listed in the agenda.

2 BOARD MINUTES

2.1 Confirmation of Minutes of the Meeting of the Board 26 July 2006 (agenda pages 5-13)

Resolution (Moved Kay McKelvie / Seconded Ross Keenan)

That the minutes of the Board meeting held on 26 July 2006 be approved.

Carried

3 CHAIR'S REPORT (Verbal)

3.1 Community laboratory services

The Chair referred to correspondence from the Customer Services Support Manager of Diagnostic Medlab Ltd seeking to present to the Board a petition relating to the decision to contract the provision of community laboratory services to Labtests Auckland Ltd. Board members are aware that the DHB corporate office has received a large number of faxed copies of petition forms signed by DML customers. (The Petition)

Having discussed the request for an opportunity to present the petition, the Board resolved as follows:

Resolution (Moved Kay McKelvie / Seconded Warren Flaunty)

- 1. That the Board note the ongoing receipt of numerous faxed petition documents from DML requesting that the Board review the decision to award the community laboratory services contract to Labtests Auckland Ltd.**
- 2. That the Board note that DML has commenced legal proceedings against the Auckland region DHBs in relation to the contracting process referred to in the petition and that these proceedings are still ongoing.**

Carried

The Chair said that she had no wish to preclude Board members from responding to inquiries concerning the laboratory contract but she counselled caution in view of the ongoing legal action initiated by DML. She recommended that, if contacted, Board members seek advice from the Board's solicitor concerning responses they might make.

Concern was expressed at some of the claims made by the various protagonists in their newspaper advertisements and letters to the editor.

The CEO advised that there is a legally binding contract in place with Labtests and the priority for the DHBs must be to monitor progress of Labtests implementation plan.

3.2 Recruitment of Chief Executive

The Chair advised that short listing of applicants for the position of Chief Executive will take place on 5 September and interviews will be conducted on 18 September. The interviews will be conducted by the following four Board members: Kay McKelvie, Everdina Fuli, Penny Hulse and Brian Neeson. Other Board members are welcome to attend provided they are available for the full day. At the end of the interviews it is hoped a Board decision will be arrived at.

4 CHIEF EXECUTIVE'S REPORT (agenda pages 15-27)

The Chief Executive expanded on his report and responded to questions.

Low cost access to primary health care.

Since the Chief Executive wrote his report the Minister of Health has announced a new initiative, effective from 1 October, to support very low cost access to primary health care. Increased subsidies will be paid, through DHBs, to PHOs and their practices that meet and maintain low fees. The maximum fees that PHO practices may charge to be eligible for the access payments are \$15 for adults 18 years and over, \$10 for children 6 – 17 years and zero fees for children under six years.

Financial performance.

The overall WDHB financial result for July was \$554k better than budget. The Provider Arm was \$39k unfavourable to budget but, in the Chief Executive's view, this was an acceptable performance given the extremely busy winter workload.

It was noted that North Shore Hospital's financial performance had improved significantly. The improved performance is a result of more realistic budgets for 2006/07 than for 2005/06, and better management control.

The Chair commented that greater attention should now be given to improving the financial performance of Waitakere Hospital by, amongst other means, increasing throughput. The Chief Executive agreed and said that over the next four years additional PBFF funding should be used, so far as practicable, to increase services at Waitakere. Major expansion of services and facilities at North Shore Hospital, including the second tower block, should occur in years five to ten.

Admissions from private hospitals and residential care.

Some 7,000 bed days a year in WDHB's hospitals are used by patients directly referred mainly from private hospitals. This equates to 38 beds daily. There is wide variation between private hospitals in their referral rates to WDHB's acute services. A team is looking at ways to assist the private hospitals to provide the care needed by their patients without transferring them to the public system.

MRI scanner

The current contract involving the privately owned MRI scanner at North Shore Hospital expires in 2007. The Chief Executive said that it is likely that WDHB will purchase its own scanner. The Chair emphasised that the decision should be based on independent, objective forecasts of need for MRI scans.

Funding for aged residential care

The Ministry of Health has given notice of a change to the way additional funding to compensate for the new residential care income and asset testing regimes will be calculated. This will result in a funding reduction of \$3.5m in the Disability Support area relative to the figures in the DAP recently signed off by the Minister. A response to the Ministry on behalf of the regional Chief Executives is being drafted. The Chair and Deputy will raise the matter at the meeting of Regional Chairs.

Resolution (Moved Kay McKelvie / Seconded Brian Neeson)

That the Chief Executive's Report be received.

Carried

5. DECISION PAPERS

5.1 Waitemata DHB Leases (agenda pages 31-33)

Resolution (Moved Everdina Fuli / Seconded Ross Keenan)

- 1. That the information be received.**
- 2. That in future a schedule of properties leased by Waitemata DHB be put to the Audit & Finance Committee at six month intervals.**

Carried

6. PERFORMANCE REPORTS (agenda pages 208-226)

6.1 Financial Performance

The CFO tabled an updated Statement of Financial Performance to replace page 42 of the agenda papers. The updated version includes allocations. It also has additional columns showing actual YTD figures for the current year and for last year.

WDHB has made an accrual on the assumption that funding to fully compensate for the impact of the NZNO settlement will be received. The accrual includes \$308k relating to the impact of the NZNO settlement on wages for additional nurses employed when Waitakere Hospital opened.

In response to a question on whether ACC payments covered transport of patients to hospital outpatient appointments the CFO undertook to inquire and report back.

6.2 Capital Expenditure

6.3 Cash flow

6.4 Financial Position

6.5 Treasury

Resolution (Moved Kay McKelvie / Seconded Penny Hulse)

That the performance reports for the month of July 2006 and YTD and attachments be received.

Carried

7 COMMITTEE REPORTS

7.1 Minutes of the Three Harbours Health Foundation Committee held on 9 August 2006 (agenda pages 55-58)

Resolution (Moved Warren Flaunty / Seconded Pat Booth)

1. **That the minutes be received**
2. **That the Board note the proposal to invest up to \$2 million of Three Harbours funds through ABN AMRO Craigs as follows:**
 - **Cash 20%**
 - **Fixed Interest 60%**
 - **Property 10%**
 - **Australasian Equities 10%**

Carried

- 7.2 **Minutes of the Wilson Home Trust Committee of Management held on 14 August 2006** (agenda pages 59-64)

Resolution (Moved Kay McKelvie / Seconded Aroha Hudson)

That the Unconfirmed Minutes of the Wilson Home Trust Committee of Management held on 14 August 2006 be received.

Carried

- 7.3 **Minutes of the Hospital Advisory Committee Meeting 9 August 2006** (agenda pages 65-71)

Resolution (Moved Kay McKelvie / Seconded Penny Hulse)

That the Draft Minutes of the Hospital Advisory Committee Meeting held on 9 August 2006 be received.

Carried

- 7.4 **Minutes of the Community & Public Health Advisory Committee Meeting held on 9 August** (agenda pages 73-81)

Resolution (Moved Warren Flaunty / Seconded Everdina Fuli)

That the Draft Minutes of the Hospital Advisory Committee Meeting held on 9 August 2006 be received.

Carried

Appointment of Nominees from Health Link and Community Voice Groups to the Community and Public Health Advisory Committee (agenda page 73)

Resolution (Moved Kay McKelvie / Seconded Warren Flaunty)

1. **That the Board approve the appointment of Michelle Mann, Co-ordinator, Waitakere Health Link, Lorelle George, Co-ordinator, North Shore Community Voice, and Margaret Steiner, Co-ordinator, Rodney**

Health Link, to a shared position on the Community and Public Health Advisory Committee, on a 4 monthly rotational basis, commencing with Michelle Mann effective from 9 August 2006.

2. That this arrangement be reviewed in 12 months time.

Carried

- 7.5 Minutes of the Audit and Finance Committee Meeting held on 21 August (the unconfirmed minutes were tabled)

Resolution (Moved Brian Neeson / Seconded Everdina Fuli)

That the Draft Minutes of the Audit and Finance Committee Meeting held on 21 August 2006 be received and that the following recommendations from the Committee to the full Board be **approved**:

1. Pharmacy Information System

- (a) That the Board approve capital investment of \$999,902 for replacement of the Pharmacy Information System.
- (b) That the Board note:
 - That \$945,000 of the capital funding for this system is allocated within the 2005/06 and 2006/07 capital programme. The balance will need to come from the CEO contingency fund.
 - Approximately \$80,000 of additional operational funding required to run the new system in 2007 is affordable within the DHB's overall budget.
 - The costs in the case are based on Counties Manukau DHB also implementing the system. CMDHB Board has not yet signed off the business case. The risk of CMDHB not proceeding is considered low but if they do not proceed WDHB will incur an additional \$200,000 of cost.

2. Motor Vehicle Replacement

- (a) That the Board approve capital investment of \$900,000 for replacement of motor vehicles.
- (b) That the Board note:
 - That capital funding for this has been allocated within the 2006/07 capital programme.
 - That the Board approved \$900,000 in late 2005/06 for motor vehicle replacement and that approval of this further \$900,000 now will enable one procurement process to cover both approvals.

3. Banking Facility

- (a) That the Board agrees to increase the working capital facility limit with Westpac from \$35 million to \$40 million and to extend the current working capital facility which expires in November 2006 for a further two years i.e. to November 2008.
- (b) That, in 2008, WDHB uses a tendering process to select the banker for WDHB from November 2008 onwards.

4. Regional Internal Audit Plan

That the Chair, Kay McKelvie and the Chair of the Audit & Finance Committee, David Rankin, be authorised to approve the regional internal audit plan 2006/07 on behalf of the Board.

5. Repayment by a provider

That the proposal set out on pages 105 – 107 of the agenda for the Audit & Finance Committee meeting of 21/8/06, whereby a provider will repay to the Board money wrongfully claimed, be approved by the Board.

Carried

The meeting in open session concluded at 2.00pm

SIGNED AS A CORRECT RECORD OF THE MEETING OF THE WAITEMATA DISTRICT HEALTH BOARD - BOARD MEETING 30/8/06

_____ CHAIR

**Actions Arising and Carried Forward from Previous Board Meetings
As at 30 August 2006**

Meeting Date	Agenda Ref	Topic	Person Responsible	Expected Report back	Comment
Board 26/7/06	6	<u>Financial Performance</u> <u>Debts for non-residents</u> Chair to write to the Minister of Health about this issue and ask that consideration be given to compulsory medical insurance or other options for cover for all visitors to NZ who would not be entitled to free health care.	Chris Chadwick/ Kay McKelvie		Actioned: Letter sent 15/8/06. Reply received 13/09/06 [refer Board Reading File]
Board 30/8/06	5	<u>Properties leased by WDHB</u> Provide a report to Audit & Finance Committee every six months	Keith Ferry		Noted
Board 30/8/06	6	<u>Performance reports</u> <u>ACC payments for patient transport to hospital</u> CFO to ascertain whether ACC covers transport to outpatient appointments	Rosalie Percival	Board 27/9/06	