

## AUCKLAND DISTRICT HEALTH BOARD

Minutes of the Auckland District Health Board meeting  
held on Thursday 7 April 2005  
in the Rangitoto Room, Level 3 - LabPlus  
Auckland City Hospital, Grafton  
commencing at 1:30 pm

### 1. ATTENDANCE AND APOLOGIES

#### Board Members

Wayne Brown (Chair)  
Tony Bierre  
Chris Chambers  
Virginia Hope  
Ian Scott

Ross Keenan  
Harry Burkhardt  
Barry de Geest  
Di Nash

#### In Attendance

Graham Aitken – Board Advisor

#### Management in Attendance

Garry Smith – Chief Executive Officer  
Denis Jury – Chief Planning and Funding Officer  
Warwick Russell – Acting Chief Financial Officer  
David Sage – Chief Medical Officer  
Margaret Wilsher – Clinical Director Adult Services  
Ian Bell – Board Administrator

#### Apologies

The Chair declared the meeting open at 1:38 pm.  
Apologies had been received from Jackie Blue and John Retimana.

### 2. CONFIRMATION OF MINUTES – 3 MARCH 2005

Moved Harry Burkhardt, seconded Ross Keenan

*That the minutes of the meeting with the Auckland District Health Board held on 3 March 2005 be confirmed as a true and correct record.*

Carried

### 3. ACTION POINTS 3 MARCH 2005

A discussion document to establish functional areas for Board members portfolios was tabled based on discussion at the last Board meeting. It was suggested that Planning and Funding was a large brief and Di Nash had assisted in getting agendas for CPHAC in the week following the Board meeting. This would be continued by Di Nash and Barry de Geest.

The Board requested a presentation on palliative care at the next Hospital Advisory Committee meeting.

It was recommended that Children's and Women's portfolios worked together as there was the same management team.

#### **4. CHAIRMAN**

##### **4.1 Report**

Wayne Brown reported to the Board:

- He had presented to the DHB Chairs' meeting explaining the effects on Auckland of Population Based Funding (PBF)
- Combined Chairs and the Deputy Chair had met over PBF and regional servicing planning but there was a need to bring together Funding
- Meetings with Gordon Davis of the MoH however there was too much emphasis on process and not enough on "walking around"

##### **4.3 Community and Public Health Advisory Committee Appointment**

Moved Ian Scott, seconded Di Nash

*That the ADHB appointments Melanie Anae as a member of the Community and Public Health Advisory Committee.*

Carried

##### **4.4 Disability Support Advisory Committee Appointments**

Moved Barry de Geest, seconded Ian Scott

*That the ADHB appoints the following as members of the Disability Support Advisory Committee:*

*Barry de Geest (Chair)  
Virginia Hope  
John Retimana  
Barbara Broome*

*Wayne Brown  
Di Nash  
Ronelle Baker  
Sacha Gildenlore*

Carried

##### **4.5 A+ Charitable Trust – Trustee Appointment**

Moved Ian Scott, seconded Di Nash

*That the ADHB appoints Harry Burkhardt as a trustee of the A+ Charitable Trust.*

Carried

## **5. CHIEF EXECUTIVE OFFICER**

### **5.1 Report**

Garry Smith advised that he was concentrating on achieving the Plan result for 2004/2005 which included completion of the land sales by the end of the financial year. The Chief Financial Officer advised that there were no new risks identified and they were on target to the \$66m budget deficit.

Direct treatment costs were still a risk although SSS had achieved better results in the month. There was still a need to keep pressure on managers concerning direct treatment costs. It was suggested that direct treatment costs be a focus for discussion at the next Board meeting recognising that it takes time to change front of house behaviours. This may mean decisions on high cost treatments being made at a higher level than junior doctors. Increases in direct treatment costs were for cancer drugs, blood, disposables in cath labs but the biggest risk was the operating theatre performance with cancellations increasing third party treatment costs. Better utilisation of theatres would contain the third party treatment costs as well as decrease cancellations. It was noted that the budget for direct treatment costs had been set \$10m below the previous year. The Board asked for analysis of the top ten areas of direct treatment costs expenditure.

There was a need for senior medical staff to have more involvement in demand side control with doctors all knowing the availability of treatments and tests. Poor performance and excessive ordering of tests, while not being able to identify the doctor ordering the test, could be identified through the Decision Support Unit at team level.

Work was being undertaken on completing the outer years for the District Annual Plan with implementation starting of a work plan with areas of managerial responsibility. This was inclusive of management of direct treatment costs.

The Integration Project was focusing on particular disease management with managers required to take a leadership role on how ADHB worked managing resources and revenue.

Work was being undertaken on the Mental Health under spend catch-up and a new Maori Mental Health manager had been appointed. Workforce shortages continued to be an issue.

There was discussion on the entrance and identification of way finding at the Greenlane Clinical Centre. The focus would be on 4 building entrances being the Greenlane Clinical Centre, the Cornwell Complex, Mental Health and Administration with improved signage and removal of old signs. It was also suggested that there be volunteers available external to the buildings.

### **5.2 Integrated Governance Model**

Garry Smith presented to the meeting on the Integrated Management Model with the aim being to establish the integrated management structure to achieve greater clarity for the organisation in regard to accountability, relationships between functional and operation teams and integration between clinical and managerial structures including ensuring that all committees are linked and support the goals of the organisation. The structure was a matrix of functional teams including Planning and Funding, Finance, Information, and Clinical/Research to support the operational teams including Greenlane Clinical Centre,

Auckland City Hospital and PHO/Primary Care. The leaders of the teams would make up the senior management group of the organisation. Each team would be supported by a steering/management committee which oversees the business of that team. Implementation would be undertaken over the next month and did not require a management structural change. The DHB Provider arm would be supported through the 4 levels of management. The Board requested management to redraw the diagram at right angles and to present it to the next Board meeting.

The model was based on key areas of governance that the Board needed assurance on with operational teams focusing on a continuum of care of primary care/hospital/primary care with risk management being a focus under the Board Committees of CPHAC, Audit and Quality. The Board supported the approach and it was noted that the MoH were comfortable with the model.

Trish Langridge reported on the Performance Improvement Project showing an organisational performance report that would support reporting to the Board. This would be supported by inducting new managers to ensure that they had the appropriate skills and understood the obligations required by the organisation. The report would appear in the Auckland City Hospital Board Report showing good and bad performance. There was a need for consistency of definitions in reporting and it was suggested that status be shown by way of face images.

## **6. FINANCIAL REPORT – FEBRUARY 2005**

Focuses of the Audit Committee were the direct treatment costs and an explanation of the major variance in Funder governance with concern that the accounts were not showing variability which would have been expected in areas of decreased volumes. This raised concern at the inability to flex down when revenue drops however a predictive model used by Christchurch was being considered which allowed modelling of future rosters. It was noted that the accounts were heading in the right direction.

## **7. DISABILITY SUPPORT ADVISORY COMMITTEE**

This Committee had now been formed and would meet on Wednesday 13 April 2005.

## **8. QUALITY COMMITTEE**

This Committee had had its first meeting and at its next meeting would review the terms of reference and role of the Complaints Review Committee as the Health and Disability Commissioner had taken over many of its functions. A recommendation would be made to the Board.

## **9. AUDIT COMMITTEE**

### **9.1 Report**

The Audit Committee had considered items on bonds, a meeting with consultants and an oncology business case where other regional DHBs must meet their deadlines for information to achieve the objectives of what was wanted of the service for the greater Auckland community. This would be a test for the region.

## **9.2 Juice Bar – Galleria on 5**

Moved Harry Burkhardt, seconded Ian Scott

*That the ADHB approves the granting of a lease of 30 metres of space in Galleria on 5 and 20 metres of storage space in Building 1, Auckland City Hospital to Boost Juice Pty Ltd and delegates to the CEO and CFO to approve the legal form and execute the Licence to Occupy the premises subject to not being able to sublease or transfer the lease without ADHB approval.*

Carried

## **9.3 Espresso Coffee Cart**

Moved Harry Burkhardt, seconded Ian Scott

*That the ADHB approves the granting of a Licence to Occupy of 10 metres of space in Galleria on 5, Auckland City Hospital to Planet Espresso Ltd and delegates to the CEO and CFO to approve the legal form and execute the Licence to Occupy the premises subject to not being able to sublease or transfer the lease without ADHB approval.*

Carried

## **9.4 Electricity Energy Contract**

Moved Wayne Brown, seconded Harry Burkhardt

*That the ADHB approves entering into an Electricity Supply Agreement (ESA) with Meridian Energy for the Auckland City Hospital, Greenlane Clinical Centre and Point Chevalier sites from 1 May 2005. The ESA will be for three years and involve purchasing 25% of ADHB's requirements at the spot price and 25% at the fixed price offered in the contract and the CEO be delegated authority to execute the contract when it is provided By Meridian Energy and has been approved by the ADHB legal team.*

Carried

It was noted that ADHB shared any upside on the cogeneration which also provided emergency energy.



**10. GENERAL BUSINESS**

There were no items of general business.

**11. NEXT MEETING**

The meeting closed at 3:30pm.

The next meeting will be held on:

Thursday 5 May 2005

Marion Davis Library

Building 43

Auckland City Hospital

Grafton

**CONFIRMED**

**CHAIR:** .....

**DATE:** .....