



MINUTES **Open - unconfirmed**

TARANAKI DISTRICT HEALTH BOARD

6 December 2007

Corporate Meeting Room 1

Base Hospital

David Street

New Plymouth

Present

Hayden Wano (Chairman), Peter Catt (Deputy Chairman), Alex Ballantyne, Kura Denness, Dan Devadhar, Jan Dunlop, Flora Gilkison, Tom Mulholland, Tony Ruakere and John Young

In Attendance

Karen Eagles, Jenny Nager (Newly elected Board members)
Tony Foulkes (Chief Executive), George Thomas (General Manager Finance & Corporate Services), Joy Farley (General Manager Hospital Services), Sandra Boardman (GM Planning, Funding and Population Health), Christine Henare (Chief Advisor Maori Health), John Doran (Chief Medical Advisor), Debbie Taylor (General Manager Organisational Development and Communications), Pamela Hikuroa (PA to Board), Krysti Wetton (Communication Advisor)

372.0 Declaration to Open Meeting

The meeting was opened with a karakia.

The Chairman referred to the passing of Mahinakura Reinfeld who had been a major contributor to Maori health both locally and nationally, and extended condolences to her whanau.

373.0 Conflicts of Interest

The following new interests were declared:

Karen Eagles (to take office from 10 December 2007) – husband senior partner in Govett Quilliam, legal advisor to Taranaki DHB

374.0 Deputations

374.1 CEPRA – Rusty Kane

Mr Kane, representing Chemically Exposed Paritutu Residents Association (CEPRA) presented a deputation outlining CEPRA's views around the Ministry's plans for the provision of additional health services for Paritutu residents exposed to dioxin.

Mr Kane tabled a note from Matthew Allen of Allen and Clarke, who were contracted by the Ministry to provide reports on this matter. Mr Kane outlined CEPRA's views on items currently under consideration as follows:

- Noted that CEPRA's submissions that the area of exposure had been accepted and had been increased and now included Moturoa and Power Station etc.
- CEPRA continued with their view that genetic testing should be undertaken for all family members
- Provision of additional health services should be located in Taranaki, either in the community or at Taranaki Base Hospital. This could become the 'national' centre. Essential that the service is provided in New Plymouth.
- Important that CEPRA is involved in the discussions regarding the provision of services and one way to ensure this would be for the DHB to work closely with them in discussions with Wellington.
- Main focus of CEPRA was on the provision of health services but CEPRA would continue to press for genetic testing for families to be funded by Government.

The Chairman thanked Mr Kane for his comments and with reference to the provision of health services asked for comment from management.

Mrs Boardman, General Manager Planning Funding and Population Health, advised that the DHB had met with the Ministry and Allen and Clarke to discuss how additional health services for people exposed to dioxin could be provided to residents in Taranaki. At this stage no decisions had been made, but the Ministry had indicated their intention to have services in place by July 2008. Mrs Boardman reminded the Board that any decision on services to be provided, location of services etc was the responsibility of the Ministry of Health.

Board members sought further clarification around genetic testing and also the number of residents involved. It was noted that genetic testing was a very complex issue and one which would require further work. With respect to residents the number was not known exactly and it was also noted that a large proportion of the exposed residents had moved away from Paritutu and were now living in various parts of the country.

375.0 Minutes

Resolution

That the Minutes of the Taranaki District Health meeting held 8 November 2007 be confirmed as a true and correct record.

*Gilkison/Young
Carried*

375.1 Arising From Minutes

Advisory Committees

Clarification was sought on whether a calendar was available with respect to work plans for the Board and Committees. The Chief Executive advised that workplans were to be prepared for the Advisory Committees which flowed

through to the Board meetings. These would likely be updated for the March round of meetings.

Financial Risk – Community Contracts

Ms Denness referred to a comment made by the General Manager Finance and Corporate Services relating to number of fees for service eg aged residential care, pharmaceuticals, around which the DHB had no control on demand. In her view this was not completely correct and she felt that the DHB did have the ability to control demand, eg how use pharmaceuticals, programmes to support people living in own homes rather than entry to aged residential care facilities, and therefore the statement was not completely correct. Mr Thomas noted the comments and stated that the DHB did not have full control over these costs, but felt that in the context of the discussion at the time the explanation was fair.

Dr Devadhar requested clarification on whether regarding the Position on Hawera Hospital and whether Board management gave an assurance that Hawera would have three MOSS, two monitored beds and 27 beds as status quo, and whether management would give an assurance that the services at present provided at Hawera, including specialist visits could continue for the next three years.

The Chairman advised that it was appropriate to give some context to the statement, noting that the Board had welcomed the position paper as a snapshot of what was the current position, gave a description of the drivers for change into the future, both external and internal, and it was recognised within that that there was going to be a process of evolving change within the health sector.

General discussion took place with Board members stating that it was not possible to give a guarantee on any services, either at base or Hawera, and it was noted that the purpose of the paper was to give the rationale for any change if there was to be a change, which would be explained in the context of the drivers, improving quality, technology, best practice. It would be misleading to just say yes or no.

Ms Farley advised that there was no intention to reduce the number of medical officers and noted that the report clearly advised that the patients able to be treated in Hawera would continue unless there was a change in clinical practice, and reiterated that clinical practice will change over time.

The Chief Executive and Board members also expressed concern that this matter could be misinterpreted by the use of 'soundbites' and comments made out of context and emphasised the importance of ensuring any communication with the public is not taken out of context which could create concern in the community which was completely unfounded.

It was noted that there had been a lot of positive feedback from staff and community members around the position paper and it would be unfortunate if incorrect assumptions were made from this discussion.

The Chairman advised that he understood that Board members would be approached for comment on this matter and it was important that any responses were a true reflection of the Board's position. In respect to services at Hawera the Chairman advised that an assurance could be given in day to day encounters that there were no plans to change the services provided but we live in a rapidly changing environment and it would not be

appropriate for the DHB to ignore change and that clinical practice would continue to determine services able to be provided.

376.0 Board Committee Reports

376.1 Hospital Advisory Committee

Resolution

That the Taranaki District Health Board receive the unconfirmed minutes of the Hospital Advisory Committee meeting held 27 November 2007 and notes recommendations contained therein.

*Young/Denness
Carried*

Clarification was sought around the discussion on the impact of new technology on hospital provider costs and whether cost benefit analysis was undertaken prior to the introduction of these new technologies.

Mr Foulkes advised that this was a very complex issue and there was now a process which happens on a national basis around the introduction of new technologies, pharmaceuticals etc and it would be extremely difficult to be able to undertake this type of analysis on a local basis. He felt that it was preferable to ensure good dialogue occurred between clinical and non-clinical staff around the implications of changes and hopefully make sensible decisions as opposed to complex lengthy evaluations which would not necessarily provide a meaningful result.

Ms Farley advised that the discussion at the meeting centred on how changes to clinical practice, such as the introduction of laparoscopic surgery, had significant impacts on the budgets and although this type of surgery had economic benefit from a social perspective were not captured in the hospital budgeting process. Ms Farley also advised that the changes in clinical practice referred to also had implications for primary care and how we support people in the community.

The Chairman advised that positive feedback had been received from the National Capital Committee in relation to the facilities plan. He thanked Ms Farley, Mr Thomas and the management team for the work put into the business case and noted that there had been some concerns expressed over the decision to undertake this work in-house but the outcome had been a very good result. Formal advice from the Committee had not yet been received.

377.0 Management Reports

377.1 Chief Executive's Report

Mr Foulkes took report as read, highlighting

- Funding Envelope – anticipate receiving prior to Christmas.
- One issue is additional contribution from the Ministry for the activity DHBs are undertaking around savings. Previous Minister of Health had stated that if able to realise savings collectively through joint activity the Ministry would match savings dollar for dollar. Requires further clarification and must ensure that individual DHBs are not disadvantaged. CEOs are united around the view that savings are aggregated nationally and any additional funding from the Ministry would also be allocated nationally as opposed to increases to individual DHBs alone.

- Significant gap between ability to afford wage increases being sought by staff and union representatives through the employment negotiations. This is continuing to result in difficult negotiations and tense arrangements. It is important nevertheless to maintain good working relations at a local level.
- Last year the New Zealand Health Targets were introduced and were required to be incorporated into DAPs. The Ministry has released the first report. Some issues over data compilation, but overall this is an opportunity to provide a national standardised snapshot which will hopefully demonstrate good progress in the various areas and provide an opportunity next year to align targets with our District Strategic Plan targets as there is significant overlap.
- MSD Social Report 2007 Regional Indicators and Future Taranaki Facilitation Group report on Community Outcomes provide information on activities being undertaken with number of different agencies. Pleased to report that with the Future Taranaki work has gained commitment from local Councils and agencies towards the goal of a Smokefree Taranaki.

Discussion

There was general discussion around the health targets.

Board members noted that the Chief Executive had taken over the role of Chairman of the Future Taranaki Facilitation Group and also noted his involvement with DHBNZ and questioned whether he was over-committing himself. The Chief Executive advised that whenever a new commitment was taken on he had a discussion with the Chairman and Deputy Chairman and assured the Board that he only became involved in areas which would be of mutual benefit to the DHB. Overall involvement would also be reviewed with the Chairman and Deputy Chairman. He felt that his involvement with the Future Taranaki Group was strategically significant for the organisation as one of the main messages in the District Strategic Plan was that the DHB could not do things on its own and needed to get other community agencies involved in improving the health and wellbeing of the population if the DHB's goals were to be achieved.

The Chief Executive also acknowledged the support provided by the management team which enabled him to participate in the national and local work.

Board Report contd

- Mental Health Funding – noted that must be realistic in regard to funding of mental health and note that in view of the financial position could not automatically grant all of blueprint funding which would mean additional cost without reviewing current operations and funding.
- Health Select Committee – responses made to the questions from the health Select Committee. This involved considerable input from the Executive Management Team.
- Financials –
- Financial pressures continuing.
- Hospital Services detailed report presented and discussed through the Hospital Advisory Committee, in summary services costing significantly

more to do the same as previously undertaken as opposed to any significant change in service delivery or duplication of service. Considerable work underway to both control and reduce expenditure through the remainder of the year and into next year.

- From funding perspective, an assessment of inter-district flows had been undertaken around known demands and potential calls on reserves. Balancing act between being able to continue to make investments in strategic priority areas and ensuring a balanced consolidated financial year end result.
- General Manager Finance and Corporate Services provides further details of the financial position.

377.2 General Manager Finance & Corporate Services

Mr Thomas took report as read and noted

- Key issue is the year to date consolidated financial result will be dependent on the level of the Hospital provider deficit. Based on current expenditure it is likely a significant deficit will be recorded by the Hospital Provider.
- Work being undertaken to manage costs down wherever possible.
- Report for October indicates deteriorating consolidated financial. Real concern that the Hospital deficit will be greater than the funder reserves.

Discussion

Considerable discussion took place around the financial position with management giving additional information around the cost savings initiatives being put in place. Management also advised that benchmarking reports were reviewed and discussions held with like DHBs on areas where it was felt TDHB could learn from others to improve efficiencies.

Discussion also referred to the difficulties being faced by the DHB with respect to wage settlements, with it being noted that a number of national awards had been settled above the amount allocated in the budget. Board members were advised that it was unlikely that the Ministry would provide additional funding for these settlements.

The Chairman highlighted that the March Board meeting was to be held on Tuesday 11 March due to the Midland Board training to take place the week prior.

Resolution

That the Taranaki District Health Board receives and notes the Chief Executive's Report and management reports for October 2007.

*Gilkison/Mulholland
Carried*

378.0 Other Business

378.1 MoH Quarterly Reporting Quarter 1 Feedback
General discussion took place on the report.

Resolution

That the report be noted and received.

*Gilkison/Mulholland
Carried*

378.2 District Annual Plan 2008/09

Mrs Boardman spoke to report noting

- Very early draft of the DAP to give Board members and indication of the approach being taken.
- Discussions being held with Advisory Committees and other stakeholders on focus areas
- Funding enveloped expected 14 December. Currently working off draft planning guidance which was received earlier in the year.
- Has since been a change of Minister but expect that the priority areas will remain, ie chronic disease, children and youth, primary health care, health of older people and infrastructure. Letter of expectation may reflect something different and if that is the case the DAP will be revised in light of the Minister's requirements.
- Current draft also reflects the MoH Health Targets and the DHB's District Strategic Plan.

Discussion

General discussion took place and Board members were requested to provide any feedback via email prior to the end of January.

Resolution

That the Taranaki District Health Board

1. *Supports the approach taken to developing the 2008/09 District Annual Plan*
2. *Subject to feedback from the meeting being noted, endorses the overall direction signaled in version 1.0 of the Draft 2008/09 District Annual Plan.*
3. *Notes the possibility of a change of Ministerial priorities and uncertainty about the timing of any such announcement.*

*Catt/Young
Carried*

379.0 Next Meeting

The next meeting was scheduled to be held on Thursday 7 February 2008 in New Plymouth.

380.0 Exclusion of Public

Resolution

That the Taranaki District Health Board exclude the public from the meeting on the basis of the following matters:

- 1. To present Taranaki District Health Board minutes pursuant to an earlier resolution publicly excluding the item.*
- 2. To present Chief Executive's Report in that the public conduct of the meeting would be likely to result in the disclosure of information where the withholding of the information is necessary to:
(g) Enable the DHB, Board or Board Committee holding the information to carry out, without prejudice or disadvantage, commercial activities.*
- 3. To present report on Appointment of Independent Director in HIQ Ltd in that the public conduct of the meeting would be likely to result in the disclosure of information where the withholding of the information is necessary to
(g) Enable the DHB, Board or Board Committee holding the information to carry out, without prejudice or disadvantage, commercial activities.*

*Catt/Gilkison
Carried*

The meeting adjourned 4.15pm to reconvene at 4.30pm.

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Chairman

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Date