



MINUTES Open - unconfirmed

TARANAKI DISTRICT HEALTH BOARD

9 October 2008
Corporate Meeting Room 1
Base Hospital
David Street
New Plymouth

Present

John Young (Chairman), Peter Catt (Deputy Chairman), Alex Ballantyne, Kura Denness, Karen Eagles, Flora Gilkison, Grant Knuckey, Jenny Nager

In Attendance

Tony Foulkes (Chief Executive), George Thomas (General Manager Finance & Corporate Services), Joy Farley (General Manager Hospital Services), Sandra Boardman (General Manager Planning Funding & Population Health), Kerry-Ann Adlam (Director of Nursing), Christine Henare (Chief Advisor Maori Health), Pamela Hikuroa (PA to Board), Sue Carrington (Media Advisor)

452.0 Declaration to Open Meeting

The meeting was opened with a karakia.

453.0 Apologies

Dan Devadhar, Tony Ruakere (Board Members)

Resolution

That the apologies be sustained.

*Eagles/Gilkison
Carried*

454.0 Conflicts of Interest

The Conflicts of Interest Register was circulated for updating by members. The Chairman advised the following new interest had been declared:

Grant Knuckey Trustee Bayly Road Trust

455.0 Public Comment

455.1 Hugh Cunningham

Mr Cunningham referred to his submission to the Board on 7 August regarding the carrying out of abortions at New Plymouth and it was included in the Minutes that the Chairman had requested management to look into the matters raised and report back. He noted that it was not appropriate for him to discuss or critique the report at this time as it had not been received by the

Board, but he requested when the Chief Executive's report was presented that it be declared unacceptable and request management to provide additional information at the next meeting.

The Chairman thanked Mr Cunningham for his comments.

456.0 Deputations

456.1 CEPRA

Mr Rusty Kane referred to his comments at previous Board meetings regarding the dioxin issue at Paritutu when he had advised that it was the intention to come back to the Board at a later date to provide further feedback. As he was standing in the General Election and this meeting was apolitical Mr Gibbs would be addressing the Board.

Mr Andrew Gibbs thanked the Board for accepting the deputation on the long standing issue, noting

- History of the issue had been provided to the General Manager Planning Funding and Population Health and a response had been received.
- Wished to highlight that CEPRA now had information, obtained under the Official Information Act, which in their view showed the Ministry of Health had falsified the serum study.
- He believed documents show that the study had been diluted by the Ministry by breaking the sample groups into two rather than keeping as one group and also the ESR recommendations for further study had been deleted
- He provided copies of information regarding CEPRA's comments.
- Most exposed group of residents were not investigated.
- Applauded the DHB for implementing the MoH Health Plan
- Requested the Board to support CEPRA in their approach to the Ministry of Health and Minister to undertake a full investigation of the evidence uncovered.
- Highlighted that the residents affected felt marginalised and discriminated against.
- Thanked the Board for the opportunity.

The Chairman thanked Mr Gibbs for his comments and advised the DHB would bring to the attention of the Ministry the documents provided.

456.2 PHARMAC

The Chairman welcomed Richard Waddell, Chairman, and Matthew Brougham, Chief Executive PHARMAC to the meeting.

Mr Waddell advised presentation being given to the 21 DHBs on the year's activities as it was important that all Board members are aware of how PHARMAC worked and inter-related with DHBs

- Introduction on role and function of PHARMAC
 - Statutory objectives set in legislation. Stand Alone Crown entity

- Function to manage costs, provide coverage under exceptional circumstances, engage in research, promote responsible use, and assist DHBs with national procurement.
- Budget agreed with DHBs and finally approved by the Ministry
- By law cannot spend over that budget
- Last year out of \$536m \$600k under budget.
- Treat new investments cautiously
- Any savings made by PHARMAC goes back to the DHBs for use in other health initiatives
- Achievements
 - Volume and mix of pharmaceutical increasing 10% per year
 - Spend increasing 3% pa which is approximately the increases DHBs have in their budgets through population based funding formula
 - Constant criticism that New Zealand missing out on pharmaceuticals in comparison to Australia and the US and that funding has not been increasing is incorrect. Real spend on pharmaceuticals since 1993 has in fact trebled.
- Exceptional Circumstances
 - Covers Community, Hospital and Cancer.
 - Community – covers pharmaceuticals not listed on the schedule for people who have a very rare disease.
 - Normally very expensive drugs.
 - Request reviewed by Exceptional Circumstances Panel, which is a medical panel, who approve requests. If over a certain dollar amount must be considered by the PHARMAC Board.
 - Hospital - similar but run on behalf of DHBs to ensure disciplines in place around pharmaceuticals.
 - Cancer – this is a huge challenge that all DHBs are going to have to face.
 - Pharmaceutical putting research money into niche products, niche disease states, the primary one being cancer.
 - Hugely expensive.
- Responsible Use
 - PHARMAC responsible to make sure medicines are used responsibly.
 - One such programme was wise use of antibiotics. Very successful.
- National Procurement
 - Estimated savings to DHBs from hospital procurement activity \$20m
- Schedule Management – Keep Stop Start
 - Budget treated as binding
 - Look to eliminate low value for money items
 - Look to add high value for money items
 - By observing budget constraints, DHBs have been given choices which would otherwise not been available
 - Difficult to remove drugs from the schedule
 - Endeavour to have Drug Companies compete on price
 - Major savings occur when drugs come off patent – can see up to 80% price reduction.
 - Activities over the years has meant that the real spend on pharmaceuticals has trebled in the last 15 years
 - Pharmaceuticals are reducing in price

- New Zealand has been able to manage pharmaceutical budget, whilst other countries growth in pharmaceutical expenditure is out-stripping total expenditure on health and is not sustainable
- Key Issues
 - DHBs obliged to observe pharmaceutical schedule cannot set up own pharmaceutical schedule'
 - Pharmaceutical Cancer treatments – programme to try and manage this area begins this financial year
 - Hopefully in the future will combine hospital and community pharmaceutical schedule for cancer treatments to gain savings
- Budget
 - Budget Setting Processes constantly under review to ensure spending right amount
 - Decisions on schedule is evidence based
 - Always working to ensure achieve value for money
- Future challenges - High Cost Medicines
 - Report by European Observatory on health Systems and Policies calculated some 40 new cancer-treating medicines will becoming available within 2-3 years with many in range of 100,000 euros per patient per year, with overall cost in the hundreds of millions.
 - Position not sustainable
 - Even though getting new products, need to remember that new is not always better
 - Will continue to invest where greatest health gain can be achieved
 - Working with DHBs under the Medicine Strategy on how to improve budget setting.
 - All drugs are reviewed regularly to take account of new information coming forward and to reassess their value for money and health gain able to be achieved.

The Chairman thanked PHARMAC representatives for their presentation and noted the savings which had been achieved.

457.0 Minutes

Resolution

That the minutes of the Taranaki District Health Board meeting held 4 September 2008 be confirmed as a true and correct record.

*Gilkison/Nager
Carried*

458.0 Board Committees Report

458.1 Hospital Advisory Committee

It was noted that the Minutes should record that Mrs Gilkison was in attendance at the meeting.

Resolution

That the Taranaki District Health Board receive the unconfirmed minutes of the Hospital Advisory Committee meeting held on 30 September 2008 and notes recommendations contained therein.

Catt/Eagles

Carried

459.0 Chairman's Report

459.1 Meeting Dates 2009

The Chairman referred to the Board meeting to be held in November in Hawera and advised that this meeting would commence at 10.30am.

The proposed meeting dates for 2009 were provided.

Resolution

That the meeting dates for 2009, as outlined, be approved.

Young/Catt

Carried

460.0 Management Reports

460.1 Chief Executive's Report

Mr Foulkes took report and attachments as read, highlighting

- Letter received from the Minister of Health relating to Government's and the Ministry's view on the future development and evolution of the sector. Minister had written to all DHBs with a summary of the papers and views expressed and how he would like the sector to develop. Significant in terms of the breadth of the areas considered in one go and the DHB will need to take this information into account through the annual planning and strategic plan process.
- Inter-DHB collaboration attention to the briefing notes attached to report around progress with work colleagues and other DHBs on agreed areas. Important with the limited capacity and the work involved with the facilities redevelopment, that the DHB be selective around how and when to participate so that the gains at the local level are achieved.
- District Annual Plan endorsed and supported by the Minister.
- Long Term Sector Framework forms basis for strategic planning and workshops are planned in month ahead. When have a better understanding of the impacts on the District Strategic Plan may need to revisit how this is progressed and the timing of the DSP review.
- Important to note reference in Minister's correspondence around concept of working across regions and inter-DHB activity and ensure that this is actively reflected in the DSP.
- Significant work underway in terms of re-certification and re-accreditation survey beginning of November.

Discussion

The Chairman extended the Board's congratulations on obtaining the Minister's approval for the District Annual Plan and noted the Minister's

acknowledgement of the DHB's improvement in elective services which was pleasing to see and a credit to the team.

Discussion took place around the Chief Executive's recommendation on abortion services that the DHB continue with the status quo.

It was agreed that the service should continue to be available locally and it was also noted that access to a service was a national requirement.

With respect to Mr Cunningham's comments that the Chief Executive had not provided answers to all his points, the Chief Executive advised that he had not had a direct conversation with Mr Cunningham, but his report did not purport to go through the issues raised point by point, but he had tried to cover what he understood to be the crux of the deputation and provide appropriate feedback.

In response to a question around costs if the service was not provided in New Plymouth, the Board was advised that a service would still require to be available and therefore no cost savings would be made as women would be required to travel out of the province and the DHB would fund services through inter-district flows.

460.2 General Manager Finance and Corporate Services

Mr Thomas took report as read highlight

- Monitoring financial situation closely
- Increased costs in Hospital driven by increased activity over the last two months.

Discussion

General discussion took place around the financial situation and whether further mitigation strategies around hospital services should be implemented. Mr Thomas advised that the financial situation would be monitored closely and further action would be taken if required.

Questions were raised around the underspend in Maori Health and whether this was a continuation of the trend from the previous year.

The Chief Executive advised that it was his understanding that there were appropriate measures in place to significantly improve on the situation from last year and implement plans scheduled for this year. Ms Henare, Chief Advisor Maori Health, confirmed that with new staff coming on board she expected progress to be accelerated in this area.

Resolution

That the Taranaki District Health Board notes and receives the Chief Executive's and Management's reports and attachments.

*Gilkison/Denness
Carried*

461.0 Other Business

461.1 Ministry of Health Quarterly Reporting – Quarter 4

Resolution

That the report be noted and received.

*Nager/Eagles
Carried*

461.2 Shareholder Representation – Annual Meetings Subsidiary and Associated Companies

Resolution

That the Taranaki District Health Board

1. *Appoint the following as its shareholder representative to the Annual General Meetings, with respect to the financial year ended 30 June 2008:*

<i>Fulford Radiology Services Ltd</i>	<i>Flora Gilkison, or failing her Simon Barrett</i>
<i>HealthShare Ltd</i>	<i>Tony Foulkes</i>
<i>HIQ Limited</i>	<i>George Thomas or failing him Tony Foulkes</i>
<i>Allied Laundry Services Ltd</i>	<i>Kura Denness or failing her Simon Barrett</i>
2. *The appointed representatives to the Annual Meetings to have authority to be heard and vote on all issues of business that may be transacted at the meetings.*

*Knuckey/Nager
Carried*

462.0 Date of Next Meeting

The next meeting was scheduled to be held on Thursday 6 November in Hawera commencing at 10.30am.

563.0 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 Minutes of Committee meetings pursuant to an earlier resolution publicly excluding the item.*
3. *To receive recommendations from the Finance Audit and Compliance Committee in relation to:*
Draft 2007/08 Annual Report and Financial Statements
4. *To receive Facilities Redevelopment – Financial Management & Procurement 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.*

*Nager/Catt
Carried*

The meeting adjourned at 4.00pm to reconvene at 4.05pm

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Chairman

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Date