TABLE OF CONTENTS

AGENDA

FOR THE WEST COAST DISTRICT HEALTH BOARD MEETING TO BE HELD IN THE BOARD ROOM, CORPORATE OFFICE, WEST COAST DISTRICT HEALTH BOARD ON FRIDAY 5TH MARCH 2004 COMMENCING 9.15 AM

Karakia

1. Welcome
2. Apologies
3. Standing Orders
4. Disclosures of Interests
6. Minutes of the Previous Meeting – Wednesday 28th January 2004
7. Matters Arising
8. Correspondence
9. Chairman's Report
10. Chief Executive's Report
11. Finance Report
12. Reports from Board Advisory Committees
13. General Business
    13.1 Primary Health Organisation (PHO)
14. Date of next meeting – Friday 2nd April 2004 at 10.15 am
15. Information Papers

IN COMMITTEE

Pursuant to Clause 32a, Schedule 3 of the New Zealand Public Health & Disability Act 2000 members of the public are to be excluded from the portion of 5th March 2004 meeting of the West Coast District Health Board that relates to the following items on the grounds that the public conduct and discussion of the following items would enable the WCDHB to carry out, without prejudice or disadvantage, commercial activities granted by Section 9(2)i of the Official Information Act 1982.

- Minutes of the Previous Meeting – Wednesday 28th January 2004
- Proposal for Replacement of Laboratory Haematology Analyser

Pursuant to Clause 32a, Schedule 3 of the New Zealand Public Health & Disability Act 2000 members of the public are to be excluded from the portion of 5th March 2004 meeting of the West Coast District Health Board that relates to the following items on the grounds that the exclusion of the public is to allow the maintenance of effective conduct of public affairs through the protection of such Ministers, officers, and employees of the WCDHB from improper pressure or harassment and that this disclosure would prejudice the protection granted by Section 9(2)(g)ii of the Official Information Act 1982:

- District Annual Plan Reporting Update
- Risk Register (standing item)
- Royal Australasian College of Surgeon's Review of General Surgery Update on Recommendations (standing item)
- In-Committee Items
- Code of Faith

Presentation by Jane Morgan, Analyst and Andrew Holmes, General Manager, Clinical Services Strategy, MoH on elective services at 12.00 noon.

BOARD MEMBERS' DISCLOSURES OF INTERESTS

Member	Disclosure of Interest
Professor Gregor Coster Chairman ***Appointed February 2003***	• Director - PHARMAC • Director - Cornwall Management Limited • Director - Cornwall Nominees Limited • Trustee - The University of Auckland Primary Health Care Trust • Trustee - Institute of Rural Health • Trustee - Goodfellow Foundation • Member - Ministry of Health Prioritisation Advisory Committee (Expert Group)
Dr Christine Robertson Deputy Chairman	As self employed person do work on contract for: • HealthPAC - regularly • Comcare Charitable Trust - regularly • WCDHB-occasionally • HDANZ (Health and Disability Auditing New Zealand Ltd) – occasionally Husband is on the Board of Coast Care Trust and is a Justice of the Peace who undertakes judicial duties in court. Also Alternate Controller for Civil Defence for the Grey District Council
Ms Robyne Bryant	• Member - New Zealand Nurses Organisation • Member – New Zealand College of Midwives • Member - Mawhera Maori Women's Welfare League • Employed by Coast Health Care as a midwife for two shifts per week • Member - Board of Coast Care Trust
Mrs Julie Kilkelly	• Member - Pharmaceutical Society • Associate Member - College of Pharmacists • Member - Pharmacy Defence Association • Director - Kilkelly Kartage Ltd • Trustee - West Coast PHO Board – Co-opted Pharmacist • Director - Olsen's Pharmacy
Mrs Marguerite Moore	• Member - Kawatiri Maori Women's Welfare League • Member - Buller Branch of the NZ Labour Party • Member - Grey Power Early Childhood Development: • Co-ordinator - St Johns Kids n' Coffee • Co-ordinator – Oasis • Daughter – employee West Coast DHB
Mrs June Robinson	• Board Member - Royal New Zealand Plunket Society • Chairperson - Rata Te Awhina Trust • Chair - Kati Mahaki Ki Makaawhio Ltd • Member - New Zealand Medical Council Review Committee • Member - Rata Branch Maori Women's Welfare League • Member – Poutama Ora

	• Cultural Advisor to Chief Executive – Community Corrections • Member - Runanga O Makaawhio • Member - Mata whanui (Maori DHB members committee)
Mr Mohammed Shahadat	• Member of the New Zealand Law Society • President of the Hokitika Lions Club 2001-2002 • Principal Partner, Murdoch, James and Roper • Councillor - Westland District Council
Mr Tamai Sinclair	• Iwi Representative - Grey District Safer Community Council • Health and Social Services Representative, Te Runanga o Ngati Waewae • Shareholder - Mawhera Corporation • Member - Poutama Ora • Trustee - West Coast PHO Board • Kaiwhakarite, Te Puni Kokiri • Member - Mata whanui (Maori DHB members committee)
Dr Malcolm Stuart	• Employed by WCDHB as Head of Department, Anaesthesia and Consultant Anaesthetist • National Committee - Australian New Zealand College of Anaesthetists As a self employed person: • Medical advisor - St John Ambulance service
Mr John Vaile	• Member - CCS Westport Branch • Director - Vaile Hardware Ltd • Wife employed by the WCDHB

ABBREVIATIONS

# NOF	Fractured Neck of Femur (broken hip)
1°	Primary
2°	Secondary
3°	Tertiary
A+	Auckland Healthcare
A&E	Accident & Emergency
ASMS	Association of Salaried Medical Specialists
AT&R	Assessment, Treatment & Rehabilitation Unit
ALOS	Average Length of Stay
ANDRG	Australian National Diagnosis Related Group
CAA	Child Acute Assessment
CAMHS	Child & Adolescent Mental Health Service
CAP	Canterbury Association of Physicians
CC	Complications & Co-morbidity
CCMAU	Crown Companies Monitoring Unit
CCN	Clinical Charge Nurse
CD	Clinical Director
CEA	Collective Employment Agreement
CFA	Crown Funding Agreement
CHA	Crown Health Association
CHL	Canterbury Health Limited
CICU	Cardiac Intensive Care Unit
COMRAD	Radiology Reporting System
CPAC	Clinical Priority Assessment Criteria
CSSD	Central Sterile Supplies Department
CTA	Clinical Training Agency
CWD	Case Weighted Discharge
DAO	Duly Authorised Officer
DDG	Deputy Director General
DHB	District Health Board
DNA	Did Not Attend
DON	Director of Nursing
DOSA	Day Of Surgery Admission
DRG	Diagnostic Related Grouping
DSD	Disability Support Directorate
DSS	Disability Support Services
EAP	Employee Assistance Programme
ED	Emergency Department
EMT	Executive Management Team
ENT	Ear, Nose and Throat
ER	Employment Relations
FSA	First Specialist Assessment
GP	General Practitioner
HFA	Health Funding Authority
IEA	Individual Employment Agreement
IRF	Inter Regional Flow
HAHS	Hospital and Health Services
HMD	Hospital Monitoring Directorate (former CCMAU)
HFA	Health Funding Authority
HHS	Hospital & Health Service

HR	Human Resources
HTG	Hospital Technical Group
ICD 9	International Code of Diseases
ICU	Intensive Care Unit
IEC	Individual Employment Contract
IPA	Independent Practice Association (GP Group)
ISDN	Integrated Services Digital Network
IT	Information Technology
Kai Arahi	Term generally refers to "guide" and /or advisor
KPI's	Key Performance Indicators
LMC	Lead Maternity Carer
MECA	Multi Employer Collective Agreement
MOH	Ministry of Health
MOSS	Medical Officer Special Scale. A doctor with 4+ years post-graduate experience but not a specialist
MRT	Medical Radiation Technologist
NGO	Non Government Organisation
NICU	Neonatal Intensive Care Unit
NZNO	New Zealand Nurses Organisation
OP	Outpatients
O&G	Obstetrician and Gynaecologist
OIA	Official Information Act
PBFF	Population Based Funding Formula
PCG	Project Control Group
Pegasus	One of the IPA's
PHO	Primary Health Organisation
PMS	Patient Management System
Primary Services	Services that receive self referred patients
PRIME	Primary Response in Medical Emergencies
PNA	Professional Nursing Advisor
PSA	Public Services Association
QA	Quality Assurance
QHNZ	Quality Health New Zealand
RDA	Resident Doctors Association
RFP	Request for Proposal
RHA	Regional Health Authority
RHMU	Residual Health Management Unit
RMO	Registered Medical Officer. A junior doctor with 0-4 years post-graduate experience
Runaka	Assembly
Secondary Services	Services where a primary carer must refer patients. Provided in a hospital supported by specialists, and meeting standard clinical criteria
SHO	Senior House Officer
SMT	Senior Management Team
SOI	Statement of Intent
Stargarden	Payroll System
Tamariki	Children – usually refers to children up to and including 14 years of age
Tangata Whenua	People of the land", most commonly referring to traditional Maori Iwi occupants of a region or district
Tino Rangatiratanga	Absolute Sovereignty
STD	Sexually Transmitted Diseases
WTF	Waiting Times Fund
Ora Services	Term used to describe all activities that promote health and prevent diseases that are undertaken in the primary care setting for children and their families and whanau
Whanau	Family
Whanau Ora	Health and wellbeing
YTD	Year to Date

DRAFT MINUTES OF THE WEST COAST DISTRICT HEALTH BOARD

HELD WEDNESDAY 28 JANUARY 2003 AT 9.26 AM IN THE BOARD ROOM, CORPORATE OFFICE, WEST COAST DISTRICT HEALTH BOARD, GREYMOUTH

PRESENT
Gregor Coster, Chairman
Christine Robertson, Deputy Chairman
Robyne Bryant
Julie Kilkelly
Marguerite Moore
June Robinson
Mohammed Shahadat
Tamai Sinclair
John Vaile

IN ATTENDANCE
John Luhrs, Chief Executive
Wayne Champion, Acting General Manager Finance
Kevin Hague, General Manager Planning & Funding
Ebel Kremer, General Manager Operations
Vicki Piner, Minute Secretary

Karakia – Tamai Sinclair

1. APOLOGIES, WELCOME

Due to the Chairman and Chief Executive being at an urgent meeting, the Deputy Chairman welcomed everyone to the meeting. Apologies for lateness were received from John Luhrs, Gregor Coster and Malcolm Stuart.

Board members were reminded to complete Board members' training forms and to return them to Corporate Office.

Action: Board Members

Moved: June Robinson, Seconded: Robyne Bryant

It was RESOLVED to accept the apologies.

2. STANDING ORDERS

The Deputy Chairman waived the Standing Orders unless there is reason to reinstate them later in the meeting.

3. DISCLOSURES OF INTERESTS

No amendments were made to Board Members' disclosures of interest.

4. MINUTES OF THE PREVIOUS BOARD MEETING HELD 5TH DECMEBER 2003

The following amendments were made to the Minutes:

- Item 8.5 – should read "PHARMAC" not "PHMAC".
- Item 11.2.2, second paragraph – add the word "occasional" before the word "need".

Moved: John Vaile, Seconded: Mohammed Shahadat

It was RESOLVED that the Minutes of the Board meeting held 5th December 2003 were a true and correct record subject to the above changes.

The Chairman and Chief Executive joined the meeting at 9.36 am

The Deputy Chairman handed the meeting back to the Chairman.

5. MATTERS ARISING

Visit by Colin Feek, Ministry of Health to discuss Elective Services
Colin Feek is scheduled to attend the 5 March Board meeting.

Present a briefing paper on the development of a Youth Health Strategy
Due to other commitments and constraints on resources, this paper will be presented at the 5 March Board meeting.

Report on progress of cabinet approval and signing of the Memorandum of Partnership with Papatipua Runanga
Feedback on progress still awaited from the Ministry of Health.

PHOs – CarePlus and Other Initiatives
The Chairman advised that the PHO is meeting on 10th February and will launch the CarePlus Initiative at the end of this meeting. Further details are awaited from the PHO.

Presentation on Neighbourhood Nursing Project
A presentation is scheduled for 12 noon today in the Lecture Theatre.

Provide an explanation to Board members regarding variance of approximately $100k in "other operating costs" from the August Financials
Included within the Finance Report.

Follow the issue of close control on pharmaceuticals and provide Board members with an update as soon as meaningful data is available
The Chief Executive advised that levels of expenditure are returning to "normal" levels as stat dispensing phases in. He anticipated being able to provide a fuller report and analysis to Board members in the near future.

Ensure Paediatrics is being followed up in terms of transporting issues

Check whether Buller patients are provided with a pamphlet advising them of transportation options to Greymouth when their clinic appointments are sent out

These two items were discussed together, with the Chief Executive confirming that Buller patients are being provided with a pamphlet advising of transport options when their appointment cards are sent out.

Provide a further report to the Board on progress of the implementation of RACS' recommendations from the review of surgical services
The Chairman requested that an update and information be provided in the public section of the 5th March 2004 Board meeting.

Action: General Manager Operations

Provide a report to Board members on the appointment of an Electoral Officer
The West Coast DHB has received written confirmation from the Electoral Officer at the Westland District Council (WDC) that the WDC are willing to provide the services of an electoral officer for the West Coast DHB and the two other district councils.

The Chief Executive was requested to bring a report, with recommendations, to the 5th March Board meeting. The Chairman advised that confirmation would be required from both district councils that they will accept the WDC's Electoral Officer providing services to them.

Action: Chief Executive

GP Liaison Position
The West Coast DHB has signed the contract with South Link Health for the appointment of a GP Liaison position. The Chief Executive understands that South Link Health is now progressing with recruitment for this position.

6. CORRESPONDENCE

Board members were pleased to note the positive letter from a patient.

Moved: Christine Robertson, Seconded: Marguerite Moore

It was RESOLVED that Board correspondence Inwards was accepted and Outwards endorsed.

7. CHAIRMAN'S REPORT

The Chairman presented his report to Board members.

7.1 SOUTHERN REGIONAL CHAIRS AND CEOS MEETING

The Chairman and Chief Executive attended this meeting held in Christchurch during December. The meeting attended to a number of operational matters including for example; IT, Industrial Relations and Primary Care Strategy implementation.

7.2 PHARMAC

The Chairman attended the monthly PHARMAC meeting held in Wellington. DHBs have an interest in PHARMAC as it manages our pharmaceutical expenditure.

7.3 Paediatrics

The Chairman has been involved in discussions with management regarding the situation with paediatric cover. He also chaired a teleconference with Ministry officials, management and clinicians.

7.4 Grafton Group Report

Two representatives from Grafton Group met informally with the Chairman to discuss the process that they are working through with the Buller District Council. He explained that WCDHB has not taken a position in regard to the Grafton Group, but had agreed to contribute to the costs of the next stage of the process, should the Buller District Council wish to proceed.

7.5 Buller Medical Services

The Chairman and Chief Executive met with Dr Graeme Jelley and Frank Dooley earlier this morning to discuss the present GP shortage in Westport. Also discussed was a range of potential options for the configuration of Primary Care services and it was noted that the Buller District Council and Grafton Group are presently in a consultation process. The Chairman and Chief Executive agreed to continue discussions.

Moved: Gregor Coster, Seconded: Mohammed Shahadat

It was RESOLVED to accept the Chairman's Report.

8. CHIEF EXECUTIVE'S REPORT

8.1 03/04 District Annual Plan

Agreement has been reached with the Ministry of Health over funding for the 03/04 year. As this document is currently at the Minister's office for signing, it was not possible to provide data within the public portion of the meeting.

8.2 Maori Access to Elective Services

The Chief Executive noted that the West Coast DHB had the second highest level (measured against all other DHBs) for access to elective services by Maori on the West Coast. The Chief Executive noted the gains made in this area and commended the work done within the organisation by clinical and non-clinical staff, and particularly by the Kaiarahi and Te Pae Maori Department.

The General Manager Operations joined the meeting at 9.47 am

8.3 04/05 District Annual Plan

Work is progressing on the 04/05 DAP. Board members met with management at a Board Workshop yesterday (Tuesday 27th January) to discuss the strategic direction of the 04/05 DAP.

The first draft of the 04/05 DAP is due at the Ministry of Health in March. A copy of this draft will be provided to Board members at the 5th March Board meeting.

Action: General Manager Planning & Funding

8.4 Paediatric Services on the West Coast

The Chief Executive provided background to the recent paediatric medical services situation.

Physicians and other clinical staff in consultation with the Paediatric Department at Canterbury DHB have essentially provided Paediatric coverage on the West Coast in recent years. A formal arrangement is in place with Dr Neil McKenzie, Liaison Paediatrician who visits the West Coast regularly. These arrangements have been formalised with a written agreement between the Paediatric Department at Canterbury DHB and the West Coast DHB. However, one of the physicians recently raised the issue of responsibility for patient care. Ultimately the responsibility rests with the attending physician on site. As a consequence of the advice received one of the physicians withdrew his support from the paediatric area, given his scope of practice. The West Coast DHB has been in discussion with the Paediatric Department at Canterbury DHB and with David Geddis from the Ministry of Health, who is also a Paediatrician to look at possible solutions.

The West Coast DHB determined it was appropriate to put out a media statement last week regarding the paediatric services position at that point. Board members thanked management for releasing as much information as was possible to the media to keep the public informed. Since that release the Board has now progressed to a situation where paediatric cover is provided 24/7.

Board members were advised that cover is dependent upon the scope of practice and "comfort level" of the attending physician. Cover has been arranged with two permanent physicians. However when the third physician, who does not wish to provide paediatric cover, is on duty coverage will be provided by a semi-retired Locum Paediatrician who is resident on the West Coast.

The Chief Executive and General Manager Operations attended a meeting with the three West Coast Mayors, the Chairman of the BDC Health Sub Committee, Chair and the Chair of the West Coast Development Trust to outline this situation.

The Chief Executive advised Board members that the arrangement currently in place is an interim one until a longer term, sustainable and robust solution is available. He noted that there is some likelihood the number of transfers to a tertiary organisation in the interim may increase slightly.

The Chief Executive recorded his thanks to the General Manager Operations and clinical staff and in particular, the physicians who have been working together to address this situation. He supported the decision of the physicians in respect of their scopes of practice.

The General Manager Operations advised that he is arranging a meeting for 9th February to discuss the future of paediatric services on the West Coast and how they may be delivered. People attending this meeting include the Director of Nursing / General Manager Primary Health, Ministry of Health officials, Paediatric Department staff and management staff from Canterbury DHB.

The Acting General Manager Finance joined the meeting at 10.00 am.

The Deputy Chairman recorded her thanks to management and staff on reaching a level of service that is practical given the situation.

The Chief Executive recorded his thanks to the Chairman who has provided valuable advice and assistance throughout the process.

The General Manager Operations left the meeting at 10.01 am

8.5 Oral Health

The West Coast DHB put a proposal to the Ministry of Health for an oral health initiative and has received $20,000 with the approval, by Ministry, to go ahead and use the money for public health services. The General Manager Planning & Funding advised work on organising a hui for primary health and community workers was well advanced with Dr John Bruerton conducting the hui which will provide training on oral health issues. The Chairman asked the General Manager Planning & Funding to provide a report back to CPHAC on this initiative.

Action: General Manager Planning & Funding

Board members supported this initiative being included on the achievements register.

Action: Chief Executive

8.6 Staff Achievements

The Chief Executive advised Board members of the recent achievements of staff:

- Dr Jenny Spring (Greymouth Medical Centre) has passed membership examinations for the Royal New Zealand College of General Practitioners.
- Jennie Hasson, Financial Accountant recently passed her final Chartered Accountants examination.
- Susan Taylor, Buller nurse recently attained her Clinical Masters.

8.7 Whanau Facility

Staff of The Warehouse in Greymouth recently presented the West Coast DHB with a very generous donation towards the Whanau Facility. Board members thanked the staff of the warehouse for providing their support and generous donation. A letter of thanks on behalf of the Board will be sent to Warehouse staff.

Action: Chief Executive

Confirmation of the opening date of the Whanau Facility will be provided to Board members as soon as possible, but is tentatively scheduled for the end of February.

Action: Kaiarahi / Maori Health Manager

Moved: Mohammed Shahadat, Seconded: Robyne Bryant

It was RESOLVED to accept the Chief Executive's Report.

9. FINANCE REPORT

The Acting General Manager Finance went through the Finance Report with Board members. He advised that YTD the West Coast DHB is $300k better than budget.

9.1 Clinical Supplies

Clinical supplies are over budget primarily due to the type of surgical work carried out; case mix and price increases. The WCDHB is over in surgical volumes YTD, particularly in orthopaedics, which requires expensive clinical supplies.

9.2 Infrastructure Costs

Infrastructure costs are over budget due to revaluation of the asset being higher than budgetted; meaning depreciation is higher than budgeted. There was also one off work done on facilities in Reefton, Buller and Theatres earlier in the year.

9.3 Payments to Providers

An explanation of "Payments to providers" will be provided to Board members.

Action: Acting General Manager Finance

9.4 Other Operating Costs in August Financials

The Acting General Manager Finance was asked to look into the other operating costs, to provide feedback to John Vaile, who had originally asked the question, with an explanation included in the Finance Report for the March Board meeting.

Action: Acting General Manager Finance

In response to a question the Acting General Manager Finance advised that the appreciation of the New Zealand Dollar has not impacted favourably on prices to the DHB. The Chief Executive advised that in collaboration with Southland and Otago the West Coast is looking at group purchases. Clinical supplies are an area that has a limited number of suppliers. The three DHBs are looking at how to work collaboratively to gain better prices.

Moved: Mohammed Shahadat, Seconded: Christine Robertson

It was RESOLVED to accept the Finance Report.

The Acting General Manager Finance left the meeting at 10.20 am

10. REPORTS FROM ADVISORY COMMITTEES

10.1 Disability Support Advisory Committee

The Chairman, DSAC reported on the last DSAC meeting to Board members at the December Board meeting.

10.2 Community & Public Health Advisory Committee

The Chairman, CPHAC reported on the last CPHAC meeting to Board members at the December Board meeting.

10.3 Hospital Advisory Committee

Recommendations to the Board

HAC recommends that:

The WCDHB explore the impact that the increasing specialisation of medical practice may have on the future levels of care that the DHB will be able to offer and take the necessary steps, including collaboration with other DHB, to address this.

Reporting Back on Board Referred Items
No referred items.

Seeking Board Approval for Further Advisory Committee Consideration of an Item
No approval sought.

The Chairman, HAC Advised the Board of the following:

- The situation in relation to the provision of paediatric services was discussed and HAC is confidant that management is doing all they can to look after the needs of children, short and long term.
- HAC was advised that plans have been made for the safe keeping of the patient notes from the departing non DHB GP's practice in Westport. Recruitment is under way for an additional doctor in BMS to fill the immediate gap created and on the assumption that no GP presents to purchase the said practice.
- DHB is again offering to assist the Karamea Medical Association to recruit a GP for the private Karamea GP practice and with some medical cover when BMS staffing positions so allows.
- HAC wishes the Board to know that the committee was pleased to hear about the improvement in access by Maori to elective surgery as outlined in the Board papers.
- Clinical supplies are recognised as being an on-going issue with cost increases of 6% contributing to the over run.
- Following a discussion on the "Health of the Older Person" consultation report, management agreed to provide reports on progress by the Older Persons Services Planning Group to HAC in terms of the matters of interest to HAC and to consider a process whereby HAC can have input into the planning process within HAC's Terms of Reference.
- HAC seeks clarification from the Board on the Board's intentions on the involvement of HAC and other advisory committees in future strategic planning sessions.

Moved: Christine Robertson, Seconded Tamai Sinclair

Julie Kilkelly asked whether the Ministry of Health could be lobbied on this issue as it may potentially blow the budget and impact on services. She said that the increasing specialisation of medical professionals impacts on the Coast. The Chairman advised that in discussions with the Ministry the issues of transport costs, transfers and accommodation have been raised.

The Chief Executive was asked to expand on what "scope of practice" meant to provide the community with more information. This explanation will be provided in the media.

Action: Chief Executive

Robyne Bryant provided background to how the scope of practice had impacted on her personally as a midwife.

Management was asked to provide a short report for the next Board meeting outlining the impact of the Health Practitioners Competency Assurance Act, practical implications, and anything that might be a problem in the future to allow forward planning by the Board.

Action: Chief Executive

Board members noted that the recommendation from HAC was received with pleasure and action is being taken.

Recommendation passed.

Received: Christine Robertson, Seconded: Julie Kilkelly

It was RESOLVED that the report from HAC be received.

11. INFORMATION PAPERS

11.1 DHBNZ Update for Boards

DHBNZ provides these papers for inclusion in DHBs' Board.

The Chairman and Chief Executive noted that DHBNZ meetings provided an opportunity for DHBs to discuss how they were each affected regionally from some of the national directives from Ministry.

The Ministry and DHB sector have arranged to meet frequently with the Minister to gain her expectations and to provide feedback to her on how they might be impacted by Cabinet and Ministry decisions.

12. DATE OF NEXT MEETING

The next Board meeting will be held on 5 March 2004.

13. MOVING INTO COMMITTEE

Pursuant to Clause 32a, Schedule 3 of the New Zealand Public Health & Disability Act 2000 members of the public are to be excluded from the portion of the 28th January 2004 meeting of the West Coast District Health Board that relates to the following items on the grounds that the public conduct and discussion of the following items would not enable the West Coast DHB to carry out, without prejudice or disadvantage, commercial activities granted by Section 9(2)i of the Official Information Act 1982:

- **In Committee Minutes of the previous meeting – Friday 5th December 2003**
- **PACT Charitable Trust – Variation to Agreement No. 3**
- **Rata Women's Welfare League – Maori Health Services**

Pursuant to Clause 32a, Schedule 3 of the New Zealand Public Health & Disability Act 2000 members of the public are to be excluded from the portion of the 28th January 2004 meeting of the West Coast District Health Board that relates to the following items on the grounds that the exclusion of the public is to allow the maintenance of effective conduct of public affairs through the protection of such Ministers, officers, and employees of the West Coast DHB from improper pressure or harassment and that this disclosure would prejudice the protection granted by Section 9(2)(g)ii of the Official Information Act 1982.

Moved: Gregor Coster, Seconded: Christine Robertson

It was RESOLVED to move into In Committee at 10.39 am

14. MOVING OUT OF COMMITTEE

Moved: Christine Robertson, Seconded: Robyne Bryant

It was RESOLVED to move out of In Committee at 3.25 pm

15. BOARD WORKSHOP ON THE ROLES AND FUNCTIONS OF ADVISORY COMMITTEES

Board members held a workshop on the above issue. Notes were taken and will be distributed to Board members.

There being no further business the meeting concluded at 4.30 pm

MATTERS ARISING FROM THE WEST COAST DHB BOARD MEETINGS

Item No.	Board Meeting Date	Action Item	Action Responsibility	Reporting Status	Agenda Item Ref
8.1	3 October 2003	Arrange a visit by Dr Colin Feek, Ministry of Health to discuss elective services.	Chief Executive	5 March 2004	
8.1	3 October 2003	Present a briefing paper on the development of a Youth Health Strategy.	General Manager Planning & Funding	5 March 2004	
8.1	3 October 2003	Report on progress of Cabinet approval and signing of the Memorandum of Partnership with Papatipu Runanga.	Kaiarahi / Maori Health Manager	ASAP	
6.22 and 9.4	7 November 2003 and 28 January 2004	Provide an explanation in the Finance Report regarding the $100k in "other operating costs" from the August Financials.	General Manager Finance	5 March 2004	
9.6	7 November 2003	Follow the issue of close controls on pharmaceuticals and provide Board members with an update as soon as meaningful data is available.	Chief Executive	ASAP	
11	7 November 2003	Complete the scoping phase of the impacts of Transport on health report and provide Board members with a paper.	General Manager Planning & Funding	April 2004	
13.1	7 November 2003	Provide an update on the implementation of the RACS' recommendations from the review of surgical services.	General Manager Operations	**ONGOING**	
16	7 November 2003	Discuss over 65's at the DSAC meeting, and then provide an update to the Board.	Chairman, DSAC	5 March 2004	
1	28 January 2004	Complete Board members' training forms and return to Corporate office.	Board members	ASAP	
5	28 January 2004	Provide an update and information on the progress towards the implementation of the RACS' recommendations from the review of surgical services in the public section of the 5 March Board meeting.	General Manager Operations	5 March 2004	

Item No.	Board Meeting Date	Action Item	Action Responsibility	Reporting Status	Agenda Item Ref
5	28 January 2004	Bring a report, with recommendations to the 5 March 2004 Board meeting regarding the appointment of the Electoral Officer.	Chief Executive	5 March 2004	
8.4	28 January 2004	Provide Board members with a copy of the first draft of the 04 / 05 DAP.	General Manager Planning & Funding	5 March 2004	
8.6	28 January 2004	Provide a report to CPHAC on the Oral Health Initiative re training for primary health and community workers.	General Manager Planning & Funding	ASAP	
8.6	28 January 2004	Include the above initiative on the Achievements Register.	Chief Executive	ASAP	
8.8	28 January 2004	Write to the Warehouse staff, on behalf of the Board, to thank them for their support and generous donation to the Whanau Facility.	Chief Executive	ASAP	
8.8	28 January 2004	Provide confirmation on the opening date of the Whanau Facility to Board members.	Kaiarahi / Maori Health Manager	ASAP	
9.3	28 January 2004	Provide an explanation of “payments to providers” as included in the December financials to Board members.	Acting General Manager Finance	5 March 2004	
10.3	28 January 2004	Expand on what “scope of practice” means within the media to provide the community with more information.	Chief Executive	ASAP	
10.3	28 January 2004	Provide a short report to the Board outlining the impact of the Health Practitioners Competency Assurance Act to include practical implications and noting any issues that may present future problems.	Chief Executive	5 March 2004	

BOARD CORRESPONDENCE DECEMBER 2003 AND JANUARY 2004

Date:	Sender:	Details:	Response Date	Response Details
22 December 2003	Catherine Parkin, Clerk of the Committee, Health Committee – Office of the Clerk of the House of Representatives	2002/03 Financial review of the West Coast DHB.		
21 January 2004	John Luhrs, Chief Executive - WCDHB	Letter of congratulations to Kevin Bax, Surgical Registrar, Grey Base Hospital		
21 January 2004	John Luhrs, Chief Executive - WCDHB	Letter of thanks to Yvonne Anisy for her contribution to DSAC.		
21 January 2004	John Luhrs, Chief Executive - WCDHB	Letter of congratulations of appointment to Anna Law as Surgical Registrar, Grey Base Hospital.		
22 January 2004	Hon Annette King, Minister of Health	Guidelines for capital investment and greater integration of capital investment decision making		
28 January 2004	Gregor Coster, Chairman, WCDHB	Letter to Board members re Evaluations of WCDHB Board members and Chair.		
5 February 2004	Hon Annette King, Minister of Health	West Coast DHB: 2003/04 District Annual Plan.		
5 February 2004	John Luhrs, Chief Executive - WCDHB	Memo to Board members re District Annual Plan.		
10 February 2004	Hon Annette King, Minister of Health	Avian Influenza made notifiable		
23 February 2004	Tim Rochford, Chairperson, Poutama Ora Committee – Poutama Ora o Tai Poutini	Presentation to the Board.		

CHAIRMAN'S REPORT

The Chairman will give a written update at the West Coast DHB meeting on 5th March 2004.

CHIEF EXECUTIVE'S REPORT

PERFORMANCE TO PLAN

The Minister has now signed and returned our District Annual Plan (DAP) 2003/04 and this month will be the last where we report against the budget which was established at the start of the year. Next month we will report against our DAP as approved by the Minister (refer more particularly the Finance Report in this paper) as approved by the Minister. In short we are on target to achieve the financial requirements and are largely on target (there are a number of 'overs' and a fewer number of 'unders') to achieve our volume targets – reported on in the Hospital Advisory Committee bi-monthly.

2004/05 DRAFT DISTRICT ANNUAL PLAN (DAP)

The Board will consider the first draft of the 2004/05 DAO In Committee in this Board meeting. The first draft is due at the ministry by 15 March with the second draft due by the end of June.

PAEDIATRIC SERVICES

A meeting was held on 19 February in Christchurch attended by Ministry of Health, Canterbury DHB and West Coast DHB to discuss the provision of paediatric services to West Coast children. A range of options were considered for short, medium and longer term solutions. At the meeting it was agreed the overarching position at all times, both now and into the future, is that decisions as to where a child will receive treatment and the nature of that treatment will be as determined to be clinically in the best interests of that child. Options for enhancing services provided on the Coast include additional upskilling for some clinical staff, enhanced levels of consultation between clinicians on the coast and Christchurch Hospital and an exploration of the role and viability of telemedicine. Further discussions are ensuing with Canterbury DHB and the Ministry of Health will have input as appropriate.

ELECTORAL OFFICER

The Chief Executive has indicted to the Board the likely recommendation of the appointment of the Electoral Officer for Westland District Council as the Electoral Officer for DHB elections later this year. Previously, the Buller District Council Electoral Officer has overseen the election of officers to the West Coast Development Trust, with the Grey District Electoral Officer overseeing the Regional Council elections and Westland District Council attending to the DHB elections. The Ministry of Health is preparing, in consultation with local government authorities, a memorandum of understanding which will shortly be available to all DHBs and local authorities. In addition to the formal appointment of the Electoral Officer, DHBs will have to decide on the voting paper format – alphabetical, random or pseudo random. The CEO has been in contact with Richard Simpson, Electoral Officer for Westland District Council and following meetings of the Electoral Officers around the South Island over the next month, and feedback to the CEO, he will bring a proposal to

the Board at its April or May meeting for all matters requiring resolution of the Board to give effect to the electoral process.

AIR AMBULANCE

Grey Base Hospital is a Level 3/4 hospital and accordingly transfers a number of patients as clinically required to a higher level of care at a tertiary centre (usually Christchurch Hospital), where the level of illness or injury is so severe that the outcome for the patient may be compromised by travel by road ambulance an air ambulance journey may be necessitated. Canterbury DHB generally co-ordinates this services for West Coast, South Canterbury, Nelson Marlborough and Ashburton. On occasion other providers (e.g. Starship or Capital and Coast retrieval teams) are used. The services is charged for in two parts 'air fare' (plane and pilot) and retrieval team. Canterbury DHB has in recent times increased the resourcing of the retrieval team and hence its charges. The WCDHB has received no increase in funding to pay for the higher level of charges and continues to pay at the 'old' rate. The DHB CEOs at their national meeting last month noted the different charging regimes at tertiary DHBs. The Health and Disability Commissioner has drawn the Ministry's attention to the possibility of improvements in the co-ordination of air retrieval and so has the Coroner. This matter was also drawn to the attention of the Ministry of Health at the recent paediatric meeting, i.e. that air ambulance transport is a national issue requiring a national approach to both funding and the co-ordination of services.

ALL AT ONCE DISPENSING

Some initial feedback has now been received from Pharmac as to the impact of all-at-once dispensing on volumes (financial impact not yet provided). A letter dated19 February is included in the information section of this report. In short, nationally all-at-once dispensing is around the 80% mark with non stat dispensing (script with repeats) having moved from 71% (September 03) to 17% (November 03). On the West Coast we started with the lowest level (pre all-at-once dispensing) of non stat dispensing (just over 65%) in September 03 and have moved to the highest level of non stat dispensing (close to 35% in November 03). Accordingly the relative shift for WCDHB has been the smallest with Pharmac noting "… in the more provincial DHBs, the rates of close control increased further from their already high levels – DHBs in this group included the West Coast…". Based on this preliminary analysis we intend taking the advice of the Chief Executive of Pharmac to "review our own data in more detail to identify which prescribers are high users of close control, and/or discuss with Health PAC whether it will undertake a compliance audit of prescribers and pharmacists" in our area.

HEALTH AND DISABILITY SECTOR STANDARDS

All health providers are required to be certified under the Health and Disability Sector Standards by 1 October 2004. By way of an update in terms of progress for WCDHB provider facilities we have appointed Verification New Zealand as our DA audit agency. We have recently met with the General Manager to discuss the process around the audit which is due to commence late May and will take approximately 1 week. The audit will cover:

- Review of our policies and procedures
- A visit to our four hospitals
- There are four sets of standards to be covered
  - Rural Health and Disability Sector Standards
  - National Mental Health Standards

- Calming and restraint
- Infection control

Regular updates will be provided on progress.

CREDENTIALING OF SENIOR MEDICAL STAFF IN THE WEST COAST DISTRICT HEALTH BOARD (WCDHB)

There are pressures on the WCDHB to develop a robust credentialing process of senior medical staff. These pressures arise in part from a Ministry directive to have a process in place by December 2004 and in part from pressure from the senior medical staff of the organization.

It is acknowledged that the credentialing programme is part of a wider organisational quality and risk management. Early contact with an external consultant familiar with the process gave insights into the way forward. The cost of proceeding with the consulting service was considered excessive and an alternative way forward has been developed of engaging a project manager, recruited locally with advice from outside the organisation, arranged on an "as need basis."

This document looks at the feasibility of developing the credentialing process identifying the administrative structure, processes, and resource needed to allow for a credentialing process to be developed by the end of 2004.

To achieve this essential components include:

- Obtaining the buy in and good will of the senior medical staff.
- Identifying a small group to meet regularly, whose responsibility is to guide the development, encourage participation, and have oversight of the credentialing process in its first year.
- The appointment of a part time project manager who will have day to day responsibility for meeting the timelines.
- The defining of individual medical practitioner's scope of practice.
- The development of the processes of audit each practitioner will go through each year to become credentialed.
- The development of the assessment process that will take place each 3 to 5 years to formally review the credentialing activity undertaken and to confirm credentialed status.
- The development of a review process to take care of disputes arising from the credentialing process.
- To identify the extra resource needed to allow for the credentialing process to proceed.

Obtaining the buy in and good will of the senior medical staff

During the later part of 2003 the subject of credentialing has been raised with the senior medical staff in various forums including the September and November Senior Staff Meetings. Staff also met with Professor Buchanan at a formal presentation on 28th November and in some cases individually on the 27th and 28th November. There is acceptance of the need to proceed with the process and general goodwill to moving forward. Some resource issues including the need for a patient management system capable of producing audit data were discussed.

Identifying a small group to meet regularly, whose responsibility is to guide the development, encourage participation, and have oversight of the credentialing process

It is suggested the membership of this steering group be: The chief medical officer, the chair person of the senior staff, the GM Operations and a lay representative from the community served

by the WCDHB, the risk management officer of the WCDHB and the appointed project manager. This group will have the power to co opt expertise as necessary.

The initial task of the group will be to produce a blue print for the development process extending though 2004. This will include templates for all the data storage and retrieval components. Guidance to the development of the templates is included in the Ministry of Health Publication “Toward Clinical Excellence" The expectation is that the development phase will be completed in December 2004. Late in 2004 it is suggested the group membership be reviewed to ensure it is the best grouping to guide the ongoing credentialing process in subsequent years. This later work will include the accumulation of data leading to the formal evaluation process in 2008 or 2010, and the development of a complaints review process.

The appointment of a part time project manager who will have day to day responsibility for meeting the timelines

This appointment is seen as crucial to the success or failure of the development. This appointment working in close relationship with the steering group would be responsible for the day to day management of the project. It is envisaged this position will involve 2 to 3 days work per A decision would need to made late in 2004 as to the need for continued support for the audit process in subsequent years.

The development of individual medical practitioner’s scope of practice

The scope of the individual practitioners' practice is arrived at by negotiation between management, with a particular set of needs of the practitioner, and the practitioner, with their individual skill set and desires for scope of practice.
This will involve the project manager facilitating meetings between management, clinical departments and individual doctors to document the agreed scope of practice. This process might usefully include, for part of the time, the lay representative on the steering group.
It is suggested that departments be involved sequentially with the aim to define the individual members scope of practice by November 2004. There are five disciplines allowing for two months of work within each discipline

The development of the processes of audit each practitioner will go through each year to become credentialed

There are a number of methodologies that might be used for this audit process.
These include:

- Output audits where the results of particular areas of clinical management are compared against past performance or agreed external standards.
- System audit of a particular measure of the delivery of a service, or part of it. ie auditing the system in which the practitioner works.
- Process measure audit is auditing clinical practice against agreed clinical process.
- Benchmarking is a process where an agreed external standard is identified and measures are put in place to audit the performance against the benchmark. This brings in the concept of external standards.
- Reflective journals may be developed. These document areas of interest, which have been thought about and researched.
- Peer review audit. These are audits where practitioners working in similar fields review each other's clinical practice.
- Attendance and participation in scientific meetings.
- Verification of training, qualifications, experience and registration.

- The above processes involve a variety of data collections, analysis of data, and feedback of the results of the audit cycle data to the practitioner.
- The links between the College's continuing Professional Education and the WCDHB credentialing process will need to be identified. In the most general terms the College requirements set out the standards to be obtained to in New Zealand and the credentialing process refines these for the WCDHB
- The project manager will facilitate meetings with the senior medical staff at which the range of available audits will be discussed. Decisions will be made on a small number of audit processes, which seem to best suit the practitioner and the clinical discipline. Processes will be devised and put into place to allow the agreed audits to occur. The data collections should start when the discipline is confident in the process. These data collections will be interrogated each year and feedback devised.

To achieve this section a mixture of department meetings and individual meetings with practitioners will be scheduled. The first meetings will involve explanations of the audit options. It is suggested one month of contact with each department should produce the outline of the audits agreed to. It is anticipated that most departments will be collecting part of their audit data in the second half of 2004

The development of the assessment process that will take place each 3 to 5 years to formally review the credentialing activity undertaken and to confirm credentialed status

The steering group will decide the time interval a practitioner's credentialing is valid for. When this has been decided, the assessment process, the individual practitioners take part in at the end of this time period will be designed to bring together the medico legal documentation, audit results, staff reports, college documentation of audit, and conference documentation. These will be formally assessed and recommendations made for continuing credentialing together with the production of any extra reports thought necessary.

Consideration of a process to cope with credentialing locums and new appointments will need to be dealt with at the same time.

The development of a review process to take care of disputes arising from the credentialing process

A review committee needs to be convened in the advent of disputes arising over feedback from the continuing audit process, or disputes arising out of the formal review at the end of the credentialing process. This would include the senior medical officer, a representative of management, a support person acting for the practitioner in dispute,
a lay representative from the community served by the WCDHB. Consideration would be given to legal representatives in some disputes. The decisions made by this body would be binding on all parties.

The development of this would be usefully linked to the review process in October 2004

To identify the resource needed to allow for the credentialing process to proceed

It is anticipated in the course of the credentialing process especially in the development of the scope of practice section extra resource needs will be identified. This resource may be to allow for the agreed proper clinical practice to occur or may represent extra resource to allow for the audit processes to occur efficiently.

WHANAU FACILITY

The official opening of the facility, which is available for use by Maori and non-Maori, occurs on Thursday 4 March. A media release will be made closer to this time.

CEO EXTERNAL MEETINGS

- Wellington – lab workers (national CEO project) – two days
- Westport – to meet with West Coast Mayors regarding paediatric services
- Wellington – national CEO meeting
- Wellington – Board Secretariat workshop
- Dunedin – Regional purchasing meeting
- Auckland – lab worker negotiations – two days
- Christchurch – paediatric services
- South Island Shared Services Ltd - teleconference

Author: Chief Executive – 24 February 2004

PRIMARY CARE

The West Coast PHO will have held a strategic planning session by the time of the Board's meeting. DHB management views this as a very positive development.

West Coast DHB is still waiting for proposals from the West Coast PHO on retinal screening, services to improve access, sexual health services for young people and health promotion and has indicated a strong interest in advancing these as soon as possible.

At the time of writing all steps are in place for satisfactory handling of patient records and enrolment resulting from the closure of Dr. Ken Mills' practice in Westport. All records and enrolments are being transferred to Buller Medical Services unless otherwise advised by patients. The number of patients who elect not to transfer to BMS is expected to be very small. Greater interest has been from patients who are interested in receiving a copy of the information Dr. Mills has held about them.

PHARMACY

As advised at the Board's last meeting, management has now met with all the pharmacists on the West Coast and established some preliminary matters for negotiation of a new contractual arrangement for pharmacy services. Of particular note was the willingness of West Coast pharmacists to have the West Coast PHO involved in contract negotiations. Management is currently waiting for advice from the Pharmacy Guild as to how pharmacists will be represented in negotiations.

WISE – WEST COAST IMPROVING SERVICE FOR ELDERLY

A second full planning day has been concluded, and a sub-group established to make recommendations in relation to secondary care and interface issues. This sub-group will report back in March, and the plan should be finalised in April at the latest. In effect, however, some of the actions that have been agreed to date are already being implemented.

An application has been made for financial assistance from the Ministry of Health for reconfiguration of Needs Assessment and Service Coordination (NASC) services over the next several months.

ORAL HEALTH

Planning is well advanced for an oral health hui focusing on child oral health on March 25th and 26th. This is an important opportunity to add momentum to an intersectoral approach to improving oral health. West Coast has amongst the worst child oral health status in New Zealand. Progressing plans for fluoridation of water supplies is also a high priority.

MAORI HEALTH

Renegotiation of WCDHB's contract with Rata Te Awhina Trust is beginning, with a focus on knitting together those services already in the contract with those previously funded through He Oranga Pounamu, and achieving clarity about what services will be available and where.

Management will be planning for how best to use approximately $16,000 for development of Maori providers in the 04/05 year. This money will become available as a result of eliminating He Oranga Pounamu from West Coast contracting arrangements.

An application has been made to the Ministry of Health for approximately $100,000 for a project aligned with Whakatataka. Our proposal is based around a new approach to needs analysis, oriented around the goal of Whanau Ora, set out in He Korowai Oranga. A copy of the proposal is attached.

WEST COAST DHB WHAKATATAKA PROPOSAL APPLICATION

WHAKATATAKA OBJECTIVES

This project is aligned most clearly with Objective 3.4, Improving Maori Health Information, but also has strong linkages with:

- Objective 0.2 Monitoring Progress of He Korowai Oranga
- Objective 1.1 Fostering Maori Community Development
- Objective 1.2 Building on Maori Models of Health
- Objective 1.3 Removing Barriers
- Objective 2.1 Increasing Maori Participation in Decision-Making
- Objective 3.1 Addressing Health Inequalities for Maori
- Objective 3.2 Improving mainstream Effectiveness
- Objective 4.1 Encouraging Initiatives with Other Sectors that Positive Affect Whanau Ora

NAME OF DHB

West Coast DHB
West Coast DHB is the smallest DHB, and is generally acknowledged as having the greatest resource constraints of all district health boards, among the lowest health status of any, and other difficulties inherent in planning, funding and providing services for fewer than 1% of the national population in more than 10% of it's land mass. Nonetheless, these challenges can be viewed as opportunities, making Tai Poutini an attractive testing ground for new ideas, as discussed below.

West Coast DHB has, in particular, made vigorous progress on Maori health in recent years with, for example,

- the adoption of a Maori Health Plan to implement Whakatataka,
- the rapid development of a memorandum of understanding establishing Treaty-based relationships between WCDHB and runanga,
- the creation of Poutama Ora as a forum for those relationships,
- the building of a Whanau facility at Grey Base Hospital,
- Maori staff development initiatives,
- the creation on a new Kaiawhina position,
- orientation of all new staff on Maori health issues,
- the embracing by staff of new training opportunities in Treaty of Waitangi issues, Tikanga best practice in relation to Maori patients, Te Reo Maori and ethnicity data collection
- a strengthening relationship with Rata Te Awhina Trust (community-based Maori health service provider)
- an expectation for increased investment in Maori health in the 04/05 year

Health outcome measures for these initiatives are still some way off, but WCDHB notes with some pride the Ministry's recent report concerning access by Maori to surgical services relative to non-Maori showing West Coast second only to Whanganui in both progress and in absolute terms.

KEY CONTACTS

Gary Coghlan, General Manager Maori Health
PH: (O3) 768-0499 Extn 2802
FAX: (03) **768-2793**
Cell Phone **(025) 581-745**
Email: ***gcoghlan@westcoastdhb.org.nz***

Kevin Hague, General Manager Planning and Funding
DDI - (03) 768 2800
Fax - (03) 768 2791
Mobile - (027) 291 7628
Email: Kevin.hague@westcoastdhb.org.nz

SIGN-OFF FOR PROPOSAL

John Luhrs	Gary Coghlan
Chief Executive Officer	General Manager Maori Health

TITLE OF PROJECT

Whanau Ora as a basis for Maori Health Needs Assessment and New Initiatives

DESCRIPTION

The centre piece of He Korowai Oranga is refocusing effort on the new goal of 'Whanau Ora'. This will be a very substantial challenge for the Ministry, for district health boards and for service providers. The challenge arises in two ways:

1. ***Whanau Ora defines health in positive terms***, where measures traditionally used have been in the incidence, prevalence and impact of disease, with health implicitly defined as the absence of disease. Attempts to find helpful measures of health as a positive concept, let alone in terms of the holistic ideas embodied in Maori models of health, are still very much embryonic in the mainstream.
2. ***Whanau Ora is a collective definition of health***, whereas the mainstream has traditionally been defined in individual terms. Non-Maori services have no experience at all in understanding collectives as anything other than aggregates of individuals and has not developed useful collective measures of health.

The proposed West Coast DHB Whakatataka project is based around greatly enhancing the Maori Health Needs Analysis process to develop effective measures of Whanau Ora, and to assess Maori health need on that basis. WCDHB is fortunate to have available to this project considerable expertise in health promotion, which sees health status in socio-environmental and collective terms, as a function of the marginalisation of a particular community and its relative empowerment/disempowerment.

Work has begun already on adapting a research instrument that was used in WCDHB's extensive consultation and research exercise in 2003 on Health of the Older Person. It is expected that this will lead to a project that also becomes of considerable interest to other sectors (and the education sector has already become involved at this planning stage through the involvement of Tai Poutini Polytech) through more directly addressing the wider determinants of health. For example, the WCDHB project will inevitably explore the relationship between Whanau Ora and social capital (broadly speaking the strength of connectedness and networks in social systems), which will be of fundamental interest to all policy and service delivery agencies.

WCDHB believes that this intersectoral approach will most likely be achieved by allowing other sectors to come on board as the project develops, rather than attempting to enlist them before starting. It is expected that the project will identify initiatives across a variety of sectors that could have a positive effect in achieving Whanau Ora.

WCDHB notes that the West Coast PHO has been in operation now for over a year, and is expected to be an active partner in the project.

WCDHB notes that the New Zealand Public Health Advisory Committee will shortly be publishing its report on the Economic Determinants of Health in New Zealand and will then begin work on the Social and Cultural Determinants of Health. The National Health Committee also has a current project in monitoring progress in implementing He Korowai Oranga, on instruction from the Minister. WCDHB has very close links with these committees and expects that there may be helpful interactions between this project and their work. One of the sponsors of this project, WCDHB's General Manager Planning and Funding, Kevin Hague, chairs the PHAC and is a member of the NHC.

In summary then, the project consists of:

- Development of a Whanau Ora oriented research instrument and methodology for needs assessment
- Engagement of communities in the Whanau Ora concept
- Implementation of research project
- Analysis and dissemination of research results
- Engagement of other sectors in analysis of results and intervention planning
- Reappraisal of WCDHB's services in light of research findings
- Support for Iwi, Hapu, and Whanau based initiatives arising out of the project

While the DHB has already committed itself to conduct a Maori Health Needs Analysis, ALL the components of this project are additional to what will be possible within existing resource.

Tim Rochford (lecturer in Maori health at the Wellington School of Medicine), who chairs WCDHB's Poutama Ora groups (the forum for WCDHB's Treaty-based relationships with Tai Poutini's two Runanga) is already working on the research instrument. It is likely that outside contractors will be recruited for data collection – we envisage that some training will be needed to prepare community-based Maori interviewers (possibly through an existing Maori health service provider) for this purpose - and outside expertise will also be required for some aspects of data analysis.

DELIVERABLES AND DELIVERABLE TIMEFRAME

Draft of research instrument	March 2004
Agreed research methodology	April 2004
Research instrument finalised	April 2004
First intersectoral workshop	May 2004
Research data collection	July 2004

Analysis of data (quant & qual)	September 2004
Second intersectoral workshop	September 2004
Results dissemination to communities	October 2004
Dissemination of results to other DHBs	October 2004

It is envisaged that in November and December 2004 and in early 2005 work will continue internally within WCDHB, alongside communities and with agencies from other sectors to identify interventions. It would be foolish to map out a precise timetable or configuration for this work, as it is intended to be collaborative and will, in any case, take shape in the light of how the project has worked out. Nonetheless, this general timing is important so that interventions can be included in WCDHB's 05/06 DAP and budget.

EXPECTED BENEFITS

Four key areas of benefit are anticipated:

1. WCDHB will have Tai Poutini-specific information about need on which to base planning for both Kaupapa Maori and mainstream services.
2. The project will have advanced relationships between WCDHB and Maori in Tai Poutini very substantially, leading to significant benefit for all, with improved planning, funding and provision of services and greater Maori engagement with health issues.
3. The involvement of agencies form other sectors should see benefit to Maori from more responsive performance in those sectors, and should see health status generally benefit from improved intersectoral understanding and collaboration.
4. There is potential benefit throughout the country from improved understanding of Whanau Ora, development of appropriate measures for Whanau Ora and modelling of some of the ways in which DHBs can engage with Whakatataka.

TRANSFERABILITY OF PROJECT

Internationally New Zealand is seen by companies developing new technology as a great place to test new products, because New Zealanders embrace innovation and because our small population size and strong networks allow for rapid roll-out of new technologies and collection of feedback.

In the national context Tai Poutini can play this same role. Our mix of urban and rural communities, our challenging geography, our mix of mana whenua and Mata Waka and our extremely high levels of need ensure that initiatives trialled in Tai Poutini will be rigorously tested, while the strong networks of communities and individuals and a can-do culture that is intolerant of procrastination ensure that inertia can be easily overcome and progress swift.

He Korowai Oranga and Whakatataka represent an innovative approach to Maori health in a variety of ways, and West Coast DHB suggests in this proposal to the Ministry that Tai Poutini is an appropriate site to trial some of these key new ideas. They will be properly tested here but if they are sound, the probability of success will be high, establishing strong leverage for more general roll-out to other districts.

DETAILED BUDGET COSTS

Preparation phase (immediate – end May 2004)		
Engagement of coordinator (0.5 FTE)	$45,000	Full project cost
Finalisation of research instrument	$2,000	Being done by Dr Rochford
Admin cost (stationery, printing etc)	$1,000	Stationery, printing etc
First intersectoral workshop	$3,130	Includes: advertisements, venue hire, kai, resources, facilitator, transport and accommodation
Implementation phase (June and July 2004)		
Payment of interviewers	$7,925	Includes: interviews and travel time, mileage, accommodation, incidental costs, preparation and checking time
Training of interviewers	$4,422	Includes: recruitment, training, mileage, kai, trainers fees, transport and accommodation
5 Hui	$5,075	Five Hui - Includes: Venue hire, kai, resources, advertisements
Analysis and result dissemination (August – December 2004)		
External data analysis	$1,000	To be done by SISSAL
Second intersectoral workshop	$3,130	Includes: advertisements, venue hire, kai, resources, facilitator, transport and accommodation
5 Hui	$5,075	Five Hui - Includes: Venue hire, kai, resources, advertisements
Results report	$2,000	Printing
Intervention Planning (early 2005)		
Immediate support for community-based initiatives	$20,000	To be allocated once results are analysed
Total	**$99,757**	

REPORTING

WCDHB expects to report on this project on a quarterly basis outlining progress against deliverables, narrative comment on issues of note or of value to the Ministry or other DHBs and on expenditure.

Noting that we believe this project is planned very much as a pilot that could benefit other DHBs around the country, and provide important strategic leverage to the Whanau Ora reorientation of health services, WCDHB would be pleased to participate in a formative evaluation process of the project in partnership with the Te Kete Hauora.

Author: General Manager Planning & Funding – 25 February 2004

FINANCE REPORT

Financial Overview January 2004

	Actual Month	Budget Month	Variance	Variance	Last Yr Month	Actual YTD	Budget YTD	Variance	Variance	Last Yr YTD	Full Yr Forecast	Full Yr Budget	Full Yr Act Last Yr
REVENUE													
Provider	4,318	4,200	118	2.8%	3,863	29,779	29,531	248	0.8%	22,794	51,014	50,588	47,319
Governance & Administration	84	80	4	5.0%	78	578	562	16	2.8%	498	992	965	966
Funds	2,415	1,735	680	39.2%	876	14,917	12,147	2,770	22.8%	5,211	25,627	20,825	10,999
	6,817	6,014	802	13.3%	4,817	45,274	42,240	3,034	7.2%	28,503	77,633	72,378	59,284
EXPENSES													
Provider													
Personnel	2,622	2,720	98	3.6%	2,544	17,851	18,356	505	2.8%	14,698	30,765	31,250	29,424
Outsourced Services	356	298	(58)	(19.5%)	352	2,252	2,076	(176)	(8.5%)	1,797	3,853	3,559	3,983
Clinical Supplies	421	446	25	5.6%	408	3,301	3,156	(145)	(4.6%)	2,581	5,519	5,408	5,148
Infrastructure	956	980	24	2.4%	882	6,907	6,868	(39)	(0.6%)	5,092	11,849	11,783	10,879
	4,355	4,444	89	2.0%	4,186	30,311	30,456	145	0.5%	24,168	51,986	52,000	49,434
Governance & Administration	120	154	34	22.1%	104	936	1,072	136	12.7%	652	1,655	1,851	1,349
Funds	2,390	1,735	(655)	(37.8%)	786	14,890	12,147	(2,743)	(22.6%)	5,160	25,493	20,825	10,822
	6,865	6,332	(533)	(8.4%)	5,076	46,137	43,675	(2,462)	(5.6%)	29,980	79,134	74,676	61,605
Net Result	(48)	(318)	270	(84.9%)	(259)	(863)	(1,435)	572	(39.9%)	(1,477)	(1,500)	(2,298)	(2,321)

OPERATING RESULTS

The month of January 2004 resulted in a deficit of $48k, which was $270k better than budget ($318k). All areas were better than budget (provider $203k better, governance and administration $42k better and funder arm $25k better than budget).

The year to date January 2004 result ($863k deficit) is $572k better than budget ($1,435k). All areas were better than budget (provider $377k better, governance and administration $168k better and funder arm $28k better than budget).

REVENUE

Revenue for the month was $6,817k. This was $802k (13.3%) above budget of $6,014k.

Provider revenue is up $118k on budget after assuming overproduction (except for capacity contracts) can be offset against underproduction, except where constrained by the mental health ring fence (i.e. that overproduction in other areas can not be offset against underproduction in mental health). The $118k improvement on budget comprises of a $78k reduction in the level of year to date mental health underproduction (relating to the number of mental health inpatients) and increased maternity LMC (lead maternity carer) revenue ($30k).

Funder revenue is up $680k due to adjustments to the funding envelope since budgeting (primarily the devolution of funding responsibility of care of the elderly DSS services).

Year to date (January 2004) revenue is up $3,034k (7.2%) on budget. Provider revenue is $248k higher than budget. Funds revenue is up due to additional contracts (which is matched by increased expenditure).

EXPENSES

Expenses for the month ($6,865k) were $533k higher than budget ($6,332k).

Provider expenses for the month of January 2004 are under budget ($89k).

Personnel costs are below budget ($98k), partially off set by outsourced services (over budget by $58k). Clinical supplies are under budget ($25k) due to reduced surgical throughput over the Christmas and New Year period. Infrastructure costs are below budget ($24k), despite increased depreciation due to the revaluation, which is not reflected in the budget, partially offsetting over runs in infrastructure costs earlier in the year.

Funds expenditure is over budget by $680k due to devolution of funding responsibility for care of the elderly DSS services ($624k). Pharmaceutical costs have been accrued this month using an estimate based on previous costs due to a delay in getting data from Health PAC and SISSAL. It is therefore difficult to determine the extent to which we have benefited from the introduction of all at once (stat) dispensing.

The devolution of care of the elderly DSS services is directly matched by additional funding for this purpose and up-front costs associated with the introduction of all at once (stat) dispensing (as people get their first 3-monthly prescriptions filled) will be offset by future savings.

Year to date (January 2004) expenses ($46,137k) are over budget ($43,675k) by $2,462k, mainly due to the devolution of funding responsibility for care of the elderly DSS services and the implementation of all at once (stat) dispensing.

2003-04 DISTRICT ANNUAL PLAN (DAP)

The Minister of Health has now signed our 2003-04 DAP, agreeing to a planned deficit of $2.078M. This plan differs from the budget figures reported in this report (original budget deficit $2.298M).

The Ministry of Health has provided us with $1.5M of equity in support of our planned $2.078M deficit.

FORECAST

Our year to date result ($572k better than budget) gives optimism that our revised DAP target ($2.078M) will be achieved. It is important to note that our ability to maintain our current performance is dependant on a number of factors, such as our continued ability to obtain medical cover for paediatrics and our ability to access locum cover for other services as needed.

STATEMENT OF FINANCIAL POSITION

Current liabilities remain unconventionally high due to RHMU re-financing our $8.3M RHMU loan and our $2.3M BNZ loan with a short term loan facility ($11.2m), due for renewal in June 2004. This has resulted in net funds employed being well below the expected level.

Overall our Balance Sheet has improved due to the revaluation with our debt to debt plus equity ratio now at 50.8% compared with 90.8% last year but current liabilities remain unacceptably high due to delays in finalising long term funding.

CASHFLOW

The Ministry of Health has issued us with $1.5M of equity in support of our planned deficit ($2.078M). In doing this, they have recalled the $2.078M revenue advance that they had extended to us. Even with this change, cashflow remains adequate for current activities, provided we maintain our current financial performance.

CAPEX

Approved capital expenditure remains in line with budget.

DEBTORS

Debtors remain in control. The increase in the value of our debtors year to date is directly attributable to increased Ministry of Health funding, including the devolution of funding responsibility for care of the elderly DSS services.

AUGUST OTHER OPERATING COSTS

The Board has asked for details as to why other operating costs were over the prior year cost (by $101k) in the month of August.

August Financing costs were up $91k on the previous year (Capital charge up $105k, Interest costs down $14k) and Julys postage and courier costs were included in Augusts result $10k.

Of the $105k increase in capital charge, $78k is due to the 2002-03 revaluation of assets and $27k is due to the timing of equity injections and accumulated losses.

DECEMBER STATEMENT OF CASHFLOWS

The Board asked why the December statement of cash flows showed a negative figure for payments to providers.

The Board report financials are produced straight from the Ministry of Health's monthly reporting template (we are required to report the same figures to the Board as we report to the MoH).

In the template, the statement of cash flows is automatically calculated based on the operating expenditure and movements in assets and liabilities. This is normal accounting practice, however December was not a normal month.

In December we paid $1,510k to providers, but received $3,483k from the MoH which we wouldn't normally receive until January (due to the timing of stat holidays). This increased our creditors (because we had already received a revenue advance from the MoH) which affected the way the

template (and therefore our Board report) calculated the payments to providers in the statement of cashflows (-$1,973k was shown as paid to providers, $3,483k less that the correct figure of $1,510k).

There is a compensating issue in the operating receipts reported in the August statement of cashflows, which should have totalled $12,849k, but were understated due to the timing of the MoH funding (shown as $9,366k in the December Board papers).

INTEREST RATE HEDGING

We have sought and gained approval from the Audit, Risk and Finance subcommittee to engage in interest rate swaps to fix the re-financing rate of up to 50% of our RHMU debt, for a period of five years (as per the in committee resolution passed in the December Board meeting).

Based on this approval, we have undertaken a swap, fixing the refinance rate for $4.3M of our $11.3M RHMU debt at 6.83% per annum for 5 years, effective from 1 July 2004.

Author: Accounting / Finance Manager – 26 February 2004

DHB CONSOLIDATED - STATEMENT OF FINANCIAL PERFORMANCE FOR THE MONTH OF JANUARY 2004

	Actual	Budget	Variance	Variance	Last Yr Act	YTD Actual	YTD Budget	Variance	Variance	Last YTD	Forecast	Full Budget	Last Full Yr
Revenue													
Core MoH Funding	5,940	5,164	775	15.0%	3,984	38,902	36,110	2,792	7.7%	23,870	66,691	61,852	49,993
Other MoH Funding	638	630	8	1.3%	535	4,637	4,577	60	1.3%	2,973	7,970	7,865	5,683
Patient / Consumer Sourced	192	184	8	4.3%	275	1,413	1,304	109	8.4%	1,492	2,419	2,232	3,113
Non Health Related	47	36	11	30.6%	23	323	250	73	29.2%	168	554	429	495
	6,817	6,014	802	13.3%	4,817	45,274	42,240	3,034	7.2%	28,503	77,633	72,378	59,284
Payments to Providers	2,390	1,735	(655)	(37.8%)	786	14,889	12,147	(2,742)	(22.6%)	5,160	25,524	20,825	10,822
Personnel Costs													
Medical Personnel	478	533	55	10.3%	463	3,355	3,717	362	9.7%	2,871	6,111	6,353	5,429
Nursing Personnel	1,159	1,149	(10)	(0.9%)	1,043	7,441	7,510	69	0.9%	5,965	12,631	12,748	12,159
Allied Health Personnel	609	644	35	5.4%	625	4,303	4,403	100	2.3%	3,521	7,323	7,493	7,115
Support Personnel	99	97	(2)	(2.1%)	107	680	672	(8)	(1.2%)	546	1,159	1,145	1,125
Management / Admin	335	380	45	11.8%	364	2,550	2,634	84	3.2%	2,143	4,361	4,505	4,247
	2,680	2,803	123	4.4%	2,602	18,329	18,936	607	3.2%	15,046	31,585	32,244	30,075
Outsourced Services	370	308	(62)	(20.1%)	361	2,347	2,146	(201)	(9.4%)	1,855	4,023	3,681	4,110
Clinical Supplies													
Treatment Disposables	92	90	(2)	(2.2%)	88	601	642	41	6.4%	459	1,031	1,101	1,018
Diagnostic Supplies	14	12	(2)	(16.7%)	17	73	82	9	11.0%	77	126	142	132
Instruments & Equipment	56	85	29	34.1%	64	621	596	(25)	(4.2%)	508	1,062	1,019	1,016
Pt Appliances, Implants, Prostheses	93	76	(17)	(22.4%)	63	749	552	(197)	(35.7%)	469	1,145	945	872
Other Clinical & Client Costs	166	183	17	9.3%	176	1,257	1,284	27	2.1%	1,068	2,155	2,201	2,110
	421	446	25	5.6%	408	3,301	3,156	(145)	(4.6%)	2,581	5,519	5,408	5,148
Infrastructure Costs													
Hotel Services, Laundry & Cleaning	215	213	(2)	(0.9%)	206	1,556	1,491	(65)	(4.4%)	1,301	2,667	2,556	2,611
Facilities	268	246	(22)	(8.9%)	226	1,905	1,725	(180)	(10.4%)	1,235	3,262	2,954	3,083
Transport	75	91	16	17.6%	101	612	644	32	5.0%	506	1,052	1,107	1,088
IT Systems & Communication	90	100	10	10.0%	107	669	700	31	4.4%	577	1,146	1,199	1,132
Democracy	19	30	11	36.7%	16	136	210	74	35.2%	127	234	361	246
Professional Fees & Expenses	33	49	16	32.7%	32	268	345	77	22.3%	213	461	593	488
Other Operating Costs	304	312	8	2.4%	231	2,125	2,175	50	2.3%	1,379	3,662	3,748	2,802
	1,004	1,041	37	3.5%	919	7,271	7,290	19	0.3%	5,338	12,484	12,518	11,450
Expenses Total	6,865	6,332	(533)	(8.4%)	5,076	46,137	43,675	(2,462)	(5.6%)	29,980	79,134	74,676	61,605
Surplus (Deficit)	**(48)**	**(318)**	**(270)**	**84.9%**	**(259)**	**(863)**	**(1,435)**	**(572)**	**39.9%**	**(1,477)**	**(1,500)**	**(2,298)**	**(2,321)**

DHB PROVIDER ARM - STATEMENT OF FINANCIAL PERFORMANCE FOR THE MONTH OF JANUARY 2004

	Actual	Budget	Variance	Variance	Last Yr Act	YTD Actual	YTD Budget	Variance	Variance	Last YTD	Forecast	Full Budget	Last Full Yr
Revenue													
Core MoH Funding	3,559	3,461	98	2.8%	3,032	24,222	24,179	43	0.2%	18,089	41,470	41,397	37,792
Other MoH Funding	527	519	8	1.5%	535	3,858	3,798	60	1.6%	3,056	6,635	6,530	5,938
Patient / Consumer Sourced	192	184	8	4.3%	275	1,413	1,304	109	8.4%	1,492	2,419	2,232	3,113
Non Health Related	40	36	4	11.1%	21	286	250	36	14.4%	157	491	429	476
	4,318	4,200	118	2.8%	3,863	29,779	29,531	248	0.8%	22,794	51,014	50,588	47,319
Personnel Costs													
Medical Personnel	478	533	55	10.3%	463	3,355	3,717	362	9.7%	2,871	6,111	6,353	5,429
Nursing Personnel	1,159	1,149	(10)	(0.9%)	1,043	7,441	7,510	69	0.9%	5,965	12,631	12,748	12,159
Allied Health Personnel	609	644	35	5.4%	625	4,303	4,403	100	2.3%	3,521	7,323	7,493	7,115
Support Personnel	99	97	(2)	(2.1%)	107	680	672	(8)	(1.2%)	546	1,159	1,145	1,125
Management / Admin	277	297	20	6.7%	306	2,072	2,054	(18)	(0.9%)	1,795	3,542	3,511	3,596
	2,622	2,720	98	3.6%	2,544	17,851	18,356	505	2.8%	14,698	30,765	31,250	29,424
Outsourced Services	356	298	(58)	(19.5%)	352	2,252	2,076	(176)	(8.5%)	1,797	3,853	3,559	3,983
Clinical Supplies													
Treatment Disposables	92	90	(2)	(2.2%)	88	601	642	41	6.4%	459	1,031	1,101	1,018
Diagnostic Supplies	14	12	(2)	(16.7%)	17	73	82	9	11.0%	77	126	142	132
Instruments & Equipment	56	85	29	34.1%	64	621	596	(25)	(4.2%)	508	1,062	1,019	1,016
Pt Appliances, Implants, Prostheses	93	76	(17)	(22.4%)	63	749	552	(197)	(35.7%)	469	1,145	945	872
Other Clinical & Client Costs	166	183	17	9.3%	176	1,257	1,284	27	2.1%	1,068	2,155	2,201	2,110
	421	446	25	5.6%	408	3,301	3,156	(145)	(4.6%)	2,581	5,519	5,408	5,148
Infrastructure Costs													
Hotel Services, Laundry & Cleaning	214	212	(2)	(0.9%)	205	1,544	1,484	(60)	(4.0%)	1,297	2,647	2,544	2,598
Facilities	268	246	(22)	(8.9%)	225	1,901	1,724	(177)	(10.3%)	1,233	3,254	2,951	3,080
Transport	73	86	13	15.1%	97	576	609	33	5.4%	466	988	1,045	1,022
IT Systems & Communication	90	99	9	9.1%	107	667	697	30	4.3%	575	1,143	1,194	1,128
Interest	165	165	(0)	(0.3%)	72	1,146	1,146	0	0.0%	547	1,977	1,978	1,100
Professional Fees & Expenses	22	27	5	18.5%	27	153	190	37	19.5%	157	262	325	309
Other Operating Costs	124	145	21	14.5%	149	920	1,018	98	9.6%	817	1,578	1,746	1,642
	956	980	24	2.4%	882	6,907	6,868	(39)	(0.6%)	5,092	11,849	11,783	10,879
Expenses Total	4,355	4,444	89	2.0%	4,186	30,311	30,456	145	0.5%	24,168	51,986	52,000	49,434
Allocated from Governance & Admin	79	75	(4)	(5.3%)	26	541	525	(16)	(3.0%)	154	927	900	381
Surplus (Deficit)	**(116)**	**(319)**	**203**	**(63.6%)**	**(349)**	**(1,073)**	**(1,450)**	**377**	**(26.0%)**	**(1,528)**	**(1,899)**	**(2,312)**	**(2,496)**

DHB GOVERNANCE AND ADMIN - STATEMENT OF FINANCIAL PERFORMANCE FOR THE MONTH OF JANUARY 2004

	Actual	Budget	Variance	Variance	Last Yr Act	YTD Actual	YTD Budget	Variance	Variance	Last YTD	Forecast	Full Budget	Last Full Yr
Revenue	84	80	4	5.0%	78	578	562	16	2.8%	498	992	965	966
Personnel Costs													
Management / Admin	58	83	25	30.1%	58	478	580	102	17.6%	348	849	994	651
Outsourced Services	14	10	(4)	(40.0%)	9	95	70	(25)	(35.7%)	58	166	122	127
Infrastructure Costs													
Transport	2	5	3	60.0%	4	36	35	(1)	(2.9%)	40	64	62	66
IT Systems & Communication	0	1	1	100.0%	0	2	3	1	33.3%	2	3	5	4
Professional Fees & Expenses	11	22	11	50.0%	5	115	155	40	25.8%	56	199	268	179
Other Operating Costs	18	6	(12)	(200.0%)	12	90	46	(44)	(95.7%)	31	168	85	99
Democracy	17	27	10	37.0%	16	120	183	63	34.4%	117	207	315	223
	48	61	422	691.8%	37	363	422	59	14.0%	246	640	735	571
Expenses Total	120	154	34	22.1%	104	936	1,072	136	12.7%	652	1,655	1,851	1,349
Allocated to Provider	(79)	(75)	4	(5.3%)	(26)	(541)	(525)	16	(3.0%)	(154)	(927)	(900)	(381)
Surplus (Deficit)	**43**	**1**	**42**	**4200.0%**	**0**	**183**	**15**	**168**	**1120.0%**	**0**	**169**	**14**	**(2)**

DHB FUNDER ARM - STATEMENT OF FINANCIAL PERFORMANCE FOR THE MONTH OF JANUARY 2004

	Actual	Budget	Variance	Variance	Last Yr Act	YTD Actual	YTD Budget	Variance	Variance	Last YTD	Forecast	Full Budget	Last Full Yr
Personal Health													
Funding Received	4,207	4,127	80	1.9%	2,977	29,612	28,893	719	2.5%	17,614	50,560	49,345	36,997
Provider Payments	(4,236)	(4,127)	(109)	2.6%	(2,887)	(29,747)	(28,893)	(854)	3.0%	(17,563)	(50,746)	(49,345)	(36,822)
	(29)	0	(29)	0.0%	90	(135)	0	(135)	0.0%	51	(186)	0	175
Mental Health													
Funding Received	831	774	58	7.4%	690	5,403	5,415	(12)	(0.2%)	4,106	9,262	9,282	8,270
Provider Payments	(886)	(774)	(113)	14.5%	(690)	(5,376)	(5,415)	39	(0.7%)	(4,106)	(9,262)	(9,282)	(8,270)
	(55)	0	(55)	0.0%	0	27	0	27	0.0%	0	0	0	0
Disability Support													
Funding Received	809	0	809	0.0%	0	3,234	0	3,234	0.0%	0	5,543	0	0
Provider Payments	(707)	0	(707)	0.0%	0	(3,133)	0	(3,133)	0.0%	0	(5,371)	0	0
	102	0	102	0.0%	0	101	0	101	0.0%	0	173	0	0
Funds Management													
Funding Received	84	80	4	4.5%	76	577	563	14	2.5%	457	989	965	919
Interest on Funds Account	7	0	7	0.0%	2	36	0	36	0.0%	11	62	0	17
Allocation to DHB Governance	(84)	(80)	(4)	4.5%	(78)	(577)	(563)	(14)	2.5%	(468)	(989)	(965)	(936)
	7	0	7	0.0%	0	36	0	36	0.0%	0	62	0	0
Surplus (Deficit)	**25**	**0**	**25**	**0.0%**	**90**	**28**	**0**	**28**	**0.0%**	**51**	**49**	**0**	**175**

DHB CONSOLIDATED - STATEMENT OF FINANCIAL POSITION AS AT JANUARY 2004

	Actual	Budget	Variance	Variance	Last Yr Act
Current Assets					
Cash	2,422	(947)	3,369	(355.8%)	1,984
Short term Investments	906	753	153	20.3%	905
Debtors & Prepayments	6,223	5,637	586	10.4%	1,619
Inventory	626	550	76	13.8%	575
Assets for Sale	364	388	(24)	(6.2%)	388
	10,541	6,381	4,160	65.2%	5,471
Non Current Assets					
Land & Buildings	20,774	18,983	1,791	9.4%	13,429
Equipment (incl IT)	5,080	5,854	(774)	(13.2%)	4,573
Vehicles	141	154	(13)	(8.4%)	193
Investments	2	0	2	0.0%	0
	25,997	24,991	1,006	4.0%	18,195
Current Liabilities					
Accounts Payable	7,570	4,293	3,277	76.3%	6,035
Employee Entittlements	3,654	3,205	449	14.0%	2,922
Current Portion of Term Loans	11,547	0	11,547	0.0%	9,438
	22,771	7,498	15,273	203.7%	18,395
Net Funds Employed	**13,767**	**23,874**	**(10,107)**	**(42.3%)**	**5,271**
Term Liabilities					
Employee Entittlements	2,175	1,880	295	15.7%	1,792
Term Loans	215	11,226	(11,011)	(98.1%)	2,287
	2,390	13,106	(10,716)	(81.8%)	4,079
Crown Equity					
Crown Equity	41,130	43,369	(2,239)	(5.2%)	37,569
Retained Earnings	(29,798)	(32,754)	2,956	(9.0%)	(37,030)
Trust Funds	45	153	(108)	(70.6%)	653
	11,377	10,768	609	5.7%	1,192
Net Funds Employed	**13,767**	**23,874**	**(10,107)**	**(42.3%)**	**5,271**

DHB CONSOLIDATED - STATEMENT OF CASHFLOWS FOR THE MONTH OF JANUARY 2004

	Actual	Budget	Variance	Variance	Last Yr Act	YTD Actual	YTD Budget	Variance	Variance	Last YTD
Operating Activities										
Operating Reciepts	459	6,004	(5,545)	(92.4%)	4,653	44,033	42,019	2,015	4.8%	31,453
Payments to Personnel	2,426	2,788	362	13.0%	2,629	17,779	18,831	1,052	5.6%	15,360
Payments to Providers	775	854	79	9.2%	707	7,319	5,925	(1,394)	(23.5%)	4,873
Interest & Capital Charge	1	162	161	99.4%	92	558	1,133	575	50.8%	784
Payments to Suppliers, GST, etc	2,806	2,286	(520)	(22.7%)	897	16,582	15,985	(597)	(3.7%)	7,623
Operating Payments	6,008	6,090	82	1.3%	4,325	42,238	41,875	(363)	(0.9%)	28,640
Net Cashflow from Operating	**(5,549)**	**(86)**	**(5,463)**	**6346.3%**	**328**	**1,795**	**144**	**1,651**	**1143.2%**	**2,813**
Investing Activities										
Sale of Fixed Assets	0	0	0	0.0%	0	1	0	1	0.0%	715
Increase (Decrease) in Investments	0	0	0	0.0%	0	0	0	0	0.0%	900
Purchase of Fixed Assets	64	217	153	70.5%	7	1,053	1,518	465	30.7%	519
Net Cashflow from Investing	**(64)**	**(217)**	**153**	**(70.5%)**	**(7)**	**(1,052)**	**(1,518)**	**466**	**(30.7%)**	**(704)**
Financing Activities										
Financing Reciepts										
Equity Injections	0	0	0	0.0%	0	0	2,300	(2,300)	(100.0%)	0
Loans Raised	(5)	0	(5)	0.0%	0	11,085	(185)	11,270	(6091.9%)	8,866
	(5)	0	(5)	0.0%	0	11,085	2,115	8,970	424.1%	8,866
Financing Payments										
Repaid Debt	0	0	0	0.0%	5	11,226	0	(11,226)	0.0%	9,419
	0	0	0	0.0%	5	11,226	0	(11,226)	0.0%	9,419
Net Cashflow from Financing	**(5)**	**0**	**(5)**	**0.0%**	**(5)**	**(141)**	**2,115**	**(2,256)**	**(106.7%)**	**(553)**
Opening Cash	8,041	(644)	8,685	(1348.6%)	1,668	1,820	(2,344)	4,164	(177.6%)	428
Net Cashflow	(5,618)	(303)	(5,315)	1754.2%	316	602	741	(139)	(18.7%)	1,556
Closing Cash	**2,422**	**(947)**	**3,369**	**(355.8%)**	**1,984**	**2,422**	**(1,603)**	**4,026**	**(251.1%)**	**1,984**

WEST COAST DISTRICT HEALTH BOARD DEBT REGISTER
AS AT JANUARY 2004

Lender's name	**RHMU**	**BNZ**	**Toyota**	**BNZ**
Loan Identified As	Renewal	CT Scanner	Lease	Overdraft
Debt Amount - face value	$11,195,000	$208,853	$185,312	$1,500,000
Instrument type	Term Loan	Amortised Loan	Lease	Overdraft
Fixed / Floating interest rate	Fixed	Fixed	Fixed	Floating
Fixed rate	5.49%	8.64%	Various	
Floating rate base and margin				8.95%
Interest payment frequency	Quarterly	Quarterly	Monthly	Daily
Covenants (Debt to Debt + Equity ratio)	55%	55%		55%
Covenants (Interest Cover EBID)	1.3x	2.5x		3.0x
Next Payment Due				Yes
When	30/6/04	28/2/04	17th of month	any time
How much	$11,195,000	$26,140	$9,607	any amount
Next Rollover / Refinance Due				
When	30/6/04	N/A		
How much	$11,195,000	N/A		
Plan	Refinance RHMU	Pay off over 5 years		

Upcoming Loan Repayments

February 2004	BNZ CT Scanner	$	26,140
June 2004	Term Loan Fixed	$	11,195,000

(Excludes Overdraft and Lease Payments)

Interest Rate Hedging

The West Coast DHB has engaged in a 5 year interest rate swap, effectively fixing the refinancing rate of $4.3M of its RHMU loan at 6.83% per annum for 5 years. This swap comes into effect 1 July 2004.

WEST COAST DISTRICT HEALTH BOARD
CASH FLOW FORECAST AS AT 25 FEBRUARY 2004

Fortnight Ended	07/03/2004	21/03/2004	04/04/2004	18/04/2004	02/05/2004	16/05/2004	30/05/2004	13/06/2004	27/06/2004
Opening Balance	**1,684,814**	**3,384,116**	**1,265,616**	**3,029,589**	**2,659,589**	**(235,911)**	**2,048,062**	**(336,578)**	**1,947,395**
Cash In									
Revenue	4,577,427	890,000	4,777,973	890,000	250,000	4,717,973	950,000	4,717,973	850,000
Loan Funds	-	-	-	-	-	-	-	-	1,700,000
Equity	-	-	-	-	-	-	-	-	-
Asset Sales	-	-	-	-	-	-	-	-	1,000,000
Cash Out									
Payroll Costs	860,000	860,000	1,140,000	860,000	580,000	860,000	860,000	860,000	860,000
Creditors Payments	1,391,985	1,613,500	1,274,000	400,000	1,413,500	1,274,000	1,613,500	1,274,000	1,613,500
GST	300,000	-	300,000	-	300,000	-	300,000	-	-
PAYE / ACC	300,000	300,000	300,000	-	300,000	300,000	300,000	300,000	300,000
Loan & Interest Pmts	26,140	-	-	-	317,000	-	26,140	-	-
Capex	-	235,000	-	-	235,000	-	235,000	-	3,272,500
Closing Balance	**3,384,116**	**1,265,616**	**3,029,589**	**2,659,589**	**(235,911)**	**2,048,062**	**(336,578)**	**1,947,395**	**(548,605)**

Assumptions

$2.08M revenue advance will be repaid in February.
That $1.5M equity was received in February.

WEST COAST DISTRICT HEALTH BOARD
DIRECTORS SCHEDULE

SUMMARY OF EXPENDITURE YEAR TO DATE TO 31 JANUARY 2004
Note: Figures GST Exclusive

	Actual	Budget	Variance	Annual Budget
Directors Fees	98,438	108,500	-10,062	186,000
Directors Expenses				
Travel Expenses	13,855	11,081	2,774	18,996
Other	2,455	12,663	-10,208	21,708
Total	16,310	23,744	-7,434	40,704
Advisory Committee Costs	18,577	60,669	-42,092	104,000
TOTAL EXPENSES	34,887	84,413	-49,526	144,704
WCDHB BOARD OF DIRECTORS FEES & EXPENSES	$133,325	$192,913	($59,588)	$330,704

GLOSSARY OF FINANCIAL TERMS

Assets - Economic resources owned or controlled by the WCDHB, as a result of past transactions, for the entity's future benefit.

Current Assets are those assets that are expected to be converted into cash in the next accounting period, i.e. within the next 12 months.

Non Current Assets are long-term assets that are held for use in the productive process and are not expected to be converted into cash in the next accounting period.

CAPEX (Capital Expenditure) - The Purchase of non-current assets.

Capital Charge – All DHBs are required to pay capital charge in order to recognize the cost of financial resources vested in them by the Crown. Capital Charge is levied at 11% per annum on the DHBs Crown equity balance. Capital charge is equivalent to the value of dividends and capital gains that shareholders would normally require from a private organization.

Debt - An obligation of WCDHB to pay a sum of money within a specified time.

Debt to Debt + Equity Ratio - A measure that indicates the extent to which assets are financed by debt. (Excluding any overdraft balance). (This is consistent with the Bank of New Zealand definition of debt).

Equity (Owners Equity, Shareholders Funds) - A claim against the assets of the WCDHB. Represents a residual claim to all assets not claimed by holders of external liabilities.

FTE - Full Time Equivalent employees

Interest Cover - Shows ability to meet interest expense from Operating Surplus. Calculated as: *Operating surplus before interest, tax & depreciation divided by interest expense.*

Liabilities - An amount owed by WCDHB to non-owners.

Current Liabilities are obligations to pay an amount or perform a service in the next accounting period, i.e. within the next 12 months.

Non-Current Liabilities are those obligations requiring settlement beyond the next accounting period.

Net Funds Employed - The total of Non current Liabilities plus Total Shareholders' Funds.

NHPIDE (Nursing Hours Per Inpatient Day Equivalent) - Nursing Hours is the sum of total hours spent in direct patient care over each shift. Calculated as: *Actual Nurse hours divided by total inpatient bed days.*

Operating Surplus- Surplus attributable to ordinary and continuing operations.

Leave Liability – The total amount of accrued leave benefits owing to employees. Covers Annual, Long Service and Parental leave as well as Retirement Gratuities and Lieu days owing.

DRAFT MINUTES OF ADVISORY COMMITTEES MEETINGS

NOTE: THE DRAFT MINUTES OF THE:

- **HOSPITAL ADVISORY COMMITTEE - HELD 27 JANUARY 2004**

AND THE FOLLOWING MEETINGS – HELD 18 FEBRUARY 2004

- **DISABILITY SERVICES ADVISORY COMMITTEE**
- **COMMUNITY & PUBLIC HEALTH ADVISORY COMMITTEE**
- **MENTAL HEALTH ADVISORY COMMITTEE**

WILL BE SENT UNDER SEPARATE COVER.

KARAKIA

E Te Atua i runga rawa kia tau te rangimarie, te aroha, ki a matou i tenei wa
Manaaki mai, awhina mai, ki te mahitahi matou, i roto, i te wairua o kotahitanga, mo nga tangata e noho ana, i roto i tenei rohe o Te Tai Poutini mai i Karamea tae noa atu ki Awarua.

That which is above all else let your peace and love descend on us at this time so that we may work together in the spirit of oneness on behalf of the people of the West Coast.