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AGENDA

FOR THE WEST COAST DISTRICT HEALTH BOARD MEETING TO BE HELD IN THE BOARD ROOM, CORPORATE OFFICE, GREYMOUTH ON FRIDAY 1ST OCTOBER 2004 COMMENCING 10.00 AM

The meeting will begin with an In Committee section to allow the Board to discuss the 2004/05 District Annual Plan with Dr Karen Poutasi, Director General, Ministry of Health

Karakia

1. Welcome
2. Apologies
3. Standing Orders
4. Disclosures of Interests
6. Minutes of the Meeting held Friday 3 September 2004
7. Matters Arising
8. Board Correspondence
9. Chairman's Report
10. Chairman's Correspondence
11. Chief Executive's Report
12. Finance Report
13. Reports from Board Advisory Committees
14. Board Member Items – Nil
15. Date of next Meeting – Friday 5 November at 9.15 am
16. Information Papers

IN COMMITTEE

- 2004/05 District Annual Plan
- Minutes of the Meeting held Friday 3 September 2004
- Matters Arising
- Contracts
  - ACC
  - Rata Te Awhina Trust
- Capex
- Chief Executive's KPIs

OIA 1982 5.9(2)(i) Commercial
NZPHDA Sch 3 cl 32(a)

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 • Chairman - Institute of Rural Health • Trustee - Goodfellow Foundation
Dr Christine Robertson Deputy Chairman	As self employed person, does 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 Maori Mental Health Worker. This will take effect from 6 September 2004. • Trustee - Board of Coast Care Trust
Mrs Julie Kilkelly	• Member - Pharmaceutical Society • Member - New Zealand 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 • Chairman - Buller Branch of the NZ Labour Party • Member - Grey Power • Chairperson – Buller Branch of NZ Labour Party 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 • Member - New Zealand Institute of Directors
Mr Tamai Sinclair	• 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 • Member - Association of Salaried Medical Staff As a self employed person: • Medical Advisor - St John Ambulance Service
Mr John Vaile	• Director - Vaile Hardware Ltd

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
BDC	Buller District Council
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
CDHB	Canterbury DHB
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
CPHAC	Community & Public Health Advisory Committee
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
DSAC	Disability Services Advisory Committee
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
HAC	Hospital Advisory Committee
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
MHAC	Mental Health Advisory Committee
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
NMDHB	Nelson/Marlborough DHB
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
WCDHB	West Coast DHB
Whanau	Family
Whanau Ora	Health and wellbeing
YTD	Year to Date

DRAFT MINUTES OF THE WEST COAST DISTRICT HEALTH BOARD MEETING

HELD AT THE WHITE STAR RUGBY FOOTBALL CLUB, CNR LYNDHURST & PEEL STREET, WESTPORT ON FRIDAY 3 SEPTEMBER 2004 COMMENCING 10.15 AM

PRESENT	Gregor Coster, Chairman John Vaile Julie Kilkelly Marguerite Moore Robyne Bryant Tamai Sinclair
APOLOGIES	Christine Robertson, Deputy Chairman June Robinson Malcolm Stuart Mohammed Shahadat
IN ATTENDANCE	John Luhrs, Chief Executive Wayne Champion, Chief Financial Manager Gary Coghlan, General Manager Maori Health (for part) Robin Williams, General Manager Primary Services/Director of Nursing (for part) Kevin Hague, General Manager Planning and Funding (for part) Vikki Carter, Community Liaison Officer Alison McDougall, Minute Secretary

Karakia – Tamai Sinclair

1. APOLOGIES, WELCOME

The Chair welcomed everyone to the meeting. Apologies were received from June Robinson, Mohammed Shahadat, Christine Robertson and Malcolm Stuart.

The Chair thanked the White Star Rugby Football Club for the use of the facility.

2. STANDING ORDERS

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

3. DISCLOSURES OF INTERESTS

The following amendments were made to Board Members' disclosures of interest:

John Vaile

- Remove "Member – CCS Westport Branch"

4. MINUTES OF THE PREVIOUS BOARD MEETING HELD 6 AUGUST 2004

Page 11, Item 7.5, third sentence, replace "instructional" with "informative"
Page 11, Item 7.5, last sentence add "discuss" before "initiatives"
Page 18, Item 12, first paragraph, second sentence, add "see" before "the Board".

Moved: Julie Kilkelly, Seconded: Robyne Bryant

It was RESOLVED that the Minutes of the Board meeting held 6 August 2004 were a true and correct record subject to the above amendments.

The General Manager Maori Health joined the meeting at 9:31am

5. MATTERS ARISING

Complete the scoping phase of the impacts of Transport on health report and provide Board members with a paper
The Chief Executive advised that the paper has been prepared in draft and more work is required before it is brought to the Board. This should be completed by November 2004.
Carried over.

Discuss the written advice received from the MoH with Poutama Ora on the Memorandum of Partnership with Papatipu Runanga
The Chief Executive advised the DHB and Poutama Ora are still awaiting feedback from the Ministry of Health.

Meet with Maori Board members to discuss initiatives for pathways of care and report back to the Board
Robyne Bryant advised that the meetings have taken place.
Completed.

Liaise with the Chair, CPHAC and Research and Planning Analyst to write a letter to the Ministry of Health on oral health issues
The Chair, CPHAC advised this item has not been completed and will update the Board during the CPHAC report.

Consider staggering the date of expiry for Advisory Committee members terms
For Board consideration March 2005.

Write to Mr Ron Hibbs to ascertain intentions with regard to membership of MHAC
Robyne Bryant advised this matter has been resolved. MHAC have received a letter of resignation from Mr Hibbs and the Committee has a recommendation for the Board which will be presented during the MHAC report.
Completed.

Investigate a reply to Lawrence Smith's letter to the Board of 22 March 2004
The Chief Executive advised a reply has been sent and is included in Correspondence. Completed.

Arrange a meeting at an appropriate time with clinicians, EMT, Board and HAC members
The Chief Executive advised that the planning process is underway and he will report back at the next meeting.

Write to the Institute of Rural Health to seek information to assist the Board for quantification and administration in the scholarships area and obtain information regarding Australian scholarship programmes for consideration by the Board and Management
The Chairman advised that this item should be actioned by the Chief Executive.

Work with Jim Reid and Pat Farry to develop a proposal regarding undergraduate medical training
The Chairman advised that Dr Pat Farry and Dr John Adams, Dean of the Dunedin School of Medicine are presenting to the meeting this morning.

Seek clarification from the Minister's office on the timing of the appointment process for Board members in order to determine whether a full new Board can meet on the scheduled day of 6 December
The Chairman advised that he has been advised the Minister expects to have all Board appointments finalised by 6 December 2004. The Chairman recommends the meeting currently planned for 3 December be deferred one week so the first meeting of the incoming Board will take place before Christmas. The Board agreed that the December meeting will be held on Friday 10 December.

Moved: Chairman, Seconded: Robyne Bryant

Motion:
THAT the first meeting of the incoming Board be held on Friday 10 December and that the last meeting for the existing Board be held in November.

Motion carried.

6. CORRESPONDENCE

A Board member noted there is a letter from Eugene Bowe included in Correspondence which has not been circulated to Board members. The Chief Executive advised that items of consequence do come to the Board and that there are items, which are not included in Correspondence such as advertising. Board members are copied on all relevant documents and In committee items are available through the Chairman. The Chief Executive advised that Management is reviewing it's processes for circulation of Board Correspondence. The Chairman suggested that in other Boards the Chairman's correspondence is separate to general Board correspondence and he would like to include a Chairman's section in the papers in both the public and In Committee sections. The Board agreed that there would be separate sections for Chairman's correspondence in papers. The Board member requested a copy of the letter from Eugene Bowe be forwarded to him.

Tamai Sinclair requested that following the letter dated 13 August from the PHO Chair, he would like the rural ranking issue on the next Board Agenda. The Chair advised that this

letter relates to the GP rural ranking scale and the Chair of the PHO has requested the Board review the application of the rural ranking scale. The rurality ranking score includes proximity to a base hospital. The Chairman requested Management prepare a paper on the rural ranking scale. The Chairman also requested Management discuss the matter with the Rural GP Network and Floss Caughey or Jim Primrose from the Ministry of Health.

Action: Chief Executive

John Vaile advised that the items listed as Various in August were letters from him to the Chief Executive requesting a copy of the Buller Medical Service financials. The Chief Executive advised he consulted with the Acting Chair at the time and confirmed to Mr Vaile that requests for information are supplied to all Board members at a meeting and not on an individual basis. He advised Mr Vaile that the matter could be raised for discussion at this meeting.

The Chairman noted his concern at the release of the BMS financials before the process with the Grafton Group is completed. The Chief Executive advised that the BMS accounts are confidential and the Grafton Group have been supplied with information on expenditure but not revenue. The Chairman asked Board members for their views on whether the information should be released and the Board discussed the matter. The Board agreed that the information should not be released.

Moved: Chair, Seconded: Tamai Sinclair

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

7. CHAIRMAN'S REPORT

The Chairman advised that he would not table a Chairman's report as he was away for most of the month and has not received any updates from the Acting Chairs.

8. CHIEF EXECUTIVE'S REPORT

The Chief Executive provided an update on the interim result and DAP. The Ministry of Health has provided additional funding for a shortfall in personal health funding for the 02/03 financial year and 03/04 financial year. This funding arrived too late to be used in the 03/04 year and the effect is that the actual performance against budget looks better than expected due to the extra funds.

The General Manager Planning and Funding joined the meeting at 9:59am

8.1 South Island Clinical Forum

The Chief Executive advised that the SI Clinical Forum held in Christchurch was attended by a number of WCDHB staff. A number of items were progressed and CDHB has now assigned a Project Manager for collaboration. There are several good opportunities in areas of collaboration. A number of working groups are due to report back to SISSAL at the end of the year and it is expected Cardiology and Oncology will lead the way. Collaboration will also assist with recruitment and at a Ministry level. Senior Ministry staff (Dr Karen Poutasi and Gordon Davies) were in attendance at the forum and took on board messages from South Island DHBs.

Moved: Robyne Bryant, Seconded: Julie Kilkelly

It was RESOLVED to accept the Chief Executive's Report

9. FINANCE REPORT

The Chief Financial Manager advised that the main feature of the report is the annual result after absorbing the $300,000 impact of the new Holidays Act. Bulk of the change relates to personal health revenue as discussed in the Chief Executive's report.

There has been a $90,000 reduction in the DSS risk pool which is a liability to be paid back to the Ministry of Health. The main reason for the surplus is that revenue is up due to the devolution of funder contracts. Some of these have not been renegotiated for the next financial year. There have also been recruitment delays with respect to medical staff which leads to a reduction of staffing costs.

A Board member queried the section on Revenue on page 29 referring to underproduction and the areas affected. The Chief Financial Manager advised he would collect this information for the next meeting. The Board member queried the section on the Financial Position on page 31 in relation to the RHMU and the short term nature of the loan. The Chief Executive advised that the RHMU has a requirement to lend on commercial terms so until the DAP is signed off they will lend on a three month roll over with market interest rates of around 11%. RHMU has just indicated it will renew the loan for another three months. In the event the DAP is signed of by the end of September RHMU will renew the loan to July next year. A Board member queried what the extra interest has cost the Board. The Chief Financial Manager advised he would provide the information at the next meeting.

A Board member requested a national comparison on RHMU loans to DHBs to get an idea of how exposed DHBs are in terms of these loans. The Chief Executive advised he would discuss the matter with the CFA. The information will not be Board specific but will provide comment for the sector. A Board member noted that the Board used to received DHB performance reports and queried if it were possible to have them regularly. The Chief Executive advised that he has received a summary report and will circulate it to the Board.

A Board member queried the figures relating to Outsourced Services on page 34 being a 16% variance. The Chief Executive advised that this is probably due to a budget phasing issue and over the year it should come into line.

A Board member queried the figures relating to Employee Entitlements on page 35. The Chief Financial Manager advised that this takes in all entitlements and annual leave balances and is not phased with the timing of payroll. The Board member queried the figures on Current Portion of Term Loans and the Chief Financial Manager advised that these figures relate to some five year finance leases on vehicles that expire this year and a five year loan for a CT scanner purchased four and a half years ago.

Moved: Tamai Sinclair, Seconded: John Vaile

It was RESOLVED to accept the Finance Report.

10. AMENDMENTS TO LOCAL ELECTORAL LEGISLATION - EARLY PROCESSING

The Chief Executive advised that there has been an amendment to local government legislation allowing the early processing of voting documents. The Ministry of Health has

requested that DHBs pass a resolution to ensure the result of the election is available as soon as possible after the close of voting.

Moved: Marguerite Moore, Seconded: Julie Kilkelly

Motion:
THAT the returned voting documents be processed during the voting period in accordance with section 79 of the Local Electoral Act 2001, the Local Electoral Regulations 2001 and the Society of Local Government Managers Code of Best Practice.

Motion carried.

11. REPORTS FROM ADVISORY COMMITTEES

11.1 Hospital Advisory Committee

The Chief Executive advised that the Chair, HAC is out of the country and has not approved the draft minutes, however, there was a HAC report at the last meeting. The Chairman, WCDHB requested the minutes of the HAC meeting be circulated to Board members as soon as they are available and be included in the next set of Board papers.

11.2 Mental Health Advisory Committee

The Acting Chair, MHAC advised that MHAC recommends that the Board fills the two vacancies left by Shona McLeod and Ron Hibbs. The Board agreed the vacancies should be filled and the Chair, MHAC will commence the process.

11.3 Disability Services Advisory Committee

The Chair, DSAC advised that the minutes of the last DSAC meeting have been altered after the Chair had approved them. The Chief Executive advised there were several lines changed after external legal advice was sought as the words were potentially defamatory, referring to an individual staff member and were the opinion of an individual, not the organisation. The Chief Executive suggested the matter should be handled outside the meeting. The Chair, DSAC expressed his concern that Management did not discuss the changes with him. The Chief Executive advised that he did consult with the Acting Chair, WCDHB in the initial stages but did not discuss the matter with the Chair, DSAC. The Chief Executive advised he is happy to discuss the issue outside the meeting and he acted in the best interest of the organisation. The Chief Executive and Chair, DSAC will meeting to discuss the matter.

The Chair, DSAC advised there are no recommendations to the Board, however the interview process for the DSAC vacancy has taken place. Sharon Ransom has declined the invitation to join DSAC and the Committee is looking at a further appointment.

A Board member noted a section of the DSAC minutes on the lack of personal advocacy services on the West Coast. The Board member agrees with this is and queried whether the Board should considering doing something strategically to improve the situation. The Chair, DSAC advised that it is an issue of funding and the position would have to be provided on a voluntary basis. The Chairman, WCDHB suggested the Board write to the South Island Advocacy Service and ask them to reconsider the provision of advocacy services on the West Coast and look at ways of addressing the issue. The Chief Executive will draft a letter on behalf of the Board.

Action: Chief Executive

The Chair, DSAC advised the Board that the Committee feels the Board is not delegating enough to the Committee. The Committee is of the opinion that the Terms of Reference are too narrow and as they were put in place by the interim Board they should be reconsidered. The Board discussed Terms of Reference for Advisory Committees. The Chairman, WCDHB suggested that DSAC should continue working on the ICCP and look at advocacy issues and residential care in relation to cost comparisons with private providers. The Committee and the Board need to work together to further opportunities.

Dr Pat Farry, Dr John Adams and the
General Manager Primary Services/Director of Nursing
joined the meeting at 10:56am

11.4 Community and Public Health Advisory Committee

11.4.1 Recommendations to the Board

Incongruencies with "Special Areas" and "New" Over 65s Funding
Discussion occurred in relation to this issue including the lack of feedback from the Ministry despite the DHB's efforts to highlight this problem. It was noted that the General Manager Planning and Funding is preparing a report to be presented to the Ministry recommending a way forward for smoothing special areas into the mainstream system however in the interim, CPHAC makes the following recommendation.

Moved: Julie Kilkelly, Seconded: Marguerite Moore

Motion:
THAT the West Coast District Health Board Chairman raise with the Minister of Health the inability to deliver on the benefits for those over 65 in special areas, as outlined in the Prime Minister's personal letter to them, and address ways of removing this anomaly.

Motion carried.

The Chairman, WCDHB requested the Chief Executive draft a letter on to the Ministry of Health on this issue.

Action: Chief Executive

Scholarships
CPHAC members were updated on discussions at the last WCDHB meeting regarding potential scholarships for West Coast students entering key health professions. A CPHAC member advised that he had developed a paper and gathered information in relation to providing scholarships on the West Coast a few years ago which was given to the General Manager Operations. The information was based on scholarship programmes operating in Australia. The idea of setting up a scholarship trust was discussed with the WCDHB being one of the contributors.

Moved: Julie Kilkelly, Seconded: Robyne Bryant

Motion:
THAT the West Coast District Health Board instruct the Chief Executive to further the concept of developing scholarships for West Coast students entering key health professions and, in particular, the concept of a regional trust to administer scholarships.

Motion carried.

11.4.2 Reporting Back on Board Referred Items

Rural GP Training Programme
Still to be presented at EMT meeting for aid with development of a steering group.

Oral Health Initiatives
DHB innovations are progressing well. The letter to the Ministry lobbying for extra funding for oral health promotion and education had not yet been written at the time of the meeting.

Child and Youth Health Strategy
The first meeting of the steering group has been held. A work plan was presented and was well supported.

Primary Healthcare Plan
The draft Plan should be completed within a couple of months and will then go out for discussion/consultation.

11.4.3 Other Key Issues/Items of Interest

Information was presented from the first of the WCPHO reports as a first step in developing a monitoring and strategic service planning process for CPHAC to be involved in. It was decided that the WCPHO would be extended an open invitation to attend CPHAC meetings in the future as much of the discussion involved the PHO.

There was significant discussion around diabetes and the local diabetes team is to be invited to the next meeting.

There was a break from 11:03am to 11:10am

12. RURAL UNDERGRADUATE TRAINING

The Chairman welcomed Dr John Adams and Dr Pat Farry. A presentation followed on the Dunedin School of Medicine Rural Undergraduate Training Programme.

The programme is an Otago University programme for rural students. The Ministry of Health has provided funding for 20 extra placements to both Auckland and Otago Universities. The students chosen had rural backgrounds. Due to the increase in the number of students there is a need to look for more rural placements. There is a need for a generalist programme and rural health provides this as it traverses primary, secondary and tertiary care including emergency situations which are often dealt with by GPs. Combined with rural General Practice and primary secondary care the program runs for around 12 weeks.

The Chief Executive queried the broad financial cost the DHB would face. Dr John Adams advised that the cost estimate for each site is around $50,000 to $60,000 per year which

includes payment for teachers, GPs and a co-ordinator and travel and accommodation costs for students. These costs are paid by the University to those DHBs taking students.

The General Manager Maori Health queried if the programme has any links with the North Island in terms of Maori participation. Dr Pat Farry advised there is a GP in the North Island who has a particular interest in Maori health. There have been around three students who have elected to go to the North Island for the programme. A Board member queried the effect of stability of GPs on the programme. Dr Farry advised that student placement in rural areas improves recruitment and retention for tutors. This is a problem around the Coast but the programme focuses on rural health not just hospitals and it is envisaged that students would spend time at the nurse clinics in South Westland and at pharmacies. The teaching does not have to take place in Greymouth and the teaching centres must have rural ranking.

A Board member queried IT costs for the programme. Dr Farry advised that broadband or wireless would be required which is probably still too expensive. The Chief Financial Manager advised that most West Coast locations don't have access to broadband but the Ministry of Education is looking to provide broadband access for schools next year and the DHB is looking to move with that. Dr Farry advised that students would need internet access in major centres only.

The Chair suggested that the matter be delegated to CPHAC who may wish to organise a sub-committee including members of CPHAC, HAC, Management and other providers and report back to the Board.

The General Manager Planning and Funding queried the timeframe for an agreement to be reached. Dr Adams advised that the end of October is preferred. The General Manager Planning and Funding suggested that the Advisory Committee timetable may not provide enough time to meet the deadline. The Chair, CPHAC suggested that the sub-committee could meet via teleconference if necessary. Dr Adams advised that the formal agreements are with the teachers and with hospital providers and there is a clinical access fee paid to hospital sites and would be necessary to work towards establishing an agreement with these parties. The Chair, CPHAC advised that to meet the deadline the sub-committee would need to report to the Board meeting in October. The Chairman advised he is comfortable for CPHAC to progress the matter with Management and the Board can sign off on the proposal at a later date.

Moved: Chairman, Seconded: Julie Kilkelly

Motion:
THAT the West Coast District Health Board resolves to progress discussions with the Dunedin School of Medicine with a view to establishing the West Coast as a rural teaching site and delegates to the Community and Public Health Advisory Committee in conjunction with Management the ability to reach any necessary agreements.

Motion carried.

The Chairman thanked Dr Farry and Dr Adams for their presentation and advised the Board looks forward to progressing the programme. Dr Farry and Dr Adams thanked the Board for the opportunity to present.

Dr Pat Farry and Dr John Adams left the meeting at 12:02pm

There was a break from 12:02pm to 12:35pm

13. MENINGOCOCCAL B VACCINATION STRATEGY

Moved: Robyne Bryant, Seconded: Chairman

Motion:
THAT the West Coast District Health Board approves the Meningococcal B Vaccination Strategy contract.

Motion carried.

14. NURSING REVIEW UPDATE

The Chief Executive advised that the review was conducted by Mary Gordon, CDHB DON, who at one stage worked for WCDHB. From a financial perspective the changes from the review are relatively cost neutral and the recommendations are contained in an Executive Summary which will be available to the Board after the management of change process has taken place. Staff will receive full copies of the review after this process. At the moment nursing staff tend to be attached to wards and the review looks to spread staff between wards and appropriate allocation of resources. There were quite a number of recommendations and those will come through to the Board when the Executive Summary is provided. Management will begin the management of change process from next week.

The General Manager Primary Services/Director of Nursing advised the outcome of the review leads to career pathways for nursing and allows nurses to move to more senior roles. The review is focussing on senior management services. There will be no significant change to people's jobs but there is enhancement and those holding the Clinical Nurse Leader title can focus more on clinical roles. The Chief Executive advised that it will take a couple of months to move through the management of change process as there will be some positions disestablished and the recruitment process for new positions will need to be completed. There could be some positions in the implementation of the review where some positions are declared surplus. There is staff buy-in to the main principles of the review and Management is working with Unions and staff.

15. DEMENTIA UNIT UPDATE

The Chief Executive advised that the first stage is consolidation of Seaview. Management has been through a comprehensive process with Unions and staff and are now at a position where Management will be talking to individual staff members and within the next month or so as Seaview is consolidated from two villas to one. The next step will be to move from the Seaview site. Planning and funding are currently conducting an RFP process and there has been an expression of interest from an NGO. This will be reported to the Board when the RFP process is completed in another three weeks time.

16. GP PRACTICE OWNERSHIP

Julie Kilkelly advised that there was an indication that there may be other parties interested in DHB owned practices. The Chief Executive advised that with a significant process underway with the Grafton Group it would be best to wait until that is finalised.

The General Manager Planning and Funding left the meeting at 1:00pm

The Chief Executive advised that with regard to Grey Medical, Management has canvassed the interest of the GP sector as a whole in relation to the establishment of a new health facility and there was varying interest. The Chair requested the Chief Executive prepare a paper for the November meeting noting a range of options for the Board and the Board can then express a view as to what should happen in principle in relation to practice ownership.

Action: Chief Executive

Julie Kilkelly suggested that it appears through media coverage that the DHB may not be as responsible as an employer of GPs. The Chief Executive advised that as a DHB there are policies and procedures that are required as an employer that smaller independently owned practices do not have. As an organisation with over 1,000 staff there are some practices that are not shared by individually owned businesses.

17. OPHTHALMOLOGY UPDATE

Julie Kilkelly advised that she has been approached by a few of people who receive service from the Christchurch ophthalmology provider. These people have received letters saying that the Christchurch provider is no longer coming to the West Coast. The Chief Executive noted his thanks to the Christchurch ophthalmologist for the service that has been provided in the past. CDHB now has too few people in it's Ophthalmology department to be able to provide services outside Canterbury. The General Manager Operations has arranged clinics through a Nelson provider and Christchurch will still be available for tertiary referral. With the Nelson provider there may well be more opportunity to provide outpatient clinics in Buller as well as Greymouth.

18. 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 Friday 3 September 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 Meeting held Friday 6 August 2004 and matters arising**
- **Crown Financing Agency Loan Renewal**
- **Risk Register**

Moved: Chairman, Seconded: Julie Kilkelly

It was RESOLVED to move into In Committee at 1:08pm

19. MOVING OUT OF IN COMMITTEE

Moved: Julie Kilkelly, Seconded: Marguerite Moore

It was RESOLVED to move out of In Committee at 2:44pm

20. NEXT MEETING

Friday 1 October 2004, 10:00am, Boardroom, Corporate Office, Greymouth. The Chairman suggested that as Karen Poutasi from the Ministry of Health will be attending the meeting, the Board should start with an In Committee section to discuss the DAP.

There being no further business the meeting concluded at 2:46pm

MATTERS ARISING FROM THE WEST COAST DHB BOARD MEETINGS

Item No.	Board Meeting Date	Action Item	Action Responsibility	Reporting Status	Agenda Item Ref
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	Originally due April 2004 – now due November 2004	Completed
5	5 March 2004	Discuss the written advice received from the MoH with Poutama Ora on the Memorandum of Partnership with Papatipu Runanga.	Chief Executive	Completed but awaiting feedback from MoH	
10.3.1	2 July 2004	Liaise with the Chair, CPHAC and Research and Planning Analyst to write a letter to the Ministry of Health on oral health issues.	Chief Executive, General Manager Planning and Funding	Originally due August 2004 – now due October 2004	
11	2 July 2004	Consider staggering the date of expiry for Advisory Committee members terms.	For Board consideration	March 2005	
10.2.2	6 August 2004	Arrange a meeting at an appropriate time with clinicians, EMT, Board and HAC members.	Chief Executive	ASAP	
13	6 August 2004	Write to the Institute of Rural Health to seek information to assist the Board for quantification and administration in the scholarships area and obtain information regarding Australian scholarship programmes for consideration by the Board and Management.	Chief Executive	Originally due September 2004 – now due October 2004	
14	6 August 2004	Work with Jim Reid and Pat Farry to develop a proposal regarding undergraduate medical training.	Chief Executive	Originally due September 2004 – now due October 2004	
6	3 September 2004	Prepare a paper on the rural ranking scale and discuss the matter with the Rural GP Network and Floss Caughey or Jim Primrose from the Ministry of Health.	Chief Executive	October 2004	

Item No.	Board Meeting Date	Action Item	Action Responsibility	Reporting Status	Agenda Item Ref
11.3	3 September 2004	Write to the South Island Advocacy Service asking them to reconsider the provision of advocacy services on the West Coast and look at ways of addressing the issue.	Chief Executive	October 2004	
11.4.1	3 September 2004	Write a letter to the Minister of Health on the inability to deliver on the benefits for those over 65 in special areas, as outlined in the Prime Minister's personal letter to them, and address ways of removing this anomaly.	Chief Executive	October 2004	
16.	3 September 2004	Prepare a paper noting a range of options for the Board in relation to GP practice ownership.	Chief Executive	November 2004	

CHAIRMAN'S REPORT

The Chairman will give a written update at the West Coast District Health Board meeting on Friday 1 October 2004.

CHIEF EXECUTIVE'S REPORT

RECRUITMENT / VACANCIES FOR AUGUST/SEPTEMBER 2004

POSITION	STATUS
Senior Medical Staff	
General Surgeon	The Interview Committee have interviewed two potential candidates. A letter of offer has been accepted by one candidate for a 6 month period from October 2004 with a view to extend to permanent by mutual agreement. This person commences 4th October 2004. The second candidate has had MCNZ registration clearance and is expected to commence October 2004. Locum cover supporting permanent surgeon through until the end of September 2004.
Anaesthetist	Actively recruiting
Physicians	The permanent Physician commences 1st November 2004 which brings our Physicians to full complement (3 FTEs).
Orthopaedic surgeon	The Interview Committee have interviewed a potential candidate. Processing relevant documentation.
O&G	A letter of offer has been sent to a potential candidate for a 2 year term with view to permanent. This candidate is awaiting MCNZ registration. This candidate has accepted. There is also one other candidate that has been sent a letter of offer for a one year term who has verbally accepted.
GPs Buller	One GP is due to start 15 October 2004 until 31 March 2005. Two locum GPs have indicated that they may extend their locum period until the end of June 2005. An interview is in progress for another potential candidate.
GP Dobson	Locum cover. Actively recruiting.
GP South Westland	Long term locum cover in place to mid

POSITION	STATUS
	December. Actively recruiting.
GP Grey Medical Centre	A letter of offer has been sent to a potential candidate for a 1 year term with view to permanent. Interviews in progress for a further two potential candidates.
Nursing Staff	
RNs Barclay	Position advertised – one position filled
ENs Buller	Interviews in progress
Part-time RN Reefton	Position advertised
RN Morice	Position advertised
Temporary Rural Nurse South Westland	Interviews in progress
Nurse Manager x 2	Positions advertised
Mental Health	
A&D Counsellor CMH	Interviews in progress
RN Seaview	Interviews in progress
Registered Nurse MHS IPU	Open
CAMHS Psychiatrist	Interviews in progress
CAMHS Health Workers x 2	Interviews in progress
Other	
HR Manager	External HR agency to search for potential candidates.
Part-time Data Entry Dobson Practice	Interviews in progress
Surgical Registrar	Position advertised
Part-time Ward Assistance – Barclay	Position advertised

2003/04 ANNUAL ACCOUNTS

To date there have been no further changes to the unaudited 2003-04 interim result. It is anticipated that the accounts will be finalised and approved by the Audit Risk and Finance Committee in consultation with the Board prior to the October Board meeting.

2004 / 05 DISTRICT ANNUAL PLAN

Management is still engaged in discussions with the Ministry of Health to progress sign-off of the 2004/05 DAP.

PRISM PROJECT

IT equipment required for the PrISM Project has arrived and a Project Co-ordinator has been appointed. The specially built server is up and running with trials showing it is working and on track to be ready for use in a pilot site in November. The project is dependant on broadband services but with access on the West Coast continuing to improve this should not be a major obstacle.

BULLER GPS

The Acting Chief Executive visited Westport to meet with Buller Medical Service GPs to discuss future collaboration between the GPs and the Buller Hospital. This meeting was extremely positive and many ideas were canvassed.

CEO EXTERNAL MEETINGS

John Luhrs, CEO

- Mental Health Commission – Greymouth
- Crown Financing Agency – Greymouth
- Southlink Health – Greymouth

Ebel Kremer, Acting CEO

- Disability Awareness Day – Greymouth
- SISSAL Chairs and CEOs Meeting – Teleconference
- Grafton Group – Westport

Author: Acting Chief Executive – 21 September 2004

WHAKATĀTAKA PROJECT: PATHWAYS OF CARE AND BEST PRACTICE

The Māori Health Directorate of the Ministry of Health (MOH) recently undertook a project to review pathways of care for Māori patients that are being practiced by District Health Boards (DHBs). Brian Emery & Associates were contracted by the MOH to review 'Pathways of Care' within DHBs and he visited the West Coast on the 12 May 2004. The project objectives were stated as:

1. Action 3.2.2: In DHBs, to review pathways of care which improve access to effective services for Māori and improve outcomes for Māori including reductions in avoidable mortality, morbidity and hospital admissions.
2. Action 3.3.1: To review existing 'Best Practice Guidelines' for clinical and cultural competence.

Given the workload of DHBs, the approach considered by the Māori Health Directorate to assess 'Pathways of Care' was to talk to DHBs to identify what they are doing with the aim of sharing these practices among DHBs which were deemed to be beneficial to Māori health.

KEY FINDINGS

With respect to reviewing Best Practice Guidelines it was found that there was good progress occurring in all DHBs. For example:

- All DHBs are at various stages of implementing Tikanga Best Practice Guidelines;

- There has been excellent collaboration between DHBs and the development of Tikanga Best Practice to date and this should be encouraged;
- The audit tool 'He Ritenga' recently published by the MOH in partnership with Bay of Plenty and Lakes DHB would be of assistance to health and disability services wanting to implement similar pathways;

With respect to DHB reviewing pathways of care that improve access to effective services and improve outcomes for Māori, it was found that there are positive activities being generated within all DHBs that have the potential to reduce inequalities if they were applied nationally.

1. The intention is to circulate these clinical pathways identified, for example:
    - Women's and Midwifery Services
    - Medical, Surgical and Child
    - Mental Health
    - Primary Health Organisations
    - Audits of Treaty Responsiveness
    - Assessment, Treatment and Rehabilitation
    - Public Health
    - Older People
2. Six DHBs were identified as having developed 'sound' processes for working with whānau , Māori communities, community, primary, referred and hospital service providers;
3. At the time of the review there was very little evidence to show the existence of ongoing cycles of reviews of pathways of care to improve access by Māori to effective services;
4. Targets for reducing avoidable mortalities, morbidities and hospital admissions could be more meaningful;
5. Outcome measured need to be redefined to be more accurate for the DHBs to improve Māori health gains.

THE WAY FORWARD

The report proposes a number of recommendations for health and disability services so that they may take leadership in bringing together services from which best practice pathways can be accelerated and grown. A common whānau ora focus will require developing firstly across health services and later to link with other sectors.

The next step in this project will be to return to those DHBs, health service staff, and organisations that participated in the interviews, present back to them the discussion findings and recommendations and seek their agreement to publish and share the pathways and practices that aim to achieve whānau ora and reduce inequalities.

MĀORI HEALTH WORKFORCE CONSULTATION HUI

On the 8 September 2004 a consultation hui was held in the Lecture Theatre at Grey Base Hospital. This was one of a series of Māori health workforce development hui held throughout the South Island region in early September. The purpose of these hui is to gather feedback from the various DHBs to contribute to the development of a Māori health workforce plan for the South Island (Te Waipounamu). The main focus was to "Grow the Māori workforce across all occupations to improve Māori health" and to "Improve the entire workforce's capabilities in delivering services to Māori".

The facilitator's of this hui were Liz McElhinney, Chief Executive Officer of Poumanawa Oranga in Blenheim and Kris McDonald from Hauora dot com, who is also the GM Māori Health at Auckland DHB. Poumanawa Oranga have been contracted by South Island DHB Māori Managers to develop the plan in collaboration with the South Island DHBs.

Key issues that were identified included the need for a managed approach to workforce development, in particular working with schools, polytechnic's and the educational sector in general to create opportunities for local initiatives. The use of new technologies will also help in terms of providing training opportunities and there was some very interesting feedback regarding the creation of opportunities for second chance learners.

Hui participants included West Coast DHB staff (Māori and non-Māori), staff from the Māori Health Provider based on the West Coast, as well as workers from the wider Māori community. There was approximately 30 people in attendance we were also informed that the WCDHB had the highest number of course participants of any of the South Island DHBs.

Author: General Manager Maori Health – 16 September 2004

FINANCE REPORT

Financial Overview August 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	4,254	4,334	(80)	(1.9%)	4,259	8,435	8,670	(234)	(2.7%)	8,418	51,519	52,019	52,013
Governance & Administration	86	84	2	2.4%	81	189	168	21	12.5%	162	1,008	1,008	997
Funds & Internal Eliminations	2,460	2,139	321	15.0%	1,748	4,971	4,278	693	16.2%	3,509	25,669	25,669	25,209
	6,800	6,557	243	3.7%	6,088	13,595	13,116	479	3.7%	12,089	78,196	78,696	78,219
EXPENSES													
Provider													
Personnel	2,571	2,700	129	4.8%	2,582	5,138	5,398	260	4.8%	5,112	32,713	32,713	31,158
Outsourced Services	410	365	(45)	(12.3%)	320	824	730	(94)	(12.9%)	644	4,323	4,323	3,858
Clinical Supplies	421	503	82	16.3%	483	935	1,003	68	6.8%	914	5,888	5,888	5,447
Infrastructure	997	1,000	3	0.3%	1,034	1,999	1,998	(1)	(0.1%)	2,026	12,010	12,010	11,965
	4,399	4,568	169	3.7%	4,419	8,896	9,129	233	2.6%	8,696	54,934	54,934	52,428
Governance & Administration	143	176	33	18.7%	133	298	350	52	14.8%	261	2,094	2,094	1,731
Funds & Internal Eliminations	2,189	2,053	(136)	(6.6%)	1,764	4,497	4,106	(391)	(9.5%)	3,501	24,636	24,636	24,498
	6,731	6,797	66	1.0%	6,316	13,691	13,585	(106)	(0.8%)	12,458	81,664	81,664	78,657
Net Result	69	(239)	308	(128.8%)	(228)	(96)	(469)	373	(79.5%)	(369)	(3,468)	(2,968)	(438)

OPERATING RESULTS

The monthly result for August 2004 is a surplus of $69k, which is $308k better than budget ($239k). The provider deficit of $223k is $89k better than budget ($312k). The governance and administration surplus of $21k is $35k better than budget ($14k deficit). The funder arm surplus of $271k is $185k better than budget ($86k).

The year to date (August) result is a deficit of $96k, which is $373k better than budget ($469k). The year to date provider deficit of $617k matches budget ($616k). Other areas are better than budget (governance and administration $73k and funder arm $302k).

It should be noted that a correction has been made to July's funder revenue (reducing year to date revenue by $208k) as an adjustment to our 2003-04 interim annual result was missed from the accruals for July's result. This correction is reflected in the year to date figures in this report.

REVENUE

Revenue for the month was $6,671k. This was $114k (1.7%) above budget of $6,557k. Provider revenue $4254k is down $80k on budget ($4334k), mainly due to wash-up liability to the funder arm for underproduction against contracted volumes of $146k[1].

[1] We have **not** assumed that overproduction will be offset against underproduction except for where a specific trade-off has been agreed between the funder and provider.

Funder revenue $6,178k is up $175k on budget ($6,003k) due to adjustments to the funding envelope since the budget was set (March 2004), including the devolution of funding responsibility for Med Lab South, He Oranga Ponamu and the correction of an error relating to the level of funding that the DHB receives (from the Ministry) for personal health funding.

Year to date (August) revenue $13,595k is up $479k on budget ($13,116k).

Year to date provider revenue $8,435k is down $234k on budget ($8,670k), mainly due to wash-up liability to the funder arm for underproduction against contracted volumes of $389k[1]. Areas with significant underproduction include orthopaedic, gynaecological and paediatric surgery and paediatric and general medicine (all relating to difficulties attracting and retaining medical specialists) and intellectual disability services (relating to patient numbers at Seaview). One area of notable overproduction is general surgery, where we have made use of available theatre capacity brought about by the shortage of specialist staff in other surgical disciplines. Accident and emergency and some community nursing items are also over target year to date.

This overproduction ($168K total, including $80k for general surgery alone) has not been recognised in our accounts as we have not changed the mix of services purchased by the funder arm. (If recruitment efforts are successful) we instead hope to reduce general surgery throughput later in the year in favour of other disciplines, so as to still achieve our planned volume and mix of outputs for the year.

Year to date funder revenue $12,329k is up $323k on budget ($12,006k) due to adjustments to the funding envelope since the budget was set (March 2004), including the devolution of funding responsibility for Med Lab South, He Oranga Ponamu and the correction of an error relating to the level of funding that the DHB receives (from the Ministry) for personal health funding.

EXPENSES

Expenses for the month of August 2004 ($6,731k) were $66k lower than budget ($6,797k).

Provider expenses for the month under budget by $169k.

- Personnel costs are under budget ($129k). Medical costs are down on budget ($129k) due to difficulty in attracting and retaining key medical staff. Nursing costs are over budget due to delays in exiting Huia Villa at Seaview. At the time that the budget was set (March), it was assumed that we would exit in June 2004.
- Outsourced services are above budget ($45k) as we have engaged locum RMOs due to an inability to recruit directly (this partially offsets our variance on medical staff).
- Treatment disposables are under budget due to declining patient numbers at Seaview.
- Diagnostic Supplies, Instruments and Equipment and Patient Appliances are all significantly under budget due to our reduced volumes.
- Other Clinical and Client Costs are up on budget due to the cost of transferring acute patients to other centres for treatment.
- Facilities costs are over budget ($12k) due to increased usage of heating (coal and electricity) over winter.
- Interest costs are over budget due to capital charge payments on our equity balance, which is significantly higher than budget due to our favourable 2003-04 financial result.

Funder arm expenditure is slightly down against budget for the month. In reality, funder arm expenditure has increased, due to the devolution of contracts with Medlab South and He Oranga Ponamu (these increases are matched by increased revenue), however, these increases have been offset by the credit for the wash-up liability owed back to the funder arm by the provider for underproduction against contracted volumes.

Year to date (August 2004) expenses ($13,691k) were $106k over budget ($13,585k).

Year to date provider expenses are under budget by $233k.
The reasons for this match the reasons outlined for the monthly result;

- Personnel costs are under budget ($260k). Due to the due to difficulty in attracting and retaining key medical staff offset by the effect on Nursing costs of delays in exiting Huia Villa at Seaview. Outsourced services are above budget ($94k) as we have engaged locum RMOs.
- Treatment Disposables are under budget due to declining patient numbers at Seaview.
- Diagnostic Supplies, Instruments and Equipment and Patient Appliances are all significantly under budget due to our reduced volumes. At the same time, Other Clinical and Client Costs are up on budget due to the cost of transferring acute patients to other centres for treatment.
- Facilities costs are over budget ($31k) due to increased usage of heating (coal and electricity) over winter.

Year to date funder arm expenditure is slightly up against budget. The reasons for this match the reasons outlined for the monthly result, ie: increased expenditure relating to contracts devolved after the budget has largely been offset by the credit for the wash-up liability owed back to the funder arm by the provider.

BUDGET

It should be noted that the budget in this report is indicative only. The West Coast DHB is in the process of finalising its 2004/05 District Annual Plan (DAP) with the Ministry of Health. Our budget will be revised when our DAP is finalised.

FORECAST

We are forecasting that our 2004-05 result will be worse than budget due to reduced surgical throughput during the time taken to recruit a replacement orthopaedic surgeon. The extent of this deterioration in financial performance will depend on the mixture of patients presenting for surgery, our ability to attract locum staff and the time taken to secure the services of a permanent surgeon.

2004-05 DISTRICT ANNUAL PLAN (DAP)

The West Coast DHB is working with officials from the Ministry of Health in order to finalise its 2004-05 DAP.

CHANGES TO THE 2003-04 FINAL RESULT

(At the time of writing) there have been no further changes to our 2003-04 interim result (still subject to audit). It is hoped that our accounts will have been finalised before the October Board meeting.

Our interim result for the 2003-04 is a deficit of $438k, $1,640k better than the budgeted deficit ($2078k).

STATEMENT OF FINANCIAL POSITION

Current liabilities remain unconventionally high due to RHMU financing for $11.2m being of a short-term nature. The short-term rollovers of this loan reflect uncertainty about our DAP approval status (and therefore uncertainty about our ability to obtain deficit funding).

Current employee liabilities are also high because we have accrued for redundancy costs relating to the closure of Huia Villa at Seaview (in our 2003-04 accounts) and because other reductions in employee liabilities related to the closure (payment of accrued annual leave, etc) have not occurred at the time originally anticipated when our budget was put together.

Overall our Balance Sheet has improved significantly, with our debt to debt plus equity ratio now at 45.2%, compared with 50.0% this time last year. This improvement reflects our favourable 2003-04 financial result.

CASHFLOW

Cashflow remains adequate for current activities in the short term, however uncertainty about the approval of our 2004-05 DAP equates to uncertainty about our ability to access deficit support for the 2004-05 financial year.

Due to this uncertainty, the West Coast DHB is seeking a letter of comfort from the Ministers of Health and Finance in order to satisfy the assumption that it is a going concern for annual accounts and audit purposes.

CAPEX

Approved capital expenditure for the 2004-05 financial year ($300k) is slightly behind budget ($433k).

DEBTORS

Debtors remain in control. The increase in the value of our debtors year to date is directly attributable to increased funding.

PROVIDER UNDERPRODUCTION FOR JULY

In the September Board meeting, it was requested that I provide a breakdown of the areas of provider arm underproduction against contracted volumes of our July accounts. ($243k at that stage).

Areas with significant underproduction in July included gynaecological and paediatric surgery and paediatric and general medicine (all relating to difficulties attracting and retaining medical specialists) and intellectual disability services (relating to patient numbers at Seaview).

Areas of notable overproduction included orthopaedic surgery, where we boosted volumes in order to ‘get ahead’ before our resigning surgeon left, and general surgery, where we have made use of available theatre capacity brought about by the shortage of gynaecological specialist staff.

This overproduction ($192k total, including $143k for orthopaedic and general surgery) was not recognised in our July accounts as we have not changed the mix of services purchased by the funder arm. Instead, it is hoped that we will successfully fill current vacancies in time to still achieve our planned volume and mix of outputs for the year.

CFA / RHMU SHORT TERM LOAN ROLLOVERS

In the September Board meeting, it was requested that I provide additional details of how the short term loan rollovers affect the West Coast DHB and how we compare to other DHBs in this respect.

The Crown Financing Agency (CFA) division of the Residual Health Management Unit (RHMU) act as government owned bankers for the public health sector and so are the lenders of debt financing for DHBs. In this role, they are required to lend on commercial grounds (those that might be expected from a normal commercial bank), which includes assessing the borrowers ability to meet ongoing loan payments.

Because our DAP has not been approved by the Ministry of Health, the CFA is uncertain about whether or not the Ministry of Health will fund our budgeted deficit and so are unsure about our ability to meet our ongoing loan payments.

As a result, they are not able to lend to us on a long term basis. I have been informed by the CFA that only one other DHB falls into this situation. All other DHBs have the ability to chose their own renewal period, which may be for any term up to 5 years.

When renewing our $11.2M loan in June 2004, we signalled our intention to renew it for a 5 year term. The interest rate changed by the CFA is based on the government bond interest rate (plus a small margin to cover their administrative costs). Long term interest rates are generally higher than short term interest rates. On the one hand, locking in a long term interest rate would mean that we aren't exposed to increasing interest rates. On the other hand, locking in a long term interest rate would mean that we don't gain if interest rates fall.

The matter is further complicated by the fact that DHBs can engage in derivative trading in order to protect themselves from rising interest rates, even when faced with short term loan renewals. The West Coast DHB has engaged in interest rate swaps in order to effectively fix the refinancing rate of $4.3M of our CFA loan for a period of 5 years, commencing 1 July 2004.

The effective interest rate provided by our swap is actually slightly lower than the 5 year rate that the CFA would have given us for the same period, as predicted 5 year interest rates for June were lower at the time that the swap was negotiated (Feb 2004) than the actual June interest rates.

So, the short term interest rate that we're paying is lower than the long term interest rate that we wanted to pay and the West Coast DHB has managed to fix $4.3M of its debt for a 5 year term at a rate that is marginally lower than that which the CFA would have offered. Does that mean that we're better off?

No, Short term renewals expose us to interest rate risk (the risk that renewal rates will be higher than current rates) on $6.9M of debt. At the time of writing, our September renewal rate hasn't been set (as it is set by the market rates for government bonds on the day of the renewal), however interest rates have risen over the last 3 months.
A 1% increase in interest rates will cost us $69k per annum.

The need to negotiate and gain approval for short term rollovers and interest rate hedges (such as our interest rate swap) also have costs in terms of management time and effort.

$2.5K ITEM - DIRECTORS EXPENSES OTHER - JULY

In the September Board meeting, it was requested that I provide a breakdown of a $2K variance in "Directors Expenses – Other" on page 39 of the September Board papers.

This item related to the cost of an infrastructure audit which was incorrectly coded to the directors cost centre in our accounting system.

Author: Chief Financial Manager – 16 September 2004

DHB CONSOLIDATED - STATEMENT OF FINANCIAL PERFORMANCE FOR THE MONTH OF AUGUST 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	6,134	5,981	153	2.6%	5,244	12,243	11,963	280	2.3%	10,390	71,277	71,777	69,867
Other MoH Funding	386	351	35	9.9%	605	788	703	85	12.0%	1,198	4,222	4,222	5,278
Patient / Consumer Sourced	225	191	34	17.9%	194	437	382	55	14.5%	410	2,290	2,290	2,504
Non Health Related	55	34	21	62.2%	45	127	68	59	87.2%	91	407	407	570
	6,800	6,557	243	3.7%	6,088	13,595	13,116	479	3.7%	12,089	78,196	78,696	78,219
Payments to Providers	2,189	2,053	(136)	(6.6%)	1,764	4,497	4,106	(391)	(9.5%)	3,500	24,636	24,636	24,497
Personnel Costs													
Medical Personnel	421	550	129	23.5%	523	856	1,101	245	22.3%	1,009	6,656	6,656	6,041
Nursing Personnel	1,080	1,047	(33)	(3.2%)	1,034	2,165	2,093	(72)	(3.4%)	2,077	12,775	12,775	12,979
Allied Health Personnel	647	686	39	5.7%	628	1,296	1,371	75	5.5%	1,229	8,238	8,238	7,379
Support Personnel	96	102	6	5.9%	97	195	204	9	4.4%	197	1,225	1,225	1,184
Management / Admin	403	408	5	1.2%	368	789	815	26	3.2%	733	4,934	4,934	4,491
	2,647	2,793	146	5.2%	2,650	5,301	5,584	283	5.1%	5,245	33,828	33,828	32,074
Outsourced Services	424	378	(46)	(12.2%)	332	852	755	(97)	(12.8%)	667	4,472	4,472	4,019
Clinical Supplies													
Treatment Disposables	80	95	15	15.8%	74	178	190	12	6.3%	154	1,120	1,120	1,015
Diagnostic Supplies	3	11	8	72.7%	9	13	21	8	38.1%	20	125	125	153
Instruments & Equipment	61	104	43	41.3%	97	155	208	53	25.5%	196	1,187	1,187	1,017
Pt Appliances, Implants, Prostheses	66	106	40	37.7%	139	183	211	28	13.3%	207	1,090	1,240	1,170
Other Clinical & Client Costs	211	187	(24)	(12.8%)	164	406	373	(33)	(8.8%)	337	2,366	2,216	2,092
	421	503	82	16.3%	483	935	1,003	68	6.8%	914	5,888	5,888	5,447
Infrastructure Costs													
Hotel Services, Laundry & Cleaning	220	225	5	2.4%	219	451	451	(0)	(0.1%)	444	2,694	2,694	2,630
Facilities	253	242	(12)	(4.8%)	285	514	483	(31)	(6.4%)	573	2,893	2,893	3,274
Transport	97	95	(2)	(1.9%)	89	184	190	6	3.4%	179	1,171	1,171	1,109
IT Systems & Communication	91	102	11	11.1%	92	188	204	16	7.8%	187	1,222	1,222	1,148
Democracy	33	32	(1)	(2.5%)	15	50	64	14	22.4%	36	393	393	239
Professional Fees & Expenses	20	50	30	60.2%	41	65	100	35	34.7%	85	600	600	464
Other Operating Costs	336	323	(13)	(4.1%)	346	654	645	(9)	(1.4%)	628	3,868	3,868	3,756
	1,050	1,070	20	1.9%	1,087	2,106	2,137	31	1.4%	2,132	12,840	12,840	12,620
Expenses Total	6,731	6,797	66	1.0%	6,316	13,691	13,585	(106)	(0.8%)	12,458	81,664	81,664	78,657
Surplus (Deficit)	**69**	**(239)**	**(308)**	**128.8%**	**(228)**	**(96)**	**(469)**	**(373)**	**79.5%**	**(369)**	**(3,468)**	**(2,968)**	**(438)**

DHB PROVIDER ARM - STATEMENT OF FINANCIAL PERFORMANCE FOR THE MONTH OF AUGUST 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	3,721	3,877	(156)	(4.0%)	3,529	7,367	7,755	(388)	(5.0%)	6,950	46,027	46,527	45,077
Other MoH Funding	268	234	34	14.7%	494	535	468	67	14.3%	975	2,811	2,811	3,943
Patient / Consumer Sourced	225	191	34	17.9%	194	437	382	55	14.5%	410	2,290	2,290	2,504
Non Health Related	40	33	7	22.8%	42	96	65	31	47.3%	83	391	391	489
	4,254	4,334	(80)	(1.9%)	4,259	8,435	8,670	(234)	(2.7%)	8,418	51,519	52,019	52,013
Personnel Costs													
Medical Personnel	421	550	129	23.5%	523	856	1,101	245	22.3%	1,009	6,656	6,656	6,041
Nursing Personnel	1,080	1,047	(33)	(3.2%)	1,034	2,165	2,093	(72)	(3.4%)	2,077	12,775	12,775	12,979
Allied Health Personnel	647	686	39	5.7%	628	1,296	1,371	75	5.5%	1,229	8,238	8,238	7,379
Support Personnel	96	102	6	5.9%	97	195	204	9	4.4%	197	1,225	1,225	1,184
Management / Admin	327	315	(12)	(3.8%)	300	626	629	3	0.5%	600	3,819	3,819	3,575
	2,571	2,700	129	4.8%	2,582	5,138	5,398	260	4.8%	5,112	32,713	32,713	31,158
Outsourced Services	410	365	(45)	(12.3%)	320	824	730	(94)	(12.9%)	644	4,323	4,323	3,858
Clinical Supplies													
Treatment Disposables	80	95	15	15.8%	74	178	190	12	6.3%	154	1,120	1,120	1,015
Diagnostic Supplies	3	11	8	72.7%	9	13	21	8	38.1%	20	125	125	153
Instruments & Equipment	61	104	43	41.3%	97	155	208	53	25.5%	196	1,187	1,187	1,017
Pt Appliances, Implants, Prostheses	66	106	40	37.7%	139	183	211	28	13.3%	207	1,090	1,240	1,170
Other Clinical & Client Costs	211	187	(24)	(12.8%)	164	406	373	(33)	(8.8%)	337	2,366	2,216	2,092
	421	503	82	16.3%	483	935	1,003	68	6.8%	914	5,888	5,888	5,447
Infrastructure Costs													
Hotel Services, Laundry & Cleaning	219	224	5	2.2%	218	449	448	(1)	(0.2%)	443	2,678	2,678	2,615
Facilities	253	241	(12)	(5.0%)	284	513	482	(31)	(6.4%)	572	2,887	2,887	3,271
Transport	90	89	(1)	(1.1%)	85	172	178	6	3.4%	168	1,096	1,096	1,021
IT Systems & Communication	91	102	11	10.8%	91	188	203	15	7.4%	186	1,217	1,217	1,144
Interest	194	183	(11)	(6.0%)	187	383	365	(18)	(4.9%)	355	2,188	2,188	2,002
Professional Fees & Expenses	18	29	11	37.9%	18	41	58	17	29.3%	38	354	354	244
Other Operating Costs	132	132	0	0.0%	151	253	264	11	4.2%	264	1,590	1,590	1,668
	997	1,000	3	0.3%	1,034	1,999	1,998	(1)	(0.1%)	2,026	12,010	12,010	11,965
Expenses Total	4,399	4,568	169	3.7%	4,419	8,896	9,129	233	2.6%	8,696	54,934	54,934	52,428
Allocated from Governance & Admin	78	78	0	0.0%	75	156	156	0	0.0%	150	936	936	936
Surplus (Deficit)	**(223)**	**(312)**	**89**	**(28.5%)**	**(235)**	**(617)**	**(616)**	**(1)**	**0.2%**	**(428)**	**(4,351)**	**(3,851)**	**(1,351)**

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

	Actual	Budget	Variance	Variance	Last Yr Act	YTD Actual	YTD Budget	Variance	Variance	Last YTD	Forecast	Full Budget	Last Full Yr
Revenue	86	84	2	2.4%	81	189	168	21	12.5%	162	1,008	1,008	997
Personnel Costs													
Management / Admin	76	93	17	18.3%	68	163	186	23	12.4%	133	1,115	1,115	916
Outsourced Services	14	13	(1)	(7.7%)	12	28	25	(3)	(12.0%)	23	149	149	161
Infrastructure Costs	0												
Transport	7	6	(1)	(12.9%)	4	12	12	0	3.2%	11	75	75	88
IT Systems & Communication	0	0	0	100.0%	1	0	1	1	100.0%	1	5	5	4
Professional Fees & Expenses	2	21	19	90.6%	23	24	42	18	42.3%	47	246	246	220
Other Operating Costs	13	13	(0)	(2.4%)	11	25	25	0	1.6%	16	154	154	126
Democracy	31	29	(2)	(6.2%)	14	46	58	12	21.2%	30	350	350	216
	53	70	17	24.1%	53	107	139	32	22.8%	105	830	830	654
Expenses Total	143	176	33	18.7%	133	298	350	52	14.8%	261	2,094	2,094	1,731
Allocated to Provider	(78)	(78)	0	0.0%	(75)	(156)	(156)	0	0.0%	(150)	(936)	(936)	(936)
Surplus (Deficit)	**21**	**(14)**	**35**	**(252.2%)**	**23**	**47**	**(26)**	**73**	**(283.6%)**	**51**	**(150)**	**(150)**	**202**

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

	Actual	Budget	Variance	Variance	Last Yr Act	YTD Actual	YTD Budget	Variance	Variance	Last YTD	Forecast	Full Budget	YTD Actual
Personal Health													
Funding Received	4,462	4,291	171	4.0%	4,306	8,876	8,582	294	3.4%	8,516	51,491	51,491	52,590
Provider Payments	(4,240)	(4,238)	(2)	0.1%	(4,261)	(8,527)	(8,475)	(52)	0.6%	(8,513)	(50,850)	(50,850)	(52,043)
	222	53	169	315.9%	45	349	107	242	226.9%	3	641	641	547
Mental Health													
Funding Received	795	794	1	0.1%	774	1,590	1,589	1	0.1%	1,548	9,532	9,532	9,268
Provider Payments	(795)	(799)	4	(0.5%)	(838)	(1,588)	(1,598)	10	(0.6%)	(1,549)	(9,588)	(9,588)	(9,259)
	0	(5)	5	(100.0%)	(64)	2	(9)	11	(121.6%)	(1)	(57)	(56)	9
Disability Support													
Funding Received	820	835	(15)	(1.8%)	0	1,660	1,670	(10)	(0.6%)	0	10,018	10,018	7,277
Provider Payments	(786)	(798)	12	(1.4%)	0	(1,568)	(1,595)	27	(1.7%)	0	(9,570)	(9,570)	(7,202)
	34	37	(3)	(8.9%)	0	92	75	17	23.2%	0	449	448	75
Funds Management													
Funding Received	86	83	3	4.0%	81	172	165	7	4.0%	161	992	992	997
Interest on Funds Account	15	0	15	0.0%	3	31	0	31	0.0%	7	0	0	81
Allocation to DHB Governance	(86)	(83)	(3)	4.0%	(81)	(172)	(165)	(7)	4.0%	(161)	(992)	(992)	(997)
	15	0	15	0.0%	3	31	0	31	0.0%	7	0	0	81
Totals													
Total Funds Revenue	6,178	6,003	175	2.9%	5,164	12,329	12,006	323	2.7%	10,232	72,033	72,033	70,213
Total Funds Expenditure	(5,907)	(5,917)	10	(0.2%)	(5,180)	(11,855)	(11,833)	(22)	0.2%	(10,223)	(71,000)	(71,000)	(69,501)
Surplus (Deficit)	**271**	**86**	**185**	**214.8%**	**(16)**	**474**	**172**	**302**	**175.3%**	**9**	**1,032**	**1,033**	**712**

DHB CONSOLIDATED - STATEMENT OF FINANCIAL POSITION AS AT AUGUST 2004

	Actual	Budget	Variance	Variance	Last Yr Act
Current Assets					
Cash	3,607	1,183	2,424	205.0%	1,005
Short term Investments	2,256	1,250	1,006	80.5%	906
Debtors & Prepayments	6,749	7,186	(437)	(6.1%)	5,759
Inventory	588	650	(62)	(9.5%)	613
Assets for Sale	364	364	0	0.0%	364
	13,564	10,633	2,931	27.6%	8,647
Non Current Assets					
Land & Buildings	20,013	20,138	(125)	(0.6%)	21,209
Equipment (incl IT)	5,066	5,570	(504)	(9.0%)	4,966
Vehicles	139	122	17	13.9%	144
Investments	2	0	2	0.0%	2
	25,220	25,830	(610)	(2.4%)	26,321
Current Liabilities					
Accounts Payable	7,439	6,511	928	14.2%	5,758
Employee Entittlements	4,012	3,265	748	22.9%	3,431
Current Portion of Term Loans	11,370	157	11,213	7142.0%	11,652
	22,821	9,933	12,888	129.8%	20,841
Net Funds Employed	**15,963**	**26,530**	**(10,567)**	**(39.8%)**	**14,127**
Term Liabilities					
Employee Entittlements	2,173	2,255	(82)	(3.6%)	2,041
Other Term Liabilities	6	11,195	(11,189)	(99.9%)	215
	2,179	13,450	(11,271)	(83.8%)	2,256
Crown Equity					
Crown Equity	43,208	45,069	(1,861)	(4.1%)	41,130
Retained Earnings	(29,469)	(32,034)	2,565	(8.0%)	(29,304)
Trust Funds	45	45	0	0.0%	45
	13,784	13,080	704	5.4%	11,871
Net Funds Employed	**15,963**	**26,530**	**(10,567)**	**(39.8%)**	**14,127**

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

	Actual	Budget	Variance	Variance	Last Yr Act	YTD Actual	YTD Budget	Variance	Variance	Last YTD
Operating Activities										
Operating Receipts	6,671	6,557	114	1.7%	5,380	13,477	13,116	361	2.8%	76,276
Payments to Personnel	2,641	2,789	148	5.3%	2,478	5,105	5,576	471	8.4%	31,364
Payments to Providers	1,012	1,157	145	12.5%	358	1,696	2,313	617	26.7%	12,879
Interest & Capital Charge	117	181	64	35.4%	39	1,011	361	(650)	(180.1%)	1,104
Payments to Suppliers, GST, etc	2,010	2,443	433	17.7%	2,180	5,810	4,879	(931)	(19.1%)	27,314
Operating Payments	5,780	6,569	789	12.0%	5,055	13,622	13,129	(493)	(3.8%)	72,661
Net Cashflow from Operating	**891**	**(12)**	**903**	**(7445.1%)**	**325**	**(145)**	**(13)**	**(132)**	**993.4%**	**3,615**
Investing Activities										
Sale of Fixed Assets	0	0	0	0.0%	0	0	0	0	0.0%	(26)
Increase (Decrease) in Investments	0	0	0	0.0%	0	1,000	0	(1,000)	0.0%	350
Purchase of Fixed Assets	62	219	157	71.7%	165	226	440	214	48.6%	1,632
Net Cashflow from Investing	**(62)**	**(219)**	**157**	**(71.7%)**	**(165)**	**(1,226)**	**(440)**	**(786)**	**178.8%**	**(2,008)**
Financing Activities										
Financing Receipts										
Equity Injections	0	2,000	(2,000)	(100.0%)	0	0	2,000	(2,000)	(100.0%)	2,078
Loans Raised	0	(26)	26	(100.0%)	0	0	(52)	52	(100.0%)	11,195
	0	1,974	(1,974)	(100.0%)	0	0	1,948	(1,948)	(100.0%)	13,273
Financing Payments										
Repaid Debt	30	0	(30)	0.0%	31	34	0	(34)	0.0%	11,688
	30	0	(30)	0.0%	31	34	0	(34)	0.0%	11,688
Net Cashflow from Financing	**(30)**	**1,974**	**(2,004)**	**(101.5%)**	**(31)**	**(34)**	**1,948**	**(1,982)**	**(101.7%)**	**1,585**
Opening Cash	2,808	(560)	3,368	(601.5%)	875	5,012	(313)	5,325	(1703.8%)	1,820
Net Cashflow	799	1,743	(944)	(54.1%)	129	(1,405)	1,495	(2,900)	(194.0%)	3,192
Closing Cash	**3,607**	**1,183**	**2,424**	**205.0%**	**1,005**	**3,607**	**1,183**	**2,424**	**205.0%**	**5,012**

WEST COAST DISTRICT HEALTH BOARD DEBT REGISTER
AS AT AUGUST 2004

Lender's name	**RHMU**	**BNZ**	**Toyota**	**BNZ**
Loan Identified As	Renewal	CT Scanner	Lease	Overdraft
Debt Amount - face value	$11,195,000	$104,562	$100,724	$1,500,000
Instrument type	Term Loan	Amortised Loan	Lease	Overdraft
Fixed / Floating interest rate	Fixed	Fixed	Fixed	Floating
Fixed rate	6.15%	8.64%	Various	
Floating rate base and margin				BKBM+0.225%
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	30/9/04	28/11/04	17th of month	any time
How much	$11,195,000	$26,140	$3,834	any amount
Next Rollover / Refinance Due				
When	30/9/04	N/A		
How much	$11,195,000	N/A		
Plan	Refinance RHMU 3 month roll over	Pay off over 5 years		

Upcoming Loan Repayments

September 2004	Term Loan Fixed	$	11,195,000
November 2004	BNZ CT Scanner	$	26,140

(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 6.78% per annum for 5 years commencing 1 July 2004.
This swap is effectively "in the money" as it has locked in a fixed 5 year rate which is cheaper than the 5 year rate that would have been offered by RHMU.

WEST COAST DISTRICT HEALTH BOARD
CASH FLOW FORECAST AS AT 17 SEPTEMBER 2004

Fortnight Ended	21/09/2004	05/10/2004	19/10/2004	02/11/2004	16/11/2004	30/11/2004	14/12/2004	28/12/2004	11/01/2005	25/01/2005
Opening Balance	**3,483,299**	**1,298,051**	**3,339,296**	**2,760,284**	**(231,610)**	**2,259,349**	**(437,708)**	**2,298,038**	**1,425,228**	**3,159,495**
Cash In										
Revenue	1,058,335	4,188,246	700,987	649,747	4,150,959	798,443	4,395,746	2,622,690	4,000,408	813,845
Loan Funds	-	-	-	-	-	-	-	-	-	-
Equity	-	-	-	-	-	1,000,000	-	-	-	-
Asset Sales	-	-	-	-	-	-	-	-	-	-
Cash Out										
Payroll Costs	859,786	860,000	880,000	1,180,000	860,000	860,000	860,000	860,000	1,440,000	860,000
Creditors Payments	1,848,797	500,000	400,000	1,413,500	500,000	1,613,500	500,000	1,613,500	500,000	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	300,000
Loan & Interest Pmts	-	-	-	26,140	-	-	-	-	26,140	-
Capex	235,000	187,000	-	422,000	-	1,422,000	-	422,000	-	422,000
Closing Balance	**1,298,051**	**3,339,296**	**2,760,284**	**(231,610)**	**2,259,349**	**(437,708)**	**2,298,038**	**1,425,228**	**3,159,495**	**777,841**

Assumptions

That the $11.195M CFA loan will be renewed in September
That $1M of deficit support will be received in November

WEST COAST DISTRICT HEALTH BOARD
DIRECTORS SCHEDULE

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

	Actual	Budget	Variance	Annual Budget
Directors Fees	28,125	31,000	(2,875)	186,000
Directors Expenses				
Travel Expenses	2,377	6,666	(4,289)	39,996
Other	1,981	832	1,149	4,992
Total	4,358	7,498	(3,140)	44,988
Advisory Committee Costs	5,970	10,334	(4,364)	62,004
Election Costs	10,000	6,666	3,334	39,996
TOTAL EXPENSES	20,328	24,498	(4,170)	146,988
WCDHB BOARD OF DIRECTORS FEES & EXPENSES	$48,453	$55,498	($7,045)	$332,988

Financial Performance Indicators for August 2004				
		Month Actual	Month Budget	Month Last Yr
Net result after tax	$000	69	-239	-228
Net Result/Net Funds Employed % (Annualised)	%	5.2	-10.8	-19.3
Earnings* /Net Funds Employed % (Annualised)	%	36.2	7.5	1.1
Revenue/Net Funds Employed (Annualised)	times	5.1	3.0	5.2
Debt** /Debt + Equity (BNZ definition)	%	64.5	64.1	66.1
Debt*** /Debt + Equity (CFA definition)	%	45.2	46.5	50.0
Revenue/Fixed Assets (Annualised)	times	3.2	3.0	2.8
Interest cover	times	7.8	2.3	2.8

* Earnings = operating surplus/(deficit) before interest, capital charge, tax and depreciation.
** Debt exclusive of Overdraft - Bank of New Zealand definition of Debt / Debt + Equity
*** Arranged Debt inclusive of Overdraft - Crown Funding Agency definition of Debt / Debt + Equity

NOTES

1 Net result as a percentage of Net Funds Employed-
Provides a projected annual return on Long Term Funding based on current months performance.

2 Earning / Net Funds Employed-
Provides a projected annual return, from normal operations, as a percentage of Long Term Funding, based on current months performance.

3 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).

4 Interest Cover-
Shows ability to meet interest expense from Operating Surplus. Calculated as: operating surplus before interest, capital charge and depreciation divided by interest expense.

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.

Author: Chief Financial Manager – 20 September 2004

WEST COAST DISTRICT HEALTH BOARD ADVISORY COMMITTEE MEETINGS

DRAFT MINUTES OF THE HOSPITAL ADVISORY COMMITTEE MEETING

HELD FRIDAY 6 AUGUST 2004 AT 8.00 AM IN THE BOARDROOM, CORPORATE OFFICE, GREYMOUTH

PRESENT: Christine Robertson, Chair
Gregor Coster, WCDHB Chairman
Tamai Sinclair, WCDHB member
Barbara Beckford
Margaret Moir
Richard Wallace

IN ATTENDANCE: John Luhrs, Chief Executive
Ebel Kremer, General Manager Operations
Wayne Champion, Chief Financial Manager
Robin Williams, General Manager Primary Services/Director of Nursing
Hecta Williams, General Manager Mental Health Services
Gary Coghlan, General Manager Maori Health
Bianca Kramer, PA to GM Planning & Funding/GM Mental Health

Alison McDougall, Minute Secretary

APOLOGIES: Kathryn Cannan
June Robinson

Karakia by Richard Wallace

1. WELCOME, APOLOGIES & AGENDA

The Chair welcomed everyone to the meeting. Apologies were received from Kathryn Cannan and June Robinson.

Moved: Margaret Moir, Seconded: Barbara Beckford

It was RESOLVED to accept the apologies.

2. DISCLOSURES OF ADVISORY COMMITTEE MEMBERS' INTERESTS

There were no changes to the Disclosures of Interest

The General Manager Primary Services/Director of Nursing joined the meeting at 8:05am

3. MINUTES OF THE LAST MEETING

- Page 20, last paragraph, replace "Official Information request Act" with "Official Information Act request".

Moved: Tamai Sinclair, Seconded: Barbara Beckford

It was RESOLVED that subject to the above changes the Minutes of the Hospital Advisory Committee Meeting held 4 June 2004, were a true and correct record of the meeting.

4. MATTERS ARISING / ACTION & RESPONSIBILITY LIST

Provide figures to HAC on stat dispensing outcomes, at three monthly and six monthly intervals including supply outage and a selection of appropriate clinical indicators
The General Manager Operations advised that figures were included in the last HAC papers. There were some difficulties obtaining the information and the General Manager Operations would find it useful to get a better understanding of what information the Committee is seeking. The Chair advised that most of the implications are going to be on community pharmacies and therefore out of HAC's role. The idea is to give the Committee a feel for any effect stat dispensing may have on the provider arm. The Committee is happy to give the General Manager Operations discretion in reporting trends as they develop, e.g. financial implications in reduced supply of available drugs

Progress report or snapshot picture of the accident or incident issues classified under quality
Included in papers.
Completed.

Provide a summary of auditor's feedback in relation to Health and Disability Standards accreditation and actions being taken to address any issues so identified
Included in papers.
Completed.

Report on the effect the new Holidays Act will have on the budget
Included in papers.
Completed.

Prepare a preliminary report on the implications for Hospital and Associated services arising from the Disability Strategic Action Plan
Included in papers.
Completed.

Provide a written report on progress of the relocation of Seaview
Included in papers.
Completed.

Investigate schemes available for credentialling of GPs and report back on options
This item will be covered later in the meeting as per the Credentialling agenda item.
Completed.

Feedback from the Board following the meetings between the Chairs and CEOs of WCDHB and SCDHB
The Chair advised that a report will go to the Board first and will then be reported to HAC at the October meeting. The Chief Executive gave a brief verbal report. The Chair,

WCDHB, Chief Executive, General Manager Operations and Chief Financial Manager met with SCDHB's Chair, Chief Executive and relevant senior staff in early July. It was a very productive meeting and a good opportunity to see another DHB not only from a governance but management point of view. SCDHB's services are all provided from the one Timaru site. The visit has increased collaboration with SCDHB and was mutually beneficial. The Chair, WCDHB advised that the meeting was very productive and he was impressed with how SCDHB have achieved efficiencies in the hospital. SCDHB describe their approach as minimalist, making use of facilities without building and careful management of nursing resource.

5. CORRESPONDENCE

No correspondence was received or sent.

6. STRATEGIC GOVERNANCE MATTERS

6.1 Impact of the role of the GP Liaison Officer on hospital and associated services

Committee members agreed they would like written feedback on this matter. The Chair requested information on any outcomes and outputs of the position identified at the beginning, what the expectations of role were when it was set up and whether these expectations are being met. This item is to be placed on the agenda for the October meeting.

Tony Daly and Christine Mander joined the meeting at 8:20am

7. PRESENTATION BY TONY DALY, SOUTH ISLAND ADVOCACY SERVICE

The Chair introduced Tony Daly and Christine Mander to the Committee. Tony thanked HAC for the opportunity to attend the meeting and advised that Christine Mander is currently the advocate for the West Coast following the retirement of Lionel Hume. Tony asked Committee members if there were any particular issues they would like discussed. The Chair requested general information on how the West Coast compares with the rest of the South Island and if WCDHB is doing things better in terms of making people aware of the service and anything WCDHB could do doing better. A Committee member requested information on whether there will be any additional services coming. The Chair, WCDHB requested information on how patients contact the service.

Tony Daly tabled information for the Committee which has been prepared by Ron Patterson showing the number of complaints to the HDC. The graph shows a spike for the West Coast. The ratio of complaints going to the Advocacy Service and HDC is higher for the West Coast than some other areas. When comparing the percentage of complaints and the number of referrals made with the percentage of population in the South Island there is no huge discrepancy in the number of people making complaints from area to area. Some of the figures for the West Coast could relate to Christchurch services but the complainants may reside on the West Coast. Tony Daly advised that the HDC is putting together a more comprehensive way of collecting data. The Chair queried if West Coast figures are higher because the DHB encourages people to make complaints if they feel it is necessary. Tony Daly advised that he asked the HDC on their impression of any trends and the HDC said that all the complainants had raised issues with the DHB before going to the HDC. There were also a number of provider to provider complaints which do not go through advocacy. The important thing is that there is an attempt to resolve the complaint locally. The purpose of the Act is to attempt to resolve complaints at a local level. The benchmark is that 90% of

complaints are dealt with locally with the Advocacy Service. The figures are running at 12% at the moment and Tony encourages people to resolve complaints locally where possible. There will always be cases going to the HDC for various reasons and the Advocacy Service discusses with complainants whether more could have been done locally to avoid going to the HDC. There are often really good suggestions for improvements.

The General Manager Maori Health joined the meeting at 8:38am

The Chair, WCDHB requested clarification on the figures on the first page as some of the figures appeared to be the same, or a direct transcription of the figures above. Tony Daly advised he would investigate if these figures are correct and notify the Committee if they are incorrect.

A Committee member queried if there is any data on ethnicity. Tony Daly advised that there is data which can be reported back however the database is unable to break the data down for ethnicity for each particular issue. Collecting ethnicity data from complainants can be difficult whether the complaint is taken over the phone or face to face as advocates are careful about leaping to ethnicity conclusions.

Tony advised the Committee of upcoming changes to the Act particularly in relation to patients of former mental health facilities and potential liability for DHBs for incidents after 1993. The amendments to the Act give the Commissioner increased options for handling complaints as detailed in the tabled documents. The preferred way for handling complaints is to refer back to the provider complaint system for resolution.

Tony Daly suggested ways forward on how the Advocacy Service can work with WCDHB to make the complaints process more open and transparent. Being part of a smaller community loyalty can get in the way of resolving complaints. In rural areas there are a number of complainants who are reluctant to make a complaint in case doctors will be scared off. It is a matter of making sure there is sufficient publicity about the complaints process and Advocacy Service and that people are getting the information at the right time and place. There are various leaflets and posters available for community education. The Chief Executive advised that the DHB ensures the leaflets are available and when the DHB acknowledges complaints the complainant is advised that they can go to the Advocacy Service for assistance. The Chief Executive advised that some of the most difficult complaints to deal with are those involving multiple providers. Many patients are required to go to other centres for treatment and often a complaint is made at WCDHB when the matter arose with the other provider. The Chief Executive queried whether WCDHB is doing enough to ensure patients are aware of their options. Tony Daly suggested the Advocacy Service could do well in holding regular prearranged clinics which are not dependant on relying on phone contact. The Chief Executive advised Management would be happy to help provide somewhere on site for clinics to be held if the Advocacy Service feel it would be appropriate. The Committee discussed whether a clinic held on the WCDHB site would be appropriate.

Tony Daly advised that where advocates are involved in staff orientation there is better participation with Advocacy Service. Christine Mander advised that the Advocacy Service is involved in orientation sessions throughout the South Island with the exception of the West Coast. The General Manager Operations and Chief Executive supported the idea of the Advocacy Service participating in orientation sessions with new staff. Tony Daly advised it is a good way to get information to new staff in order to get better resolution of complaints. It also provides ways of managing patient expectations as many complaints are about free service. Christine Mander advised that a common issue for West Coast people who use the Advocacy Service is the transient nature of clinicians. For example, there is the expectation that a patient will have some contact with the same person who

originally did the procedure, rather than a locum. If this information is given to the patient then it could reduce the number of these complaints. Tony Daly advised that the Advocacy Service have had some feedback that the WCDHB complaint system is sluggish, although the Advocacy Service usually only hear from unsatisfied complainants. It is important for the DHB to keep an open, robust reflection on the process and ask complainants how the process has been for them. The Chair queried if the issues those people were talking about were complex so it would take longer to resolve their complaint. Tony Daly advised that sometimes it may be that there was a part of the story that was not disclosed by the complainant to the DHB which would hinder the process. The Chief Executive noted that according to information supplied to the Ministry of Health by DHBs average time to resolution of complaints for WCDHB is relatively low. The number of complaints dropped and resolution time has improved. Tony Daly advised that the Advocacy Service is always keen to help with resolution of complaints even if they are not referred. The Advocacy Service supports good relationships with complaints staff as they need support.

Tony Daly suggested that making the Advocacy Service more available to the community would improve results. The Service would need more money to provide an advocate for the West Coast but regular clinics would be a step forward. Christine Mander advised she would supply Management with posters and stickers about the Advocacy Service.

The Chair thanked Tony and Christine for their presentation. The Chief Executive advised he has found the Advocacy Service team very helpful and very keen to strengthen relationships with DHBs. The Chief Executive also thanked the Advocacy Service for their presentation and advised he looks forward to future involvement, particularly in the staff orientation process.

Tony Daly, Christine Mander, the Chief Executive and General Manager Maori Health left the meeting at 9:17am

The Chair suggested that once the figures in Tony's data are confirmed HAC would like to see management provide a copy to the Board with a report based on the minutes for the Board's information.

8. ITEMS FROM PREVIOUS MEETINGS / BOARD REFERRED

8.1 Trendcare/Nursing Review Update

The Chair advised that it was raised at the last meeting that the Board wanted HAC to include monitoring of the Nursing Review as well as Trendcare. At the last Board meeting it was decided that once the Nursing Review has gone through the Management process it should go through Audit, Risk and Finance Committee for feedback and recommendations back to the Board. The Board will then decide if there are any issues for HAC to consider.

The Chief Executive and General Manager Maori Health rejoined the meeting at 9:20am

The Chair suggested the Committee should be guided by the General Manager Operations and General Manager Primary Services/Director of Nursing on variance in the reporting on Trendcare and statistic analysis. The General Manager Operations advised there should be more to report in December.

8.2 Credentialling of Senior Medical Staff

The Chair suggested that the final Credentialling report should be in December and then HAC can make a decision on ongoing monitoring. It is important to make sure the process is still in place and working as opposed to who was and wasn't credentialled. The final Credentialling report on the initial implementation of the Credentialling process will be at the December meeting and at that point HAC can decide what frequency of review it needs. A Committee member suggested that HAC or the Board should hold a quarterly morning tea to build relationships with senior medical staff. The Chair, WCDHB agreed this could take place after a HAC meeting. The Chief Executive suggested that the Committee will need to be aware of fitting in around clinical responsibilities and therefore lunch may be more appropriate. The Chief Executive will discuss the matter with EMT.

Action: Chief Executive

8.3 Health and Disability Standards

The Chair advised that this item was originally for feedback following the desktop exercise but that the timing of the exercise was such that this could not happen. The Chief Executive advised the desktop exercise went well. There were a few items that were picked up requiring resolution and tasks were allocated to EMT for resolution. These items have been attending to and the audit is taking place this week. The auditors have been to Buller, Reefton and Seaview as well as Grey Base. The final report will not be available for several weeks. The Chair suggested that once management and staff have dealt with the auditors' report then it would go to the ARFC, Board and then HAC if there were issues for the committee to consider/monitor.

The Chief Financial Manager joined the meeting at 9:30am

8.4 Disability Strategic Action Plan

The Chair advised that there do not seem to be any major operational issues for HAC to consider. This item is to be removed from the agenda with the understanding that as work progresses if something comes up of concern to HAC it will be reported.

8.5 Seaview Relocation

The Chair advised that this relates to the Management of Change process. There will be a facility on the Grey Base Hospital site. The Chief Executive advised it is a two stage process, the first being consolidation from two villas to one, the second stage is to construct a facility on the Grey Base Hospital site. The National Capital Committee requested consultation with other providers to ensure there is no other interest in the service by other providers. Once the General Manager Planning and Funding has reached the conclusion of that process there can be work done to progress construction of a new facility. This may require discussion at Board level. The Chair advised that the second stage of the process would go to the Board and the Board will then refer items to HAC for consideration. The Chair requested a progress report for the December meeting. A Committee member queried if there is a timeframe for final relocation. The Chief Executive advised he would like to see it occur as soon as practicable.

9. CHIEF EXECUTIVE'S REPORT

9.1 Recruitment

A Committee member queried a number of positions which are awaiting Medical Council registration. The General Manager Operations advised that registration depends on where the potential candidate is coming from so it can take some time.

9.2 Nursing/Primary Care

A Committee member queried the gaps in graphs on page 40. The General Manager Primary Services/Director of Nursing advised she would follow up on this and report back at the next meeting. The Chief Executive advised it may be that the data was aggregated for the next month.

The Committee member queried the gaps in enrolments between GMS and BMS on page 44. The Chief Executive advised there may be some patients in special areas which fall outside of PHO funding. The General Manager Primary Services/Director of Nursing advised it may also be due to difficulties in merging the Queen Street practice with BMS. All patients are on the register but not all are enrolled.

9.3 Mental Health Services

The General Manager Mental Health Services provided comment on the length of the Mental Health report as she was asked to provide more information on inpatient services following the visit by the Chair and CEO to SCDHB.

9.4 Quality Issues Related to Accidents/Incidents

The Chair advised that at a previous meeting a Committee member raised some information from other DHBs detailing some of the issues classified by WCDHB as quality issues. The Committee asked the Quality Risk Manager to provide a breakdown of these issues. This breakdown is included in this month's papers. The Chair requested six monthly reports with earlier reports if there are any big changes in number of incidents causing concern.

Moved: Margaret Moir, Seconded: Richard Wallace

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

10. FINANCE REPORT

The Chief Financial Manager advised the main feature of the report is the interim full year result. The overall deficit is $220,000 better than budget. The result is still unaudited and likely to change with two issues still unconfirmed, however, overall any changes are likely to be positive resulting in a further reduction of the deficit.

10.1 Change in Accounting Practice

The Chair requested clarification on the change in accounting practice. The Chief Financial Manager advised that the WCDHB funder purchases some items that are claims-based such as rest home care that the provider has treated as other Ministry of Health funding. In the past it has been budgetted as other Ministry of Health funding and reported as other Ministry of Health funding in the provider arm. This has been changed to recognise that the funds come indirectly from the funder arm rather than the Ministry of Health and this will tidy up reporting.

A Committee member queried progress on DAP sign-off. The Chief Executive advised that Management continues to work with the Ministry and all information that has been requested by the Ministry has been supplied.

Moved: Margaret Moir, Seconded: Barbara Beckford

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

11. OPERATIONAL INDICATORS

The Chair queried the apparently large number of maternity visits for continuing care in Buller compared to the number of births and compared to the number of Grey visits relative to Grey births. She queried if the visits to Westport women who delivered in Grey were included in the Buller maternity visits.. The General Manager Operations advised that visits to a family in Buller are recorded as Grey statistics if the delivery occurs in Greymouth.

11.1 Whanau Facility Occupancy

The Chief Executive advised that the Whanau Facility has been very well occupied and Management has received a number of favourable comments. The Chair, as directed by the Board, requested a report on the occupancy rates of the Whanau Facility every six months.

12. KEY ISSUES / ITEMS OF INTEREST TO REPORT TO THE BOARD

12.1 Reporting Back on Board Referred Items

GP Liaison
HAC is to receive a report in October on the GP Liaison position as to whether expectations of outcomes and outputs are being achieved.

Trendcare
Trendcare is on track and further data is to be supplied to HAC in December. The Nursing Review is off the HAC agenda as per the last Board meeting.

Credentialling
Credentialling is on track with a final report due in December. Reports will then be provided on an ongoing basis to determine monitoring of the process.

Health and Disability Standards Audit
The Chair, HAC advised that the auditors postponed the desktop exercise so there was an issue with timing for the June and August meetings. The audit is currently underway and it is expected results will go to the ARFC then to the Board to refer to HAC if relevant.

Disability Strategic Action Plan
There appear to be no implications on hospital and associated services from the Disability Action Plan. This item is off HAC's agenda unless something appears of interest to HAC.

Impact of Seaview Relocation
HAC received a report on the implications of the changes at Seaview (reduction from two villas to one). There appear to be no implications for hospital and associated services. An update will be provided to HAC in December. It is expected that the second stage of the relocation will be a matter for the Board which will pass issues on to HAC if relevant.

Other

- HAC was given a brief update on the meeting between WCDHB and SCDHB. HAC expects a formal report will go to the Board, which will then delegate to HAC if relevant.
- HAC had a presentation from Tony Daly of the South Island Advocacy Service and it was a very useful discussion. HAC suggests copies of the information provided by the Advocacy Services be checked and covering comments from the minutes be sent to Board members for their information.
- HAC commends Management on the article featuring the WCDHB in the West Coast Messenger and the WCDHB participation in an upcoming expo.

12.2 Recommendations to the Board

HAC recommends that the Board request the Chair, Chair of HAC, GM Operations and CEO to liaise over establishing social meetings to enable clinicians, Board members, HAC members and the EMT to foster their relationships

13. NEXT MEETING DATE

1 October 2004 at 8:00am. Venue, Corporate Office Boardroom, Greymouth

14. ATTENDANCE AND ADMINISTRATION FORMS

Actioned.

There being no further business the meeting concluded at 10:02am

ACTION & RESPONSIBILITY LIST

Task	Who Involved/Responsible	Completion Date	Action
ACTION & RESPONSIBILITIES FROM THE 4TH JUNE 2004 MEETING			
Feedback from the Board following the meetings between the Chairs and CEOs of WCDHB and SCDHB	Management/Chair, WCDHB	As soon as information is available and after Board consideration of items pertinent to HAC	
Impact of the role of the GP Liaison Officer on hospital and associated services	Management	October 2004	
Discuss a morning tea or lunch with clinicians, Board, HAC and EMT members with EMT.	Chief Executive	October 2004	

DRAFT MINUTES OF THE MENTAL HEALTH ADVISORY COMMITTEE MEETING

HELD ON WEDNESDAY, 18 AUGUST 2004 IN THE BOARD ROOM, CORPORATE OFFICE COMMENCING AT 3.45 PM

PRESENT: Marguerite Moore, WCDHB Member – Acting Chair
Robyne Bryant, WCDHB Member
Elizabeth Rock
Judith Maloney
Pauline Southorn

IN ATTENDANCE: Hecta Williams, General Manager Mental Health Services
Bianca Kramer, Minute Secretary

APOLOGIES: John Luhrs, CEO
Gregor Coster, Chair WCDHB
June Robinson, WCDHB member and MHAC chair
Roger Berwick

Karakia by Robyne Bryant

1. WELCOME / APOLOGIES

The Acting Chairperson welcomed everyone to the meeting. Apologies were received from those listed above

2. DISCLOSURE OF INTEREST

The following changes were made to the "Disclosure of Interests".

Pauline Southorn

- Remove Board of Trustees Member – Lake Brunner School x2
- Remove Committee Member – Te Korowai Aroha O Mawhera
- Correct spelling Member – NAMHSCA (National Association Mental Health Services Consumer Association)

Elizabeth Rock

- South Island Family/Whanau Network Group

3. AGENDA CHECK

- KPP report update – added to agenda – Hecta Williams
- Draft report on "Outcomes for Families" – Elizabeth Rock
- Balance – Bi Polar – Pauline Southorn

4. MINUTES OF THE LAST MEETING HELD 18 FEBRUARY 2004

Moved: Pauline Southorn, Seconded: Robyne Bryant - unanimous

It was RESOLVED that the Minutes of the Mental Health Advisory Committee meeting held 19 May 2004 were a true and correct record.

5. MATTERS ARISING FROM LAST MEETING

There are now two vacant positions on this advisory board, how are we going to recruit to fill these vacancies? It was suggested that the Mental Health Forum could make recommendations, when those recommendations had reduced to two by the Forum then those names can be recommended to the board.

6. CORRESPONDENCE

Ron Hibb's resignation letter was read by the Acting Chair. It was decided that a letter was to be written to Ron thanking him for his valuable contribution to this committee and wishing him well in his future endeavours

The minute secretary to draft and send a thank you letter to Ron

7. DEVELOPMENT OF STRATEGIC PLAN FOR MENTAL HEALTH SERVICES

General Manager Mental Health walked us through the attached papers and their findings. The information matches services and service provision levels against the Blue Print, these papers include figures from all of the South Island DHB's. The information is from 2001/2002 figures. This information was taken from the Regional Mental Health Strategic Plan which was a three year plan and it is currently being updated.

Significantly over blue print in in-patients, Community Mental Health (3rd bar) was slightly over provided, community support services nearly 150% over provided, advisory services, detox (not social detox) Canterbury is the only DHB to have a detox, we have experienced difficulties in the past as the majority of the other SI DHB's use the facility. Community A&D is slightly above 100% and methadone slightly under, a high level mapping against our service provision against blueprint targets.

Community support isn't just our community support, it is also anything that is provided on the West Coast, MGO and activity centre services who employ workers who fall into this category. We have four activity centres on the West Coast. Even though we are significantly over benchmark for the population in terms of the services, doesn't mean that the funding they receive stretches easily to cover four activity centres that are spread over our large land area.

Inpatient services are over 250% according to the Blue Print. The inpatient services in this graph are made up of two components, one being the acute / sub acute services at Manaakitanga and the other is long term or extended rehab beds that were traditionally funded at Seaview. We are over bedded in terms of our 10 acute and 5 sub acute beds for our population. It is no less costly to provide 10 beds than it is to provide 5, they need the same level of staffing and services. The economic argument isn't sufficient to say we will need 10 or 15 beds. The other part of the argument is in-patient utilisation and what we are using the unit for, entry and exit criteria, management of people within the unit, community support available when they are out of the unit. It has been acknowledged by psychiatrists coming into the West Coast that the ability to admit a severely unwell person into the unit

when they need it shouldn't be under estimated. There are deeper issues that need to be explored, in our draft plan we need significant discussions around in-patient utilisation and some strategies around what we are going to do about it.

Medium extended, we were funded for 24, the 2010 target is 4, shortly we are going to be closer to 4 than we have been at any stage. This will bring our benchmark figures down. Some of that funding is remaining in those beds but being used to support the overhead costs of Seaview. When that stops and we have a ring fence funding situation, funding that may be applied to any deficit in Mental Health Service funding and then be used within that Mental Health ring fence to support existing or new services.

Residential services are close to benchmark, but we are not providing the range of services that we should be. Rehabilitation Services Review is currently on-going, with the purpose of constructing a more responsive rehabilitation based service to consumers that need residential support, so that on the West Coast have access to a whole range of what is currently described at Level 1 – Level 4. There is a gap in the quality of rehabilitation services provided on the Coast, both in the community and in-patient setting. This is one of those gaps where we need to develop some strategies around and how we improve it.

Community Mental Health Team, we are just over the benchmark, it was the TACT team in the end that brought us over the benchmark levels. The team is based in Greymouth but covers the whole Coast, accessibly by a 0800 number which can be activated by a family member. Flexible work hours for the support services.

Community support the issues there being there are a whole range of community support workers employed. What the GM would like to do with the community support service, both from the provider arm and what has been provided by FGR. Is to conduct a review of the entry and exit criteria and the services that are being provided. Not as a review to reducing but so that those that most need the service can access it. So it is not being used up by a large number of people who have been using it for a long time.

There has been a signal in funding changes, for Coast Care Trust doing more job based support, getting people employment. The Coast Care Trust is at a critical stage funding wise.

Memorandum of Understandings with Coast Care Trust, PACT and currently working on one with Work & Income and also the SF one. With the new medications there are more people on track to go to work. There is a lot of opportunity with the work that the Trust is doing, the work that is happening with some other sectors, in particular Work & Income around employment issues and the work we are going to do in terms of KPP and the Rehab Review.

The Ministry is not interested in withdrawing excess funding as they have recognised that we are a special situation DHB wide. South Canterbury have stated they don't want any further funding, in fact they would like to give back some funding, the Ministry is not There is a research study in it's final stages that the Ministry is going to RFP for an evaluation of South Canterbury and Mid Central Mental Health Services. This will test blueprint, small population, 3% target and other things. The West Coast was going to be part of this study, but this didn't come to fruition.

Service Gaps

- Older people in the terms of the numbers of older people over 65 and the organisation of services for those people – whole issue of employment education and education support is something that currently is a gap, something that is very pertinent to the work we are currently doing and would well benefit from the DHB having a strategy to improve this. General Manager Mental Health would like to formalise the area of

general hospital liaison, an analysis carried out on the value of general hospital liaison services as we currently provide from both points of view, recipients and providers.

- There are service gaps in regard to some of the specific services we don't provide, an example is Kaumatua Service, that is something that we have been in discussion with the General Manager Maori Health.
- Not so much a gap, but we need to make sure that the community support service we offer meets the needs and moves with the times.
- Dual diagnosis, a service for those with both a intellectual and psychiatric illness.
- A committee member felt there was a gap in "Children of Parents with Mental Illness on the Coast. It is lost in the information, it has been a good initiative from this DHB. No research to see how effective it has been. When people are admitted they should be asked if they have children
- Someone in the inpatient area who can go to town with them, is it part of being a primary nurse? Not so much a service gap, but something that can be looked at the next Inpatient Review. An "Inpatient Activity Person" works well in Southland, on a roistered basis.
- Mothers and babies - we now have regional access to the Mothers & Babies Service. We probably don't have the numbers to have it here, what we have now are protocols for entry to the specialist mother and babies unit and a consult liaison roll back to someone on the Coast (yet to be identified). As part of the Regional Access, we contribute financially on a monthly basis.

8. GENERAL BUSINESS

8.a Draft Report On "Outcomes for Families"

The project coordinator/manager was Barbara Heliday. The end product was very easy to read and the committee member will endeavour to get copies for this committee. It is well written and defines a lot of the concerns around keeping your family member well. It deals with issues like finance, the toll it takes on low income families who have to take time off work. It gives a good overview of the issues we have and the outcomes we would like.

Elizabeth Rock to provide copies of the draft report to be distributed at the next meeting

8.b KPP Report Update

Over the past few weeks, both Barry Welsh and David King have been visiting DHBs to see how KPP is progressing – the following information was taken directly from their report as Joint Project Managers, dated 2nd August 2004.

10 Key Features

Personal Features 1) Guaranteed Access, 2) Health Advice – General Practice & Psychiatric Medication, 3) Social Support – Housing, Paid Employment & Income, 4) Anticipating Crisis, 5) Personal Review,

System Features 6) Recovery Approach, 7) Accountability – Caseload Review, Reductions in Caseload, Service Accountability & Specialisation, 8) Address all Needs, 9) Continuous Contact, 10) Taking Stock – Grounded Planning Forums, Accepting the Simplicity of KPP & Planning Assistance.

Conclusion

Their general impressions from the visits were

- The number of long-term clients is small, as was predicted.
- Any inability to cater for their needs is not generally due to lack of resources; these are usually adequate both in health social and community agencies.
- KPP is being found to be of value and that it is a sufficiently robust process to be useful whether or not local service and management systems are working at optimum efficiency."

8.c **Balance – Bi Polar**

Maori Consumer Advisor to attend workshop over in Christchurch. It will be a really good opportunity and will hopefully be able to bring back some positive tools to implement.

Pauline Southorn to give an up date on the workshops at the next meeting

9. **NEXT MEETING**

The Chairperson advised that the next meeting will be held on 13 October at 1.30 pm

There being no further business the meeting concluded at 3.55 pm

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.