

*West Coast District Health Board*  
*Te Poari Hauora a Rohe o Tai Poutini*

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# **BOARD MEETING**

**28 NOVEMBER 2008**

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ALL INFORMATION CONTAINED IN THESE MEETING  
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# AGENDA

FOR THE WEST COAST DISTRICT HEALTH BOARD  
MEETING TO BE HELD IN THE CONFERENCE ROOM,  
TAI POUTINI POLYTECHNIC, GREYMOUTH ON  
FRIDAY, 28 NOVEMBER 2008 COMMENCING 10.00 AM.

|     |   |
|-----|---|
|     | <b><i>Karakia</i></b>                                     |
| 1.  | <b>Welcome</b>  |
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|     | <b>IN COMMITTEE</b>                                       |
| 1.  | OIA 1982 5.9(2)(i) Commercial<br>NZPHDA Sch 3 cl 32(a)    |
| 2.  | <b>Minutes of the Meeting held Friday 17 October 2008</b> |
| 3.  | <b>Matters Arising</b>                                    |
| 4.  | <b>Acting Chief Executive's Report</b>                    |
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| 6.  | <b>Reports from Board Advisory Committees</b>             |

# 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.

# BOARD MEMBERS' DISCLOSURES OF INTERESTS

| Member                                 | Disclosure of Interest  |
|--|---|
| Rex Williams<br>Chair                  | <ul style="list-style-type: none"> <li>• Council member – University of Canterbury</li> <li>• Adviser – H W Richardson Group Ltd</li> <li>• Trustee – Water Rights Trust</li> <li>• Trustee – Styx Living Laboratory</li> </ul>   |
| Dr Christine Robertson<br>Deputy Chair | <p>A self employed person, who works on contract for:</p> <ul style="list-style-type: none"> <li>• Audit and Compliance Sector Accountability and Funding Directorate, Ministry of Health</li> <li>• Husband is Justice of the Peace who undertakes judicial duties in Court</li> </ul>   |
| Kevin Brown                            | <ul style="list-style-type: none"> <li>• Councillor – Grey District Council</li> <li>• Trustee – West Coast Electric Power Trust</li> <li>• Wife is Pharmacy Assistant at Grey Base Hospital</li> </ul>   |
| Warren Gilbertson                      | <ul style="list-style-type: none"> <li>• Employed as Regional Development Manager, Development West Coast</li> <li>• Acting Chief Executive Officer, Development West Coast (Shared Role)</li> </ul>  |
| Helen Gillespie                        | <ul style="list-style-type: none"> <li>• Project Management Role – Active Westland</li> <li>• Board member - St Mary's Primary School, Hokitika, Board of Trustees</li> <li>• Submitted an expression of interest to HEHA's, 'Evaluation of Edible Gardening', in her capacity as a contractor to OPUS</li> </ul>   |
| Sharon Pugh                            | <ul style="list-style-type: none"> <li>• Shareholder – New River Bluegums Bed &amp; Breakfast</li> <li>• West Coast/Marlborough/Nelson Community Committee Lottery Grants Board</li> </ul>  |
| Mohammed Shahadat                      | <ul style="list-style-type: none"> <li>• Director – Asia Pacific Immigration Consultants Limited (trading as ASPAC Immigration Consultants)</li> </ul>  |
| Elinor Stratford                       | <ul style="list-style-type: none"> <li>• Clinical Governance Committee – West Coast Primary Health Organisation</li> <li>• Manager - West Coast Disability Information Service</li> <li>• Committee member – Active West Coast</li> <li>• Chairperson – West Coast Sub-branch-Canterbury Neonatal Trust</li> </ul>  |
| David Tranter                          | <ul style="list-style-type: none"> <li>• Spokesperson and List Candidate - Democrats for Social Credit Party</li> <li>• Trustee – Aotearoa Advocacy Service</li> <li>• Spokesperson – West Coast Fluoride Action Network</li> <li>• Committee member – New Zealand Fluoride Action Network</li> <li>• Patient advocate for several DHBs' patients</li> <li>• Co-organiser, Health Freedom New Zealand – West Coast</li> </ul> |
| Mr John Vaile                          | <ul style="list-style-type: none"> <li>• Director - Vaile Hardware Ltd</li> </ul>   |

|               |   |
|---------------|---|
| Susan Wallace | <ul style="list-style-type: none"><li>• Tumuaki -Te Runanga o Makaawhio</li><li>• Member - Te Runanga o Makaawhio</li><li>• Member – Te Runanga o Ngati Wae Wae</li><li>• Director - Kati Mahaki ki Makaawhio Ltd</li><li>• Mother is an employee of WCDHB</li><li>• Father member of Hospital Advisory Committee</li></ul> |
|---------------|---|

## BOARD MEMBERS' REGISTER OF DISCLOSURE OF SPECIFIC INTERESTS

**Specific disclosures (to be regarded as having a specific interest in the following transactions) as at 28 November 2008**

| DIRECTOR HAVING INTEREST | PARTICULARS OF INTEREST  | DISCLOSURE DATE                              |
|--------------------------|--|--|
| Susan Wallace            | <ul style="list-style-type: none"> <li>• Has an interest in the MOU which has been signed by Te Runanga Makaawhio whom she is employed by and she is also a member of the Iwi.</li> <li>• Is an employee of an organisation who has an interest in the Boards meeting venue to be held on Te Tauraka Waka a Maui Marae, Bruce Bay, Friday 13 June 2008.</li> </ul> | <p>5 October 2007</p> <p>8 February 2008</p> |
| Warren Gilbertson        | <ul style="list-style-type: none"> <li>• Is employed by Development West Coast who are past and potential funders of the St John's Ambulance Service.</li> </ul>   | <p>25 July 2008</p>                          |

# ABBREVIATIONS

|        |  |
|--------|--|
| # NOF  | Fractured Neck of Femur (broken hip)         |
| 1°     | Primary                                      |
| 2°     | Secondary                                    |
| 3°     | Tertiary                                     |
| A&E    | Accident & Emergency                         |
| A+     | Auckland Healthcare                          |
| ADHB   | Auckland DHB                                 |
| ALOS   | Average Length of Stay                       |
| ANDRG  | Australian National Diagnosis Related Group  |
| APAU   | Adult and Paediatric Assessment Unit         |
| ASMS   | Association of Salaried Medical Specialists  |
| AT&R   | Assessment, Treatment & Rehabilitation Unit  |
| BDC    | Buller District Council                      |
| BOPDHB | Bay of Plenty DHB                            |
| C&CDHB | Capital and Coast DHB                        |
| 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                        |
| CCU    | Critical Care Unit                           |
| CD     | Clinical Director                            |
| CDHB   | Canterbury DHB                               |
| CEA    | Collective Employment Agreement              |
| CFA    | Crown Financing Agency                       |
| CHA    | Crown Health Association                     |
| CHL    | Canterbury Health Labs                       |
| CICU   | Cardiac Intensive Care Unit                  |
| CMDHB  | Counties Manukau DHB                         |
| COMRAD | Radiology Reporting System                   |
| CPAC   | Clinical Priority Assessment Criteria        |
| CPHAC  | Community & Public Health Advisory Committee |
| CQIT   | Clinical Quality Improvement Team            |
| CSC    | Community Services Card                      |
| CSSD   | Central Sterile Supplies Department          |
| CTA    | Clinical Training Agency                     |
| CWD    | Case Weighted Discharge                      |
| DAO    | Duly Authorised Officer                      |
| DAP    | District Annual Plan                         |
| DDG    | Deputy Director General                      |
| DHB    | District Health Board                        |
| DHBNZ  | District Health Boards New Zealand           |
| DNA    | Did Not Attend                               |



|       |   |
|-------|---|
| DON/M | Director of Nursing and Midwifery   |
| DOSA  | Day Of Surgery Admission  |
| DRG   | Diagnostic Related Grouping   |
| DSAC  | Disability Services Advisory Committee  |
| DSD   | Disability Support Directorate  |
| DSP   | District Strategic Plan   |
| DSS   | Disability Support Services   |
| EAP   | Employee Assistance Programme   |
| ED    | Emergency Department  |
| EMT   | Executive Management Team   |
| ENT   | Ear, Nose and Throat  |
| ER    | Employment Relations  |
| ESR   | Institute of Environmental Science and Research   |
| FSA   | First Specialist Assessment   |
| GP    | General Practitioner  |
| HAC   | Hospital Advisory Committee   |
| HAHS  | Hospital and Health Services  |
| HBDHB | Hawke's Bay DHB   |
| HEHA  | Health Eating – Health Action   |
| HFA   | Health Funding Authority  |
| HHS   | Hospital & Health Service   |
| HMD   | Hospital Monitoring Directorate (former CCMAU)  |
| HNA   | Health Needs Analysis   |
| HOP   | Health of Older Persons   |
| HR    | Human Resources   |
| HTG   | Hospital Technical Group  |
| HUHC  | High User Health Card   |
| HVDHB | Hutt Valley DHB   |
| ICD 9 | International Code of Diseases  |
| ICU   | Intensive Care Unit   |
| IDF   | Inter District Flow   |
| IEA   | Individual Employment Agreement   |
| IEC   | Individual Employment Contract  |
| IPA   | Independent Practice Association (GP Group)   |
| IRF   | Inter Regional Flow   |
| ISDN  | Integrated Services Digital Network   |
| ISSP  | Information Services Strategic Plan   |
| IT    | Information Technology  |
| KPI's | Key Performance Indicators  |
| LDHB  | Lakes DHB   |
| LMC   | Lead Maternity Carer  |
| MDHB  | MidCentral DHB  |
| 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  |
| NDHB  | Northland DHB   |

|                    |  |
|--------------------|--|
| NGO                | Non Government Organisation  |
| NHI                | National Health Index  |
| NICU               | Neonatal Intensive Care Unit   |
| NMDHB              | Nelson Marlborough DHB   |
| NRT                | Nicotine Replacement Therapy   |
| NZBS               | New Zealand Blood Service  |
| NZCM               | New Zealand College of Midwives  |
| NZNO               | New Zealand Nurses Organisation  |
| O&G                | Obstetrician and Gynaecologist   |
| ODHB               | Otago DHB  |
| OIA                | Official Information Act   |
| OP                 | Outpatients  |
| OPD                | Operational Policy Framework   |
| 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 |
| PBFF               | Population Based Funding Formula   |
| PCG                | Project Control Group  |
| Pegasus            | One of the IPA's   |
| PHO                | Primary Health Organisation  |
| PMS                | Patient Management System  |
| PNA                | Professional Nursing Advisor   |
| Primary Services   | Services that receive self referred patients   |
| PRIME              | Primary Response in Medical Emergencies  |
| 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  |
| Runanga            | Tribal Council   |
| SCDHB              | South Canterbury DHB   |
| SDHB               | Southland DHB  |
| 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   |
| SIRMHN             | South Island Regional Mental Health Network  |
| SMO                | Senior Medical Officer   |
| SMT                | Senior Management Team   |
| SOI                | Statement of Intent  |
| SSC                | State Services Commission  |
| SSP                | Statement of Service Performance   |
| Stargarden         | Payroll System   |
| STD                | Sexually Transmitted Diseases  |
| TAIRDHB            | Tairāwhiti DHB   |
| 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  |
| TARADHB            | Taranaki DHB   |

|                   |   |
|-------------------|---|
| Tino Rangatiranga | Sovereignty / Autonomy                    |
| VLCA              | Very Low Cost Access                      |
| WAIKDHB           | Waikato DHB                               |
| WAIRDHB           | Wairarapa DHB                             |
| WAITDHB           | Waitemata DHB                             |
| WCDHB             | West Coast DHB                            |
| Whanau            | Family and Extended Family                |
| Whanau Ora        | Health and wellbeing of families          |
| WHANDHB           | Whanganui DHB                             |
| WISE              | West Coast Improving Services for Elderly |
| WTF               | Waiting Times Fund                        |
| XM                | Crossmatch                                |
| YTD               | Year to Date                              |

# DRAFT MINUTES OF THE WEST COAST DISTRICT HEALTH BOARD MEETING HELD ON FRIDAY 17 OCTOBER 2008 COMMENCING AT 10.10 AM IN THE BOARD ROOM, CORPORATE OFFICE

**PRESENT** Rex Williams (Board Chair)  
Christine Robertson  
Warren Gilbertson  
David Tranter  
Susan Wallace  
Kevin Brown  
Sharon Pugh  
Elinor Stratford  
John Vaile  
Mohammed Shahadat  
Helen Gillespie

**IN ATTENDANCE** Joel George, Acting Chief Executive  
Gaylene Findlay, Minute Secretary  
Bryan Jamieson, Community Liaison Officer  
Colin Weeks, Acting Financial Manager  
Wayne Turp, General Manager Planning and Funding  
Wayne Champion, General Manager Corporate Services

## **APOLOGIES**

**KARAKIA** Susan Wallace began the meeting with a Karakia.

### **1. WELCOME AND AGENDA**

The Board Chair welcomed everyone to the meeting.

### **2. STANDING ORDERS**

The Chair waived the Standing Orders unless there was reason to reinstate them later in the meeting.

### **3. DISCLOSURES OF INTERESTS**

The following amendments were made to the Board Members' Disclosures of Interests:

- Warren Gilbertson  
Added "Acting Chief Executive Officer, Development West Coast." (Shared role)

- David Tranter  
Amended “Spokesperson and List Candidate – Democrats for Social Credit Party.”
- Helen Gillespie  
Added “Submitted an expression of interest to HEHA’s, ‘Evaluation of Edible Gardening’, in her capacity as a contractor to OPUS.”

#### 4. **MINUTES OF THE PREVIOUS BOARD MEETING HELD FRIDAY 29 AUGUST 2008**

Page 2 – Section 4 – Corrected to read “Friends of West Coast Hospital Services.”

Page 6 – Section 10.1 – Corrected to read “The Chair spoke to her report.”

Page 6 – Section 10.1 – Corrected to read “That the following recommendation be noted by the Board, along with the committee and passed to management; That as part of the Information Services Strategic Plan there are audit provisions and delegation policies put in place for every system that holds patient information. Concerns around the limitation of existing telecommunications infrastructure and its impact on the West Coast District Health Board’s ability to provide best service to populations along the length of the West Coast”

***Moved: Susan Wallace***

***Seconded: Helen Gillespie***

**Motion:**

**“THAT the Minutes of the West Coast District Health Board meeting held 29 August 2008 be adopted as a true and accurate record.”**

**Carried.**

#### 5. **MATTERS ARISING**

##### **Review of Complaints System**

Work is ongoing with the review and Management are continuing to report back to the Audit, Risk and Finance Committee and the Board.

#### 6. **CHAIR’S REPORT**

The Deputy Chair gave a verbal report.

The Deputy Chair attended the DHBNZ AGM am Chairs’ Board of Governance meeting in Wellington on the 15 September 2008.

The following was noted:

- DHBNZ Elections Chairs’ Executive Committee Chair is Peter Glensor, Hutt Valley and the Deputy Chair is Richard Thomson, Otago. New members are Lynnette Stewart, Northland, Bob Francis, Wairarapa and Suzanne Win, Nelson Marlborough.
- Greater focus is to be put on collaborative procurement activities by Chief Executive Officers and the Executive.
- DHBNZ to look at making a case for a better system of allocating capital money based on National/Regional Service need rather than on an ad hoc basis.
- Plunket presented data on breast feeding across all District Health Boards.
- The Minister spoke about his recent statements on the role of PHOs and launched the Nurse Practitioner Facilitation DVD.

The Deputy Chair and Acting Chief Executive Officer attended a lunch, hosted by the Chief Executive Officer of Telecom, at which the Chief Executive Officer outlined Telecom's efforts to provide a better broadband service for rural New Zealand.

The Board Chair spoke to his report and advised the Board that informal meetings have been held with Chairs of other District Health Boards concerning Regional Clinical Services Collaboration. Another meeting is scheduled for 5 December 2008.

**Moved: Rex Williams**

**Seconded: Mohammed Shahadat**

**Motion:**

**"THAT the Chair's Report be received."**

**Carried.**

## **7. REPORTS FROM BOARD ADVISORY COMMITTEES**

### **7.1 Community and Public Health Advisory Committee (CPHAC)**

The Deputy Chair spoke to her report.

### **7.2 Hospital Advisory Committee (HAC)**

The Deputy Chair spoke to his report.

### **7.3 Disability and Support Advisory Committee (DSAC)**

The Chair spoke to his report.

**Moved: Warren Gilbertson**

**Seconded: Elinor Stratford**

**Motion:**

**"THAT the Reports from the Advisory Committees be received."**

**Carried.**

## **8. BOARD AND CHAIR'S CORRESPONDENCE**

### **Deloitte Internal Audit Services**

The Deputy Chair tabled a revised version.

**Moved: Christine Robertson**

**Seconded: Helen Gillespie**

**Motion:**

**"THAT the West Coast District Health Board authorises the Audit, Risk and Finance Committee to sign the letter of engagement (Deloitte/West Coast District Health Board 1 August 2008) subject to clarification being provided by Deloitte in relation to elements of the letter (reporting lines/early risks to Audit, Risk and Finance Chair, The Board and Deloitte's associated Master Terms of Business (5.7 Privacy and use of 5.5 Sub Contractors) and subject to the letter being corrected (e.g. Board not Board Directors)."**

**Carried.**

### **Development West Coast – Strategic Review of Pre-hospital Emergency Health Service Provision on the West Coast**

Warren Gilbertson declared a conflict of interest as he is employed by the Development West Coast whom commissioned this report.

**Moved: Christine Robertson**

**Seconded: Susan Wallace**

**Motion:**

**“That the West Coast District Health Board notes that Warren Gilbertson has a conflict of interest. Warren Gilbertson may participate in deliberations of the Board in relation to this matter because the member is able to assist with relevant information, but is not permitted to participate in decision making.”**

**Carried.**

This report was produced independently from the West Coast District Health Board. Deloitte produced the report and it was commissioned by Development West Coast.

Management are to recommend to the Advisory Committees parts of the report which require comment.

**West Coast District Health Board: 2008/09 District Annual Plan (DAP)**

It was noted that the DAP has been approved.

**HSR Governance Limited – Monitoring the Effectiveness of Formal DHB/Maori Relationship Models**

It was noted that the draft report has been received by the General Manager Maori Health Services.

**Moved: Rex Williams**

**Seconded: Mohammed Shahadat**

**Motion:**

**“THAT the inwards correspondence be received and the outwards correspondence be approved.”**

**Carried.**

**9. CHIEF EXECUTIVE’S REPORT**

The Chief Executive spoke to his report.

**Moved: Elinor Stratford**

**Seconded: Sharon Pugh**

**Motion:**

**“THAT the Chief Executive’s Report be received.”**

**Carried.**

**10. FINANCE REPORT**

The Acting Chief Financial Manager spoke to his report.

*Year to date* - The consolidated result for the two months ended August 2008 is a deficit of \$983k, which is \$447k better than budget (\$1,430k deficit)

*Month of August* – The consolidated result for August 2008 is a deficit of \$100k, which is \$573k better than budget (\$673k deficit).

**Moved: Warren Gilbertson**

**Seconded: Christine Robertson**

**Motion:**

**“THAT the Finance Report be received.”**

**Carried.**

*The Board had a break at 11.40 am and reconvened at 11.47.*

### **Presentation – Operational Briefing, Supervision and Registration**

Chris Le Prou, General Manager Secondary Health Services presented to the Board on operational matters, supervision arrangements and registrations.

The following points were noted:

- The public need to be more aware of the complexity of the situation.
- Board members suggested that this information is released through the media.
- Staff shortages will be addressed at the next community forum.
- Management will continue to update the Board

## **11. IN COMMITTEE**

**That members of the public now be excluded from the meeting pursuant to Clause 32a, Schedule 3 of the New Zealand Public Health and Disability Act, so that the meeting may discuss the following matters:**

- **Minutes of meeting held 29 August 2008**
- **Matters Arising from the Minutes of 29 August 2008**
- **In Committee Chair’s Report**
- **In Committee Board and Chair’s Correspondence**
- **In Committee Report from Advisory Committee**

**On the grounds that public conduct of this part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 9 of the Official Information Act 1982.**

**Moved: Christine Robertson**

**Seconded: John Vaile**

**Motion:**

**“THAT the Board move into In Committee 12.25 pm.”**

**Carried.**

## **12. MOVING OUT OF IN COMMITTEE**

**Moved: Mohammed Shahadat**

**Seconded: David Tranter**

**Motion:**

**“THAT the Board move out of In Committee at 1.55 pm.”**

**Carried.**

## **13. NEXT MEETING**

To be held 28 November 2008 in the Board room, Corporate Office, Grey Base Hospital.  
The meeting is to commence at 10.00 am.



*The Board spent 1 hour and 30 minutes in In Committee*

*There being no further business to discuss the meeting concluded at 1.56 pm.*

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**Signed**

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**Date**

## MATTERS ARISING FROM WEST COAST DISTRICT HEALTH BOARD MEETINGS

| Item No. | Board Meeting Date | Action Item   | Action Responsibility   | Reporting Status                              | Agenda Item Ref |
|----------|--------------------|---|-------------------------|---|-----------------|
| 1.       | 14 December 2007   | Advisory Committee roles to be reviewed at the final meeting in 2008.   | WCDHB                   | 28 November 2008                              | 11.             |
| 2.       | 25 July 2008       | Investigate alternative venue for Board meetings held in Greymouth.   | CEO                     | Proposed timetable detailing venues attached. |                 |
| 3.       | 29 August 2008     | The Chief Executive Officer along with Management to consider a way for the Clinical, Quality Improvement Team to report back to the Board.   | CEO                     | Ongoing                                       | 8.              |
| 4.       | 29 August 2008     | The Chief Executive Officer to invite Stephen McKernan to a Board meeting next year to discuss the presentation "Our Health System Journey".  | CEO                     |   | 8.              |
| 5.       | 29 August 2008     | That as part of the Information Services Strategic Plan there are audit provisions and delegation policies put in place for every system that holds patient information. The committee therefore wishes to raise its concerns around the limitation of the existing telecommunications infrastructure and its impact on the West Coast District Health Board's ability to provide best service to populations along the length of the West Coast. | Board/Management        | Ongoing                                       | 10.1            |
| 6.       | 17 October 2008    | Proposed West Coast District Health Board Meeting Dates for 2009 to be brought back to the Board for approval.  | Chief Executive Officer | Proposed timetable attached.                  |                 |

## MATTERS REFERRED TO ADVISORY COMMITTEES FOR CONSIDERATION

| Item No. | Board Meeting Date | Action Item  | Committee | Reporting Status | Agenda Item Ref |
|----------|--------------------|--|-----------|------------------|-----------------|
| 1.       | 25 July 2008       | Management to take into account the points in the Minister's letter 'Advice relating to a DHB or other Crown Entity Board member involvement in the 2008 General Election' around political activities when revising the Political Activities Procedure for presentation to Audit, Risk and Finance. | ARF       |                  | 7.              |
| 2.       | 29 August 2008     | The 'Political Activities Procedure' policy be passed onto Chapman Tripp for legal advice then referred back to Audit, Risk and Finance.   | ARF       |                  | 5.              |
| 3.       | 29 August 2008     | Audit, Risk and Finance to report back to the Board regarding the review of the new complaints system.   | ARF       | March 2009       | 8.              |

# WEST COAST DISTRICT HEALTH BOARD AND ADVISORY COMMITTEE PROPOSED TIMETABLE JANUARY 2009 TO DECEMBER 2009

| DATE                      | MEETING    | TIME     | VENUE                       |
|---------------------------|------------|----------|-----------------------------|
| Thursday 22 January 2009  | ARF        | 3.00 PM  | Boardroom, Corporate Office |
| Friday 23 January 2009    | BOARD      | 10.00 AM | Ashley Hotel, Greymouth     |
| Friday 13 February 2009   | HAC        | 10.00 AM | Ashley Hotel, Greymouth     |
| Friday 13 February 2009   | CPHAC/DSAC | 1.00 PM  | Ashley Hotel, Greymouth     |
| Thursday 26 February 2009 | ARF        | 3.00 PM  | Boardroom, Corporate Office |
| Friday 27 February 2009   | BOARD      | 10.00 AM | Ashley Hotel, Greymouth     |
| Friday 13 March 2009      | HAC        | 10.00 AM | Ashley Hotel, Greymouth     |
| Friday 13 March 2009      | CPHAC/DSAC | 1.00 PM  | Ashley Hotel, Greymouth     |
| Thursday 26 March 2009    | ARF        | 3.00 PM  | Boardroom, Corporate Office |
| Friday 27 March 2009      | BOARD      | 10.00 AM | Ashley Hotel, Greymouth     |
| Friday 24 April 2009      | HAC        | 10.00 AM | Ashley Hotel, Greymouth     |
| Friday 24 April 2009      | CHPAC/DSAC | 1.00 PM  | Ashley Hotel, Greymouth     |
| Thursday 7 May 2009       | ARF        | 3.00 PM  | Boardroom, Corporate Office |
| Friday 8 May 2009         | BOARD      | 10.00 AM | Ashley Hotel, Greymouth     |
| Friday 29 May 2009        | HAC        | 10.00 AM | Ashley Hotel, Greymouth     |
| Friday 29 May 2009        | CHPAC/DSAC | 1.00 PM  | Ashley Hotel, Greymouth     |
| Thursday 11 June 2009     | ARF        | 3.00 PM  | Boardroom, Corporate Office |
| Friday 12 June 2009       | BOARD      | 10.00 AM | Ashley Hotel, Greymouth     |
| Friday 10 July 2009       | HAC        | 10.00 AM | Ashley Hotel, Greymouth     |
| Friday 10 July 2009       | CHPAC/DSAC | 1.00 PM  | Ashley Hotel, Greymouth     |
| Thursday 23 July 2009     | ARF        | 3.00 PM  | Boardroom, Corporate Office |
| Friday 24 July 2009       | BOARD      | 10.00 AM | Ashley Hotel, Greymouth     |
| Friday 14 August 2009     | HAC        | 10.00 AM | Ashley Hotel, Greymouth     |
| Friday 14 August 2009     | CHPAC/DSAC | 1.00 PM  | Ashley Hotel, Greymouth     |
| Thursday 27 August 2009   | ARF        | 3.00 PM  | Boardroom, Corporate Office |
| Friday 28 August 2009     | BOARD      | 10.00 AM | Ashley Hotel, Greymouth     |
| Friday 25 September 2009  | HAC        | 10.00 AM | Ashley Hotel, Greymouth     |
| Friday 25 September 2009  | CHPAC/DSAC | 1.00 PM  | Ashley Hotel, Greymouth     |
| Thursday 8 October 2009   | ARF        | 3.00 PM  | Boardroom, Corporate Office |
| Friday 9 October 2009     | BOARD      | 10.00 AM | Ashley Hotel, Greymouth     |
| Friday 6 November 2009    | HAC        | 10.00 AM | Ashley Hotel, Greymouth     |
| Friday 6 November 2009    | CHPAC/DSAC | 1.00 PM  | Ashley Hotel, Greymouth     |
| Thursday 19 November 2009 | ARF        | 3.00 PM  | Boardroom, Corporate Office |
| Friday 20 November 2009   | BOARD      | 10.00 AM | Ashley Hotel, Greymouth     |

# CHAIR'S REPORT

**TO: Board Members  
West Coast District Health Board**

**FROM: Rex Williams  
Chair**

**DATE: 18 November 2008**

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1. As we approach the planning part of the Annual Cycle of Board activities it is appropriate to think of the real issues and the Board's role in contributing to the health of the community.

It is important that we recognize our role and lead the thinking locally. The Health Targets are an easily understood and relevant guide to our responsibilities.

For my part I think we as a Board should be concentrating on:

- Improving Governance and ensuring effective management
- Reducing the operating financial deficit
- Creating cooperation with other District Health Boards and other Health agencies

2. I will report verbally on the current status of the Chief Executive Officer situation. In the meantime we continue to be well served by Joel George and his team.

3. The next round of South Island District Health Board discussions is scheduled for 5 December 2008.

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**Author: Mr Rex Williams, West Coast District Health Board, Chair – 18 November 2008**

## BOARD AND CHAIR'S CORRESPONDENCE FOR OCTOBER AND NOVEMBER 2008

### OUTWARDS AND INWARDS CORRESPONDENCE

| Date            | Sender                                | Addressee                         | Details   | Response Date | Response Details        |
|-----------------|---------------------------------------|-----------------------------------|---|---------------|-------------------------|
| 30 October 2008 | Mark Woodard<br>Group Manager<br>NASO | Board Chair                       | Ambulance Service Planning Session  |               |                         |
| 4 November 2008 | Dr Rob Weir<br>GM SISSAL              | Acting Chief<br>Executive Officer | South Island Shared Service Agency Limited – Annual<br>General Meeting 2008                                       |               | Signed and<br>returned. |
| 5 November 2008 | Minister of Health                    | Board Chair                       | District Health Boards funding gain from 1 October 2008 for<br>subsidised residents in aged care residential care |               |                         |

## MINISTRY OF HEALTH CORRESPONDENCE

| Date                              | Sender  | Directorate                             | Title   |
|-----------------------------------|---|---|---|
| Week beginning 13 October 2008    | Christen Kyre<br>Analyst, Performance                   | Sector Accountability<br>& Funding      | Southern Region Collaboration Workshop 24 October   |
|                                   | Joan Mirkin<br>Manager, Policy & Service<br>Development | Population Health                       | DHB Participation in the Plan Approval Panel of the High and Complex<br>Needs Unit          |
| Week beginning 20 October 2008    | John Hazeldine<br>Acting DDG                            | Sector Accountability<br>& Funding      | Strategic Conversations – 2009/10 Planning Process  |
| Week beginning 3 November<br>2008 | Margie Apa<br>Deputy Director-General                   | Sector Capability and<br>Innovation     | National Targets: Addition if Cardiovascular Target   |
|                                   | Stephen McKernan<br>Director General                    | Maori Health                            | Supporting strong Maori Health and Disability Providers                                     |
|                                   | Joan Mirkin<br>Manager, Policy & Service<br>Development | Population Health                       | DHB Stocktake Questionnaire Mental Health & Addiction of Older People<br>& Dementia Project |
|                                   | Deborah Roche<br>Deputy-Director General                | Health & Disability<br>Systems Strategy | S86 of the Human Tissue Act 2008 – Bone Bank Requirements re<br>Consent and Trading         |

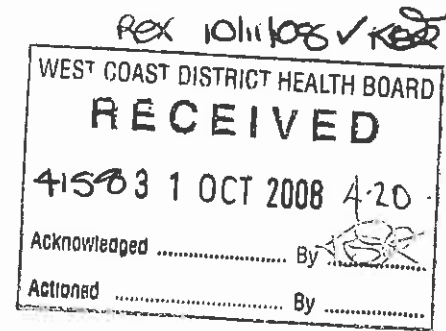
## PUBLICATIONS AND NEWSLETTERS

| Date          | Sender                         | Addressee | Details  | Issue No         |
|---------------|--------------------------------|-----------|--|------------------|
| November 2008 | Auckland District Health Board | WCDHB     | NOVA – Official Staff Newsletter   | Volume 12, No. 1 |
| November 2008 | Maori Health Directorate       | WCDHB     | Nga Korero Newsletter  | No 6             |
|               | Ministry of Health             | WCDHB     | Maori Mental Health Needs Profile - A Review of the Evidence - Summary       |                  |
|               | Mental Health Commission       | WCDHB     | Mental Notes Newsletter  |                  |
|               | Te Rau Matatini                | WCDHB     | Emergency Department Collaborative Guidelines – For Maori Mental Health Need |                  |



30 October 2008

Mr Rex Williams  
Chair  
West Coast District Health Board  
PO Box 387  
Greymouth 7840



Dear Rex,

Ambulance services touch every New Zealander – even if many would prefer never to require the service, all rely on the ambulance system to respond to emergencies. Your input into the next steps for the ambulance sector is sought, and we are holding a meeting in Greymouth on 3 December 2008, from 10am to 4pm, to secure that input.

We need your input into a specific question: which action or set of actions should we choose as the area of focus for us in the near term.

In September, the Ministers of ACC and Health (Maryan Street and David Cunliffe, respectively) released the draft New Zealand Ambulance Strategy. That draft strategy is open for public consultation, and the consultation document can be found on <http://www.naso.govt.nz>. Comments on the draft strategy must be received by 12 December 2008.

As a separate initiative, we are seeking the views of those that have some involvement with the ambulance sector – either directly or indirectly – to participate in a planning session focussed on implementation: of all the actions that must be taken in due course to reach our goals, which should be implemented first? We will engage in round table discussions with local experts to inform the local and national dialogue around sequence of actions.

The planning session will be held at Ashley Hotel, 74 Tasman Street, Greymouth and facilitated by Lawrence Dixon. Light refreshments and lunch will be available during the session.

As a preparatory step, I would ask that you begin to think about sequence. Attached is a description of each of the 10 initiatives which you should rank in terms of which should be actioned first. You will be asked to drop this completed form in a box as you arrive at the venue.

An invitation, agenda and booklet with national and local information on the New Zealand Ambulance Service will be sent to you mid November. In the meantime please RSVP to [kelly\\_mcavinue@naso.govt.nz](mailto:kelly_mcavinue@naso.govt.nz) for catering purposes by 5 November. Please write the meeting location in the subject heading.

I hope that you will join us on 3 December 2008 for this discussion that we anticipate will be a turning point for the ambulance sector.

Kind Regards,



Mark Woodard  
Group Manager

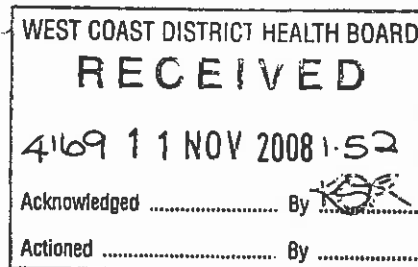
Your Name (optional): \_\_\_\_\_

Draft Ambulance Strategy  
Initial Sequence

| Your Rank | Initiatives in Draft New Zealand Ambulance Strategy  | Examples of potential actions   |
|-----------|--|---|
|           | Initiative 1: Form an accountable 'strategic management' function to provide strategic leadership to the sector.             | <ul style="list-style-type: none"> <li>o Create NASO</li> <li>o Engage with sector on sequence of action steps</li> </ul>   |
|           | Initiative 2: Develop transparent, sustainable funding model(s) that link external drivers to agreed service expectations.   | <ul style="list-style-type: none"> <li>o Coordinate funding between ACC and MoH</li> <li>o Develop funding plan for actions sequenced first</li> </ul>  |
|           | Initiative 3: Develop outcome performance indicators to monitor the contracted performance of providers.                     | <ul style="list-style-type: none"> <li>o Refine response time targets to reflect more accurately local variation</li> <li>o Publish actual performance</li> <li>o Implement consistent performance standards</li> </ul> |
|           | Initiative 4: Develop a framework to facilitate effective consultation with the community on long-term planning.             | <ul style="list-style-type: none"> <li>o Agree role of local fundraising in national provider network</li> </ul>  |
|           | Initiative 5: Improve the level and extent of clinical expertise and the sustainability of the paid and volunteer workforce. | <ul style="list-style-type: none"> <li>o Address single crewing</li> <li>o Identify desired mix of training levels in different ambulance settings</li> </ul>   |
|           | Initiative 6: Improve the integration of the ambulance sector into the New Zealand emergency management planning system.     | <ul style="list-style-type: none"> <li>o Encourage and financially support coordination with other emergency services</li> <li>o</li> </ul>   |
|           | Initiative 7: Develop protocols for integrating national care pathways, and extending the role of the paramedic.             | <ul style="list-style-type: none"> <li>o Establish national clinical oversight body</li> <li>o Evaluate role of paramedic in health system, with an assessment of potential expanded role</li> </ul>                    |
|           | Initiative 8: Introduce sector-wide information capability for evaluating health outcomes.                                   | <ul style="list-style-type: none"> <li>o Assure ambulance staff can access patient medical records</li> </ul>   |
|           | Initiative 9: Improve ambulance service configurations and deployment.   | <ul style="list-style-type: none"> <li>o Identify ways to continually relocate available ambulances to minimise response times.</li> </ul>  |
|           | Initiative 10: Strengthen triaging to ensure interventions accurately reflect the patient's condition.                       | <ul style="list-style-type: none"> <li>o Further develop Communication Centre's capability in sorting calls into priority order and resourcing with clinical expertise</li> </ul>                                       |
|           | Initiative 11: Overlooked Initiative in Strategy (please specify).   |   |

31 October 2008

Mr Joel George  
West Coast District Health Board  
PO Box 387  
GREYMOUTH



Ref. No. \_\_\_\_\_

Dear Mr George,

### **NATIONAL HEALTH TARGETS: ADDITION OF CARDIOVASCULAR TARGET**

1. The New Zealand health sector introduced Health Targets in 2007/08 to focus resources and improve performance in key areas. The aim of Health Targets is to improve health outcomes over time by focusing on priority areas.
2. As was previously signalled in the DHB 2008/09 planning package, from 1 July 2008, the focus on chronic disease within the national health target set has been broadened to include an indicator for cardiovascular disease (CVD). The target indicator is: *"Proportion of priority groups who have had their five-year absolute CVD risk recorded in the last five years"*. This new indicator replaces one of the three diabetes target indicators previously included in the target set (*"percentage of people in all population groups who have had retinal screening in the past two years"*).

#### **Data for benchmarking and reporting against the CVD target**

3. At the time the CVD indicator was included in the target set, it was anticipated that data from the PHO Performance Programme would be available to use for establishing a benchmark and reporting against the CVD target during the first quarter of 2008/09. The PHO Performance Programme includes an indicator based on CVD risk assessment, which is reported by PMS systems and forwarded to PHOs. Aggregate (non-identifiable) data is reported by the PHO to the national PHO Performance Programme. However, it is now apparent that this data will not be available in a robust enough form for use in establishing targets and reporting as a national target during 2008/09.
4. For this reason, it has been decided to use an interim indicator for CVD based on laboratory data. This decision is based on the assumption that whenever a CVD risk assessment is performed, the individual must have had a fasting lipid group test (FLG) and a serum glucose or HBA1c (if the person has diabetes). The national laboratory warehouse data will be used to identify the proportion of individuals with one or more FLG, and one or more glucose or one or more HBA1c test in a five year period. These records will be linked to the PHO enrolment database (which is now very complete).
5. The decision was reached after consultation with the clinical and PHO governance group and key stakeholders. The consensus was that the use of this indicator is not

perfect, but is robust enough to use as an interim measure until the PHO Performance Programme data is available.

6. The Ministry expects that the PHO Performance Programme data will be available to use to establish targets for the 2009/10 year.

**DHB target setting and reporting for 2008/09**

7. The Ministry has compiled and reviewed current performance and trend data for lipid tests. Relevant data relating to all DHBs can be found on the nationwide service framework website [www.nsfh.health.govt.nz](http://www.nsfh.health.govt.nz). The Ministry's expectation is that all DHBs will set local targets that represent at least a 2 percent improvement on current performance during 2007/08 (as indicated in lipid testing data). The Ministry will work with DHBs to ensure local targets are agreed for the CVD indicator by **15 December 2008**.
8. The first reporting against the CVD target will be required in February 2008, for the period 1 October to 31 December. This will be a report by exception.

Please contact your Ministry Relationship Manager, Derek Williamson in the first instance to confirm and/or discuss the level of your CVD target for 2008/09. Should you have any questions relating to the CVD target, please contact Dr Sandy Dawson, Chief Advisor in the Clinical Services Development Group on (04) 496 2351.

Yours sincerely



*MA*  
Margie Apa  
**DEPUTY DIRECTOR-GENERAL  
SECTOR CAPABILITY & INNOVATION DIRECTORATE  
MINISTRY OF HEALTH**

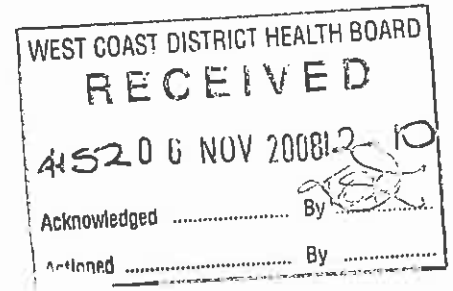
Cc:

1. Chief Planning & Funding Officers
2. Anthony Hill, Deputy Director-General, Sector Accountability & Funding Directorate.

South Island  
Shared Service Agency Limited  
*Supporting the South Island District Health Boards*  
*E tautoko ana ngā Pōari Hauora ki Te Waipounamu*

4 November 2008

Acting Chief Executive Officer  
Joel George  
West Coast District Health Board  
PO Box 387  
GREYMOUTH 7840



Dear Joel

**RE: SOUTH ISLAND SHARED SERVICE AGENCY LIMITED – ANNUAL GENERAL MEETING 2008**

The South Island Shared Service Agency Limited (SISSAL) is due to file its Annual Return with the Companies Office on 30<sup>th</sup> November 2009.

In accordance with legislative requirements, I **attach** for your execution a Shareholders' Resolution in Lieu of an Annual General Meeting, and also a Notification of Waiver by Shareholders.

It would be appreciated if you could sign both documents and return to me as soon as possible. Please **DO NOT** date either document.

Yours sincerely

A handwritten signature in black ink, appearing to read "Rob Weir".

Dr Rob Weir  
General Manager  
South Island Shared Service Agency Limited

**SOUTH ISLAND SHARED SERVICE AGENCY LIMITED  
SHAREHOLDERS' WRITTEN RESOLUTION IN LIEU OF AN  
ANNUAL GENERAL MEETING - 2008**

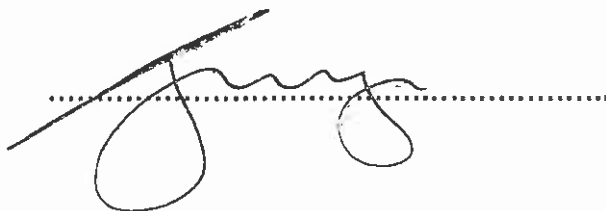
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In terms of section 122(4) of the Companies Act 1993, the Shareholders have resolved:

1. That the audited financial statements and the financial statements of the Company for the year ended **30 June 2008** as presented to the Shareholders be approved and adopted.
2. That in accordance with the Constitution of the Company and with the recommendation of the Directors as advised to the Shareholders no dividend be declared for the year ended **30 June 2008**.
3. That the Company approve the appointment of Audit New Zealand as auditor of the Company to:
  - a) hold office from the date of this resolution until the conclusion of the Company's next annual meeting; and
  - b) audit the Company's financial statements for the accounting period next after the date of this resolution.
4. That the auditor's fees and expenses be negotiated by the directors.

Signed by:-

**West Coast District Health Board**



**Dated:**

**Minute Book**

A copy of this resolution was entered in the minute book of the proceedings of the shareholder's meeting on the            day of            **2009**.

## NOTIFICATION OF WAIVER BY SHAREHOLDERS

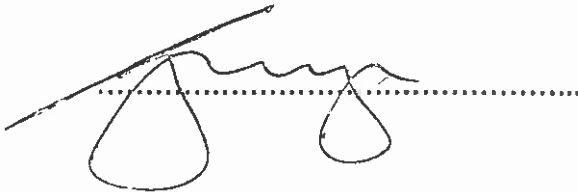
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TO: South Island Shared Service Agency Limited

We, being the Shareholders in the Company, having received a copy of the Annual Report of the Company pursuant to section 41(l) of the Public Finance Act 1989, hereby waive the requirement under s209(1) of the Companies Act 1993 that the shareholders be sent a copy of the Annual Report of the Company for the period ended **30 June 2008** no less than 20 working days before the date fixed for holding the annual meeting of shareholders.

This notice of waiver is given in accordance with section 209(2) of the Companies Act 1993 and Clause 4 of the Second Schedule of the Constitution with the intention that the Shareholders will pass written resolutions under section 122(4) of the Companies Act 1993 in lieu of the first Annual General Meeting of the Company.

**West Coast District Health Board**



**Dated:**




Hon David Cunliffe  
MP for New Lynn  
Minister of Health  
Minister for Communications and Information Technology

05 NOV 2008

Mr Rex Williams  
Chair  
West Coast District Health Board  
PO Box 387  
GREYMOUTH

Rex 10/11/08

|                                  |  |
|----------------------------------|--|
| WEST COAST DISTRICT HEALTH BOARD |  |
| RECEIVED                         |  |
| 41631 0 NOV 2008 4-20            |  |
| Acknowledged .....               | By  |
| Actioned .....                   | By .....   |

Dear Rex

**District Health Boards funding gain from 1 October 2008 for subsidised residents in aged residential care**

As you are aware the Government has recently announced a number of measures to ensure safety and improve quality management in the aged residential care sector. At a recent meeting with DHB CEOs I discussed this package with them. Included in our discussion was the unanticipated funding gain of approximately \$9 million in 2008/09 DHBs would receive as a result of the 1 October 2008 tax changes to New Zealand Superannuation for subsidised residents in aged residential care. This is a permanent ongoing funding gain to DHBs. I have been advised that the 21 District Health Boards have already committed to reinvest this gain into the aged residential care sector. I am heartened by this decision which is consistent with the position that the Government has formed with regards to this funding being utilised to support improvements in the aged residential care sector.

It is my wish to see some of this money used to increase funding available to the sector from the 2.8% increase already passed through to an amount that would equate to a 3.3% increase for the 2008/09 contract. It is my understanding that this would equate to approximately \$5m. I am asking you to give your urgent consideration to making this increase and further to do this in an open and transparent manner informing both provider representative and worker representative groups.

The remainder of the money I would like to see used to improve quality of aged residential care services in areas such as workforce and/or dementia care. I am aware that DHBs wish to establish a sustainability project to explore models of care, staffing, future demand forecasting, pricing / funding, and investment intentions. This has clear overlaps with the aged residential care workforce action group that I am establishing to look at the linking of qualifications and staffing to funding within

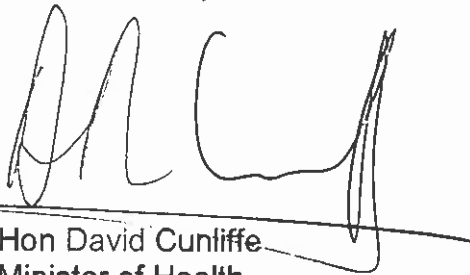


the sector. This action group will be reporting to Ministers in June 2009 with the intention of informing Budget 2009 discussions. I support the principle of reviewing the sustainability of the sector, but ask you to all ensure that any such project established by the DHBs links clearly with the workforce action group to ensure there is no duplication of activity and that limited resources are maximised.

I would ask that DHBs collectively advise me on the processes and timeframes which will be followed in allocating the superannuation related funding, including the processes to be utilised to consult with aged care providers on options for both a funding increase and the priorities for any remaining funding including the sustainability review or other strategic priorities.

It is important that you follow due process, but I urge that you ensure that your actions are timely and any delays are minimised.

Yours sincerely

A handwritten signature in black ink, appearing to read 'DC', written over a horizontal line.

Hon David Cunliffe  
Minister of Health

# ACTING CHIEF EXECUTIVE OFFICER'S REPORT

**TO:** Chair and Members  
West Coast District Health Board

**FROM:** Joel George  
Acting Chief Executive Officer

**DATE:** 20 November 2008

---

## STRATEGIC ISSUES

### ***Joint WCDHB/Ministry of Health Sustainability Project***

I and senior managers met with the representatives from the Ministry of Health to discuss the recently submitted Business Cases.

Independent assessors commissioned by the Ministry of Health to review the business cases visited Westport and Greymouth.

### ***Management Strategic Day***

On 4 November 2008 the Executive Management Team held a strategic workshop day to consider a range of strategic issues.

### ***2009/10 District Annual Plan***

Initial service and departmental planning is underway.

### ***Continuous Quality Improvement***

A meeting of the Clinical, Quality and Improvement Team was held on 18 November 2008. The Team intends to review its composition and Terms of Reference. I expect to discuss the Team's initial views in the next month.

### ***Other Strategic issues:***

I participated in the South Island Regional Capital Committee, SISSAL Board meeting and Chief Executive's meetings on 23 October 2008.

### ***South Island Health Services Planning***

A steering group has been established to oversee the development and implementation of effective planning for South Island wide clinical services. The process will build on work already undertaken, such as the West Coast District Health Board's Sustainability Project and Canterbury District Health Board's Health Services Planning, but at a South Island level. Similar planning has also been undertaken in the lower half of the North Island.

The initiative is being led by the South Island Shared Service Agency Ltd (SISSAL) and involves a wide range of representatives from each of the District Health Boards.

GP Liaison, Dr Carol Atmore, is representing the West Coast District Health Board on this steering group. Its focus will be on looking at what services need to be like in the future to ensure a strong sustainable health system for the South Island. Both SISSAL and the steering group are looking forward to working with staff from each District Health Board and the wider health sector.

## MAORI HEALTH

### ***Continuous Quality Improvement***

#### ***Communications Workshop for Maori Health Managers***

In response to requests to support DHBs to develop their ability to communicate with Māori communities effectively regarding the Human Papillomavirus (HPV) Immunisation Programme to Māori communities, a communications workshop was held for Māori health managers in Wellington on the 10 October. The 'conversations' include robust responses to a) issues regarding the negative link made between the vaccine and sexual activity; and b) concerns about the efficacy, effectiveness and safety of the vaccine; and c) requests for information regarding the production and use of national resources to support District Health Boards, raising community awareness and whanau engagement activities. This particular workshop preceded and provided the blueprint for a series of regional District Health Board communications workshops planned to be held in November and in 2009.

#### ***Maori Health Provider***

He Oranga Pounamu (South Island Māori provider development organisation) and Rata Te Awhina Trust facilitated Te Roopu Rongoa ki te Tonga Regional Network Hui in Hokitika. A presentation (Paepae Matua) was given on the environment and shows Tai Poutini is both a unique and rich resource for Rongoā (Māori traditional medicine). In attendance at this hui was Rangi Pouwhare and Mihikore Andrews of Te Kete Hauora, Māori Health Directorate, as well as Kylie Parkin and Shona McLeod from the West Coast District Health Board, and Nancy McNoe from the West Coast Primary Health Organisation. Rongoā will devolve to District Health Boards from the Māori Health Directorate in the very near future.

He Oranga Pounamu and Rata Te Awhina Trust also held the 2008 Māori Health Provider Network Hui in Hokitika on the 14 – 16 October. This is a good opportunity for providers to share information, strategic ideas and generally to look at better ways to collaborate with each other. It was a very successful hui with a number of good presentations given to hui attendees.

#### ***Mokowhiti Report***

The final report "Human Resources Review of Cultural Responsiveness to Māori: April – July 2007" undertaken by Mokowhiti Consultants Limited is now completed. The intention of the review is:

- To make recommendations for improvements to existing Human Resources practices that promote and support the recruitment and retention of Māori Health workers.
- To highlight the key functions of recruitment and retention as been the components of workforce development through recruitment policy and planning, health workplace policies, opportunities for career pathways development and salaries, mentoring and valuing of Māori staff.
- To provide the District Health Board with recommendations to ensure the provision of a sustainable Māori Health workforce achievable within current Tai Poutini cultural and financial resources.
- Identification of workforce development needs for staff working in both Kaupapa Māori and mainstream services.

### ***Tatau Pounamu Meeting***

Tatau Pounamu, the iwi appointed health committee held their regular meeting on the 22 October. The Acting Chief Executive Officer attended the meeting.

### ***Whakatataka Forum***

The General Manager Māori Health attended the Whakatataka Forum Meeting in Wellington on the 29 October. The purpose of this forum is to enable the chair and members of Tumu Whakarāe (National Reference Group of Māori Health Strategy Managers within District Health Boards) to regularly meet with Theresa Wall, Director General Māori Health, members of her senior management team, and two Chief Executive Officers delegated by District Health Board New Zealand to work with and advance Māori health. The former lead Chief Executive Officer of this forum was Kevin Hague, and now is Cathy Cooney from Lakes District Health Board. This hui was very positive resulting in finding better ways of working together. Currently Te Kete Hauora, Māori Health Directorate is undergoing a review which is expected to be completed soon.

### ***Maori Workforce Development***

The Māori health department is developing a careers information package for the West Coast District Health Board that promotes health careers to Māori students and Māori second chance learners. This package contains careers information relevant to Māori wanting to work in the health sector including (but not limited to):

- Scholarship information
- Clinical Training Agency funding information
- Ministry of Health funding information
- Polytechnic and University courses/ certificates/ diplomas/ degrees relating to health including pre-requisite courses
- Wage and salary information relating to health careers
- Ministry of Health careers branding information (District Health Board New Zealand)
- Any other information that may be useful such as health courses available from levels 3 - 7

### ***Maori Mental Health Services***

Since the last board report, three Pukenga Tiaki /Māori mental health support worker positions have been filled within Māori mental health services, also known as Te Rauawa o Te Waka Hinengaro Hauora.

### ***He Oranga Pai Hui***

Oranga Pai (Living Well) Hui were held with Māori communities on the 4 October in Hokitika, 18 October in Reefton. The purpose of these hui is to increase Māori awareness of health services available to them and to encourage and promote healthy lifestyles within the Māori community. A third Oranga Pai Hui is planned to be held in Westport in early 2009.

## **RELATIONSHIPS**

### ***Relationships with Minister and Ministry of Health***

I attended the DHBNZ Chief Executive Officers meeting and Director General Seminar Series in Wellington on the 20 and 21 October 2008.

The Minister of Health attended briefly. The Secretary of the Treasury addressed the group and on the future economic outlook and the sector.

The next meeting of Chief Executives is on 1 December 2008 in Wellington.

I attended the Regional Collaboration Workshop convened by the Ministry of Health in Christchurch on Friday 24 October. Papers and presentations from that meeting have been included in your information pack.

### ***Relationship with West Coast Community***

I attended the Disability Information Network meeting on 14 October 2008. I was unable to attend the meeting on 11 November 2008.

A meeting with the Chief Executives of the West Coast Primary Health Organisation and the Buller District Council to discuss health service delivery in Westport was scheduled for 28 October 2008, but is rescheduled for early December.

I attend the Industry Advisory Committee meeting, hosted by Development West Coast.

### ***Relationships with Patients and Clients***

I met with two women and their supporters regarding the availability of obstetric and gynaecological services.

### ***Relationship between Chief Executive Officer and staff***

I hosted a farewell function for the departing Human Resource Manager, Ruth Punnett, on 31 October 2008.

I attended the 2008 Innovation and Excellence Awards at the Ashley Hotel on the 19 November 2008. Two of last year's West Coast award winners were finalists in the prestigious national competition with last year's West Coast supreme winner "Alternative Pathways for New Patients" also winning the New Zealand Process Improvement award.

## **2008 Award Winners**

### **Winner, Early Intervention and Prevention**

West Coast PHO  
HEHA Breastfeeding Initiative

*Creating a supporting breastfeeding culture to promote improved long-term health outcomes*

### **Judges' Special Award**

Care and Craft Centre, Westport

*Recognising 25 years voluntary service to the elderly and disabled population of Westport*

### **Winner, Excellence in Treatment and Rehabilitation**

West Coast District Health Board  
Boys' Group and Adventure Therapy Camp

*Combining adventure and therapy to help boys aged between six and eleven to understand and manage their mental health challenges*

### **Winner, Healthy Schools**

Whataroa School  
Integrating Health into the School Ethos

*Integrating health and wellbeing messages into the school curriculum and ensuring that these are part of everyday school life*

### **Winner, Process Improvement**

West Coast District Health Board  
Reportable Events Evaluation and Monitoring

*A robust and transparent systems approach to reviewing all incidents within the West Coast mental health service*

### **Highly Commended, Process Improvement**

West Coast District Health Board  
Scholarships and Careers

*Attracting young students to health careers on the West Coast through the provision of scholarships, mentoring, contact with the health sector and holiday work in a health environment*

### **Supreme Winner**

West Coast District Health Board  
Reportable Events Evaluation and Monitoring

### **Quarterly Union Meeting**

A quarterly meeting was held on 12 November 2008, attended by representatives of staff, unions and senior management.

## **BOARD**

### **Other governance matters**

I attended, as required, the Board Training Day on 16 October 2008.

### **Board and Committee Workplan**

I and other senior managers met with Board and Committee Chairs and Deputy Chairs to discuss possible future directions and work plans. A discussion paper is presented elsewhere in the papers.

## **OPERATIONAL MATTERS**

### **Other Operational matters:**

Discussion and meetings with the Society of Anaesthetists have continued. The General Manager Secondary Health Services is now leading this process.

I have appointed Kim O'Keefe as Human Resource Manager. Kim commenced work on 17 November 2008. A formal welcome for Kim is planned for 25 November 2008. Kim lived in Greymouth and completed her secondary schooling before training as a Registered General and Obstetric Nurse. Kim then completed studies in psychology before focusing on Human Resource management. Kim has worked as Human Resource Manager in both public and private sector organisations, including the health sector.

## **ADDITIONAL PAPERS AND INFORMATION**

A discussion paper on the 'Role and Responsibilities of District Health Board Committees' is included with the papers for discussion in In Committee.

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**Author:** Chief Executive Officer – 20 November 2008

# FINANCE REPORT SEPTEMBER 2008

## Financial Overview September 2008

|                               | Actual<br>Month | Budget<br>Month | Variance | Variance | Last Yr<br>Month | Actual<br>YTD | Budget<br>YTD | Variance | Variance | Last Yr<br>YTD | Full Yr<br>Forecast | Full Yr<br>Budget | Full Yr Act<br>Last Yr |
|-------------------------------|-----------------|-----------------|----------|----------|------------------|---------------|---------------|----------|----------|----------------|---------------------|-------------------|------------------------|
| <b>REVENUE</b>                |                 |                 |          |          |                  |               |               |          |          |                |                     |                   |                        |
| Provider                      | 5,486           | 5,609           | (123)    | (2.2%)   | 5,121            | 16,736        | 16,826        | (90)     | (0.5%)   | 15,209         | 67,484              | 67,316            | 62,906                 |
| Governance & Administration   | 102             | 95              | 7        | 7.6%     | 94               | 306           | 285           | 22       | 7.6%     | 282            | 1,138               | 1,138             | 1,135                  |
| Funds & Internal Eliminations | 4,132           | 3,952           | 180      | 4.5%     | 3,928            | 12,436        | 11,857        | 579      | 4.9%     | 11,431         | 49,018              | 47,427            | 46,936                 |
|                               | 9,720           | 9,657           | 63       | 0.7%     | 9,143            | 29,478        | 28,968        | 511      | 1.8%     | 26,922         | 117,640             | 115,881           | 110,977                |
| <b>EXPENSES</b>               |                 |                 |          |          |                  |               |               |          |          |                |                     |                   |                        |
| Provider                      |                 |                 |          |          |                  |               |               |          |          |                |                     |                   |                        |
| Personnel                     | 3,956           | 3,997           | 41       | 1.0%     | 3,654            | 11,439        | 12,219        | 780      | 6.4%     | 10,514         | 47,581              | 49,086            | 45,212                 |
| Outsourced Services           | 1,050           | 679             | (371)    | (54.6%)  | 629              | 2,951         | 2,034         | (917)    | (45.1%)  | 1,943          | 12,054              | 8,004             | 10,033                 |
| Clinical Supplies             | 509             | 488             | (21)     | (4.3%)   | 533              | 1,610         | 1,454         | (156)    | (10.7%)  | 1,411          | 6,234               | 5,740             | 5,979                  |
| Infrastructure                | 1,425           | 1,407           | (18)     | (1.3%)   | 1,377            | 4,426         | 4,235         | (191)    | (4.5%)   | 3,945          | 16,945              | 16,805            | 15,964                 |
|                               | 6,940           | 6,571           | (369)    | (5.6%)   | 6,193            | 20,426        | 19,943        | (483)    | (2.4%)   | 17,813         | 82,814              | 79,635            | 77,188                 |
| Governance & Administration   | 213             | 219             | 6        | 2.9%     | 150              | 706           | 664           | (42)     | (6.3%)   | 490            | 2,680               | 2,662             | 2,293                  |
| Funds & Internal Eliminations | 3,351           | 3,462           | 111      | 3.2%     | 3,099            | 10,113        | 10,386        | 273      | 2.6%     | 9,245          | 42,184              | 41,559            | 37,998                 |
|                               | 10,504          | 10,253          | (251)    | (2.5%)   | 9,442            | 31,245        | 30,994        | (251)    | (0.8%)   | 27,548         | 127,678             | 123,856           | 117,479                |
| <b>NET RESULT</b>             | (784)           | (596)           | (188)    | (31.5%)  | (299)            | (1,767)       | (2,026)       | 259      | 12.8%    | (626)          | (10,038)            | (7,975)           | (6,502)                |

## CONSOLIDATED RESULTS

### Year to Date

The consolidated result for the first quarter ended September 2008 is a deficit of \$1,767k, which is \$259k better than budget (\$2,026k deficit).

### Month of September 2008

The consolidated result for September 2008 is a deficit of \$784k, which is \$188k worse than budget (\$596k deficit).

## RESULTS FOR EACH ARM

### Year to Date

- The Provider deficit of \$3,930k is \$573k worse than budget (\$3,357k deficit).
- The Funder Arm surplus is \$2,567k; \$856k better than budget (\$1,710k surplus).
- The Governance and Administration result is a deficit of \$129k, which is \$34k worse than budget (\$95k deficit).

### Month of September

- The Provider deficit of \$1,534k is \$492k worse than budget (\$1,042k deficit).
- The Funder Arm surplus of \$783k is \$292k better than budget (\$491k surplus).
- The Governance and Administration deficit of \$160k is \$21k worse than budget (\$139k deficit).

# REVENUE

## **Year to Date – Consolidated**

Consolidated revenue of \$29,478k is \$511k better than budget (\$28,968k).

The variance to budget is explained in the narrative for the separate arms below.

## **Year to Date – Provider**

Provider revenue is \$16,736k, \$90k worse than budget (\$16,826k).

- Core MoH Funding is \$14,054k, \$191k less than budget (\$14,245k).
- Other MoH Funding is \$392k, \$165k better than budget (\$227k).
  - Partly due to difference in timing between budget and actual.
- Other Government Revenue of \$1,433k is \$129k worse than budget (\$1,562k).
  - ACC revenue is \$58k better than budget due to increased in ACC elective contract volumes and price. An improved billing system has seen some claims from last year being processed/finalised in the current year.
  - Timing differences between the budget and actual revenue to be received where dependent on certain volumes being achieved (such as orthopaedic initiative volumes - \$39k).
  - Mix of patients (private versus subsidised – higher proportion of private than was budgeted) in aged residential and hospital care.

## **Year to Date – Funder**

Funder revenue \$26,796k is \$420k better than budget (\$26,376k).

- Ministry of Health Funding
  - Additional funding via Crown Funding Envelope received after budget setting. Includes Very Low Cost Access and Careplus (\$272k).
  - Implementation funding for new programmes. Includes Antenatal HIV screening, B4Schools checks.

## **Year to Date – Governance and Administration**

Governance and Administration revenue of \$306k is \$22k over budget (\$285k).

- Additional revenue to fund specific positions e.g. public health analyst.

## **Month of September – Consolidated**

Consolidated revenue for the month of September 2008 of \$9,720k is \$63k over budget (\$9,657k).

This variance to budget is detailed in the narrative for each of the arms (below).

## **Month of September – Provider**

Monthly provider revenue is \$5,486k, \$123k worse than budget (\$5,609k).

- Other Government Revenue of \$412k is \$109k worse than budget (\$521k).
  - Timing differences between the budget and actual revenue to be received where dependent on certain volumes being achieved.

## **Month of August – Funder**

Monthly funder revenue is \$8,925k, \$133k better than budget (\$8,792k).

- Ministry of Health Funding
  - Additional funding via Crown Funding Envelope received after budget setting. Includes Very Low Cost Access and Careplus.
  - Implementation funding for new programmes. Includes Antenatal HIV screening, B4Schools checks.
- Interest revenue is \$62k, \$32k better than budget due to retaining early payment.

## **Month of August – Governance and Administration**

Governance and Administration revenue is \$7k over budget.



# EXPENSES

## Year to Date – Consolidated

Year to date (September 2008) expenses totalled \$31,245k are \$251k over budget (\$30,994k). This expenditure is detailed in the narrative for each of the arms (below).

## Year to Date – Provider

Year to date provider expenses (\$20,426k) are \$483k over budget (\$19,943k).

- Personnel costs \$11,439k is \$780k under budget (\$12,219k).
  - Medical Personnel costs are under budget by \$570k.
    - Mainly due to SMO and RMO vacancies.
    - Timing of continuing medical education (\$31k) and recruitment costs (\$45k).
  - Nursing Personnel costs \$4,828k are \$13k under budget (\$4,841k).
    - The variance to budget due to vacancies (favourable) has been diluted by the budgeted efficiencies (partnering agreement in settlements - \$ 109k).
  - Allied Health Personnel are under budget \$255k due mainly to staff vacancies.
  - Management and Administration costs are over budget \$81k.
- Outsourced services of \$2,951k are \$917k over budget (\$2,034k).
  - Outsourced Medical Services are \$736k over budget.
    - Outsourced RMO costs (\$490k) are \$227k over budget due to RMO's being agency based (budgeted to have a mix between employed and budgeted).
    - Outsourced SMO costs (\$1,506k) are \$509k over budget due to staff vacancies filled by locums.
  - Outsourced Nursing Personnel are \$69k over budget with agency nurses used to cover vacancies.
  - Outsourced clinical services are \$118k over budget.
    - an under accrual of supplier invoices (dated in August 2008 but service delivered before 30 June 2008 – to be adjusted).
- Clinical supplies are over budget by \$156k.
  - Implants and Prosthesis are over budget \$69k.
    - Timing and volume of cases performed.
  - Other Clinical and Client Costs are over budget \$62k.
    - Patient transport and lodgings are \$37k over budget due to patients being accommodated in other centres (due to limited obstetric cover).
    - Patient transfers (air ambulance) are over budget by \$25k.
- Infrastructure costs are \$191k over budget.
  - Facilities costs are \$34k over budget.
    - Maintenance costs are \$29k over budget due to the timing of work performed and repair and replacement of air filters (Hepa) in theatre.
  - Hotel Services, Laundry and Cleaning costs are \$64k over budget.
    - Timing of purchases for crockery and laundry (\$8k)
    - Timing of the take over of the new vendors for the delivery of food, orderlies and cleaning (budgeted at a lower amount).
  - Interest and finance charges are \$36k over budget.

- This is a combination of an increased interest charge (\$101k unfavourable variance to budget) due to not having received deficit support and a reduced capital charge levied by the MoH.
- Professional fees and expenses are \$35k over budget.
  - Consultancy costs incurred and accrued for the joint Ministry of Health WCDHB sustainability project of \$86k. These costs have not been budgeted for and will net off against the interest received on term deposit as the WCDHB has retained early payment as arranged.
- Other Operating Costs are \$39k over budget.
  - Relates to the WCDHB joining the Incubator programme (\$38k) and the timing of bursary payments to students.

### **Year to Date – Funder**

Funder Arm expenditure of \$24,229k is \$436k under budget (\$24,666k).

#### ➤ Personal Health

- Primary Health under budget by \$161k.
  - \$132k relates to the “high cost “ treatment pool for discretionary expenditure.
- Referred Services (Labs & Pharmacy) over budget by \$67k.
  - Relates to pharmaceuticals, \$74k over budget (demand driven).
- Secondary under budget by \$226k.
  - Volume based activities not yet delivered (primarily orthopaedic and cataract initiative where additional volumes are required).

### **Year to Date – Governance and Administration**

Governance and Administration Arm expenditure of \$706k is \$42k over budget (\$664k).

#### ➤ Professional fees and expenses are \$48k over budget.

- Contribution towards the running costs of Pharmac (\$28k). The total amount has been taken into account rather than spread over the year.
- Affiliation fees to The Health Round Table (\$18k). The total amount has been taken into account rather than spread over the year.

### **Month of September – Consolidated**

Consolidated expenditure for the month of September 2008 of \$10,504k is \$251k over budget (\$10,253k). This expenditure is detailed in the narrative for each of the arms (below).

### **Month of September – Provider**

Monthly provider expenses for September 2008 of \$6,940k were \$369k over budget (\$6,571k).

#### ➤ Personnel costs of \$3,956k are \$41k under budget (\$3,997k).

- Medical Personnel are \$14k under budget.
  - RMO mix between employed and locum. Budgeted to employ a higher proportion of RMO's. Currently all our RMO's are agency based.
  - Timing of continuing medical education (\$7k) and recruitment costs (\$21k).
  - The favourable variance to budget has been diluted by efficiency gains budgeted for due to the ASMS meca (\$13k).
  - Annual leave provision and unpaid days accrual calculation resulting in a higher charge for September 08. This is a timing issue and will even out in future months.

- Allied Health Personnel are \$69k under budget.
  - Due to staff vacancies.

#### ➤ Outsourced services are over budget by \$366k.

- Outsourced Medical Services are \$296k over budget.

- Contracted SMO costs are \$185k over budget due to staff vacancies and cost of locums.
- Outsourced RMO costs (\$199k) are \$111k over budget due to most RMO's being agency based (budgeted to have a mix between employed and budgeted).
- Outsourced Nursing Personnel are \$28k over budget with agency nurses used to cover vacancies and charging a higher rate than was budgeted.
- Outsourced Clinical Services are over budget by \$52k.
  - Ophthalmology is up on budget, \$33k due to timing of volumes.
- Clinical supplies are over budget by \$21k.
- Other Clinical and Client Costs are over budget \$38k.
  - Patient transport and lodgings are \$12k over budget due to patients being accommodated in other centres (limited obstetrics cover).
  - Patient transfers (air ambulance) are over budget by \$33k.

### Month of September – Funder

Monthly Funder Arm expenditure of \$8,142k is under budget by \$159k.

- Personal Health expenditure is \$121k under budget.
  - Volume based activities not yet delivered (e.g. - orthopaedic initiative where additional volumes are required).

### Month of August – Governance and Administration

Monthly Governance and Administration Arm expenditure of \$213k is under budget by \$6k (\$219k).

## ANALYSIS OF YTD VARIANCE

### (BUDGET TO ACTUAL)

The year to date consolidated deficit of \$1,767k, is \$259k better than budget (\$2,026k deficit). The table below highlights key areas where variances exist.

|  | (\$000)    |
|--|------------|
| <b>Revenue</b>                                       |            |
| Funder Arm: Funding Received                         | 312        |
| Funder Arm: Interest earned                          | 108        |
| Provider Arm: Other MoH Funding                      | (129)      |
| <b>Expenses</b>                                      |            |
| Consolidated: Provider Payments                      | 274        |
| Governance: Overall unfavourable variance            | (21)       |
| Provider Arm: Personnel Costs                        | 780        |
| Provider Arm: Outsourced services                    | (917)      |
| Provider Arm: Instruments & minor clinical equipment | (51)       |
| Provider Arm: Implants & Prostheses                  | (69)       |
| Provider Arm: Patient transport                      | (60)       |
| Provider Arm: Hotel Services                         | (64)       |
| Provider Arm: Interest Costs & Capital Charge        | (39)       |
| Provider Arm: Consultancy                            | (70)       |
| Other offsetting items                               | 205        |
| <b>Year to date variance to budget</b>               | <b>259</b> |

## FORECAST

As at the 30 September 2008 the Consolidated forecast has been adjusted to reflect current operations and trends. The updated forecast has resulted in a deficit of \$10,038k, being an increase of \$2,063k over budget and is summarised by the following movements:

|   |              |
|---|--------------|
| Increase in revenue (main contributors - CarePlus, VLCA & U6)                         | 1,759        |
| Increased payments to external providers (funding received)                           | 637          |
| Reduced personnel costs (vacancies)   | 1,505        |
| Increase outsourced services (to cover vacancies & outsourced clinical services)      | 4,050        |
| Increase clinical supplies (procurement initiatives not realised & patient transfers) | 494          |
| Increase infrastructure costs (consultancy, memberships & hotel services)             | 146          |
|   |              |
| <b>Net increase in forecast deficit.</b>  | <b>2,063</b> |

*Caution: the forecast has been based on information available and does not include IDF's as insufficient information was available at time of updating the forecast.*

## CAPEX

For the quarter ended 30 September 2008 approved CAPEX amounted to \$1,507k against a budget of \$1,014k. This is due to the timing of some large items being approved in this quarter (new clinic in Franz Joseph being the largest CAPEX approved - \$760k).

## STATEMENT OF FINANCIAL POSITION

As at 30 September 2008 we had \$2,181k in cash and short term investments. The WCDHB is still receiving funding on "early payment" basis. This affects the balance of debtors and prepayments being \$6,173k under budget. Employee Entitlements' are greater than budget due to an actuarial valuation done as at 30 June 2008 on long service leave liability and gratuity liability which have increased mainly due to wage increases. Crown Equity is less than budgeted as we did not receive equity support (\$4,640k) which was included in our forecast for 2007/08 at the time of setting the budget.

|                  |  |
|------------------|--|
| <b>Author:</b>   | <b>Acting Chief Financial Officer – 11 November 2008</b> |
| <b>Approved:</b> | <b>General Manager – 13 November 2008</b>                |

## DHB CONSOLIDATED - STATEMENT OF FINANCIAL PERFORMANCE FOR THE MONTH OF SEPTEMBER 2008

|   | Actual | Budget | Variance | Variance | Last Yr Act | YTD Actual | YTD Budget | Variance | Variance | Last YTD | Forecast Full | Budget Last Full | Yr      |
|---|--------|--------|----------|----------|-------------|------------|------------|----------|----------|----------|---------------|------------------|---------|
| <b>Revenue</b>                                |        |        |          |          |             |            |            |          |          |          |               |                  |         |
| Core MoH Funding                              | 8,863  | 8,766  | 97       | 1.1%     | 8,385       | 26,598     | 26,297     | 302      | 1.1%     | 24,539   | 106,777       | 105,186          | 99,935  |
| Other MoH Funding                             | 99     | 76     | 23       | 31.0%    | 125         | 392        | 227        | 165      | 72.9%    | 392      | 1,076         | 908              | 1,690   |
| Other Government                              | 412    | 521    | (109)    | (21.0%)  | 346         | 1,433      | 1,562      | (129)    | (8.3%)   | 1,051    | 6,259         | 6,259            | 5,355   |
| Patient / Consumer Sourced                    | 215    | 195    | 20       | 10.3%    | 170         | 626        | 585        | 41       | 7.0%     | 559      | 2,339         | 2,339            | 2,328   |
| Non Health Related                            | 131    | 99     | 32       | 32.2%    | 117         | 429        | 297        | 132      | 44.3%    | 381      | 1,189         | 1,189            | 1,669   |
|   | 9,720  | 9,657  | 63       | 0.7%     | 9,143       | 29,478     | 28,968     | 511      | 1.8%     | 26,922   | 117,640       | 115,881          | 110,977 |
| <b>Payments to Providers</b>                  | 3,351  | 3,462  | 111      | 3.2%     | 3,099       | 10,113     | 10,387     | 274      | 2.6%     | 9,245    | 42,184        | 41,547           | 37,998  |
| <b>Personnel Costs</b>                        |        |        |          |          |             |            |            |          |          |          |               |                  |         |
| Medical Personnel                             | 838    | 852    | 14       | 1.6%     | 740         | 2,035      | 2,605      | 570      | 21.9%    | 2,068    | 9,207         | 10,345           | 9,051   |
| Nursing Personnel                             | 1,579  | 1,580  | 1        | 0.1%     | 1,525       | 4,828      | 4,841      | 13       | 0.3%     | 4,501    | 19,743        | 19,743           | 19,260  |
| Allied Health Personnel                       | 824    | 893    | 69       | 7.8%     | 786         | 2,478      | 2,733      | 255      | 9.3%     | 2,166    | 10,213        | 10,864           | 9,300   |
| Support Personnel                             | 136    | 148    | 12       | 8.1%     | 126         | 423        | 445        | 22       | 5.0%     | 395      | 1,779         | 1,779            | 1,688   |
| Management / Admin                            | 721    | 656    | (65)     | (9.9%)   | 565         | 2,103      | 1,999      | (104)    | (5.2%)   | 1,678    | 8,244         | 7,960            | 7,217   |
|   | 4,098  | 4,129  | 31       | 0.8%     | 3,742       | 11,867     | 12,624     | 757      | 6.0%     | 10,808   | 49,186        | 50,691           | 46,516  |
| <b>Outsourced Services</b>                    | 1,066  | 700    | (366)    | (52.3%)  | 651         | 2,999      | 2,097      | (902)    | (43.0%)  | 1,998    | 12,307        | 8,257            | 10,236  |
| <b>Clinical Supplies</b>                      |        |        |          |          |             |            |            |          |          |          |               |                  |         |
| Treatment Disposables                         | 97     | 108    | 11       | 10.2%    | 96          | 296        | 322        | 26       | 8.1%     | 308      | 1,276         | 1,276            | 1,203   |
| Diagnostic Supplies & Other Clinical Supplies | 7      | 5      | (2)      | (40.0%)  | (2)         | 22         | 14         | (8)      | (57.1%)  | 10       | 55            | 55               | 85      |
| Instruments & Equipment                       | 112    | 109    | (3)      | (2.8%)   | 112         | 374        | 323        | (51)     | (15.8%)  | 315      | 1,426         | 1,279            | 1,402   |
| Patient Appliances                            | 31     | 28     | (3)      | (10.7%)  | 22          | 80         | 84         | 4        | 4.8%     | 77       | 335           | 335              | 341     |
| Implants and Prostheses                       | 27     | 40     | 13       | 32.5%    | 67          | 188        | 119        | (69)     | (58.0%)  | 113      | 650           | 472              | 572     |
| Pharmaceuticals                               | 116    | 117    | 1        | 0.9%     | 159         | 349        | 353        | 4        | 1.1%     | 379      | 1,375         | 1,375            | 1,429   |
| Other Clinical & Client Costs                 | 119    | 81     | (38)     | (46.9%)  | 79          | 301        | 239        | (62)     | (25.9%)  | 209      | 1,117         | 948              | 947     |
|   | 509    | 488    | (21)     | (4.3%)   | 533         | 1,610      | 1,454      | (156)    | (10.7%)  | 1,411    | 6,234         | 5,740            | 5,979   |
| <b>Infrastructure Costs</b>                   |        |        |          |          |             |            |            |          |          |          |               |                  |         |
| Hotel Services, Laundry & Cleaning            | 271    | 260    | (11)     | (4.2%)   | 245         | 847        | 786        | (61)     | (7.8%)   | 699      | 3,190         | 3,088            | 3,273   |
| Facilities                                    | 437    | 442    | 5        | 1.1%     | 429         | 1,359      | 1,325      | (34)     | (2.6%)   | 1,329    | 5,299         | 5,299            | 5,201   |
| Transport                                     | 157    | 137    | (20)     | (14.6%)  | 122         | 435        | 411        | (24)     | (5.8%)   | 388      | 1,626         | 1,626            | 1,451   |
| IT Systems & Telecommunications               | 158    | 176    | 18       | 10.2%    | 137         | 484        | 527        | 43       | 8.2%     | 382      | 2,109         | 2,109            | 1,737   |
| Interest & Financing Charges                  | 150    | 159    | 9        | 5.8%     | 176         | 523        | 488        | (35)     | (7.1%)   | 511      | 1,930         | 1,937            | 1,640   |
| Professional Fees & Expenses                  | 83     | 80     | (3)      | (3.8%)   | 176         | 324        | 241        | (83)     | (34.4%)  | 272      | 1,019         | 963              | 1,044   |
| Other Operating Expenses                      | 198    | 188    | (10)     | (5.3%)   | 110         | 611        | 561        | (50)     | (8.9%)   | 443      | 2,222         | 2,227            | 2,063   |
| Democracy                                     | 26     | 31     | 5        | 16.1%    | 22          | 73         | 93         | 20       | 21.5%    | 62       | 372           | 372              | 341     |
|   | 1,480  | 1,473  | (7)      | (0.5%)   | 1,417       | 4,656      | 4,432      | (224)    | (5.0%)   | 4,086    | 17,767        | 17,621           | 16,750  |
| <b>Expenses Total</b>                         | 10,504 | 10,253 | (251)    | (2.5%)   | 9,442       | 31,245     | 30,994     | (251)    | (0.8%)   | 27,548   | 127,678       | 123,856          | 117,479 |
| <b>Surplus (Deficit)</b>                      | (784)  | (596)  | (188)    | 31.5%    | (299)       | (1,767)    | (2,026)    | 259      | (12.8%)  | (626)    | (10,038)      | (7,975)          | (6,502) |

## DHB PROVIDER ARM - STATEMENT OF FINANCIAL PERFORMANCE FOR THE MONTH OF SEPTEMBER 2008

|   | Actual         | Budget         | Variance     | Variance       | Last Yr Act    | YTD Actual     | YTD Budget     | Variance     | Variance       | Last YTD       | Forecast        | Full Budget     | Last Full Yr    |
|---|----------------|----------------|--------------|----------------|----------------|----------------|----------------|--------------|----------------|----------------|-----------------|-----------------|-----------------|
| <b>Revenue</b>                                |                |                |              |                |                |                |                |              |                |                |                 |                 |                 |
| Core MoH Funding                              | 4,691          | 4,748          | (57)         | (1.2%)         | 4,424          | 14,054         | 14,245         | (191)        | (1.3%)         | 13,017         | 56,981          | 56,981          | 52,671          |
| Other MoH Funding                             | 99             | 76             | 23           | 31.0%          | 125            | 392            | 227            | 165          | 72.9%          | 392            | 1,076           | 908             | 1,690           |
| Other Government Funding                      | 412            | 521            | (109)        | (21.0%)        | 346            | 1,433          | 1,562          | (129)        | (8.3%)         | 1,051          | 6,259           | 6,259           | 5,355           |
| Patient / Consumer Sourced                    | 215            | 195            | 20           | 10.3%          | 170            | 626            | 585            | 41           | 7.0%           | 559            | 2,339           | 2,339           | 2,328           |
| Non Health Related                            | 69             | 69             | (0)          | (0.1%)         | 56             | 231            | 207            | 24           | 11.5%          | 190            | 829             | 829             | 862             |
|   | <b>5,486</b>   | <b>5,609</b>   | <b>(123)</b> | <b>(2.2%)</b>  | <b>5,121</b>   | <b>16,736</b>  | <b>16,826</b>  | <b>(90)</b>  | <b>(0.5%)</b>  | <b>15,209</b>  | <b>67,484</b>   | <b>67,316</b>   | <b>62,906</b>   |
| <b>Personnel Costs</b>                        |                |                |              |                |                |                |                |              |                |                |                 |                 |                 |
| Medical Personnel                             | 838            | 852            | 14           | 1.6%           | 740            | 2,035          | 2,605          | 570          | 21.9%          | 2,068          | 9,207           | 10,345          | 9,051           |
| Nursing Personnel                             | 1,579          | 1,580          | 1            | 0.1%           | 1,525          | 4,828          | 4,841          | 13           | 0.3%           | 4,501          | 19,743          | 19,743          | 19,260          |
| Allied Health Personnel                       | 824            | 893            | 69           | 7.8%           | 786            | 2,478          | 2,733          | 255          | 9.3%           | 2,166          | 10,213          | 10,864          | 9,300           |
| Support Personnel                             | 136            | 148            | 12           | 8.1%           | 126            | 423            | 445            | 22           | 5.0%           | 395            | 1,779           | 1,779           | 1,688           |
| Management / Admin                            | 579            | 523            | (56)         | (10.6%)        | 477            | 1,675          | 1,594          | (81)         | (5.1%)         | 1,384          | 6,639           | 6,355           | 5,913           |
|   | <b>3,956</b>   | <b>3,997</b>   | <b>41</b>    | <b>1.0%</b>    | <b>3,654</b>   | <b>11,439</b>  | <b>12,219</b>  | <b>780</b>   | <b>6.4%</b>    | <b>10,514</b>  | <b>47,581</b>   | <b>49,086</b>   | <b>45,212</b>   |
| <b>Outsourced Services</b>                    | <b>1,050</b>   | <b>679</b>     | <b>(371)</b> | <b>(54.6%)</b> | <b>629</b>     | <b>2,951</b>   | <b>2,034</b>   | <b>(917)</b> | <b>(45.1%)</b> | <b>1,943</b>   | <b>12,054</b>   | <b>8,004</b>    | <b>10,033</b>   |
| <b>Clinical Supplies</b>                      |                |                |              |                |                |                |                |              |                |                |                 |                 |                 |
| Treatment Disposables                         | 97             | 108            | 11           | 10.2%          | 96             | 296            | 322            | 26           | 8.1%           | 308            | 1,276           | 1,276           | 1,203           |
| Diagnostic Supplies & Other Clinical Supplies | 7              | 5              | (2)          | (40.0%)        | (2)            | 22             | 14             | (8)          | (57.1%)        | 10             | 55              | 55              | 85              |
| Instruments & Equipment                       | 112            | 109            | (3)          | (2.8%)         | 112            | 374            | 323            | (51)         | (15.8%)        | 315            | 1,426           | 1,279           | 1,402           |
| Patient Appliances                            | 31             | 28             | (3)          | (10.7%)        | 22             | 80             | 84             | 4            | 4.8%           | 77             | 335             | 335             | 341             |
| Implants and Prostheses                       | 27             | 40             | 13           | 32.5%          | 67             | 188            | 119            | (69)         | (58.0%)        | 113            | 650             | 472             | 572             |
| Pharmaceuticals                               | 116            | 117            | 1            | 0.9%           | 159            | 349            | 353            | 4            | 1.1%           | 379            | 1,375           | 1,375           | 1,429           |
| Other Clinical & Client Costs                 | 119            | 81             | (38)         | (46.9%)        | 79             | 301            | 239            | (62)         | (25.9%)        | 209            | 1,117           | 948             | 947             |
|   | <b>509</b>     | <b>488</b>     | <b>(21)</b>  | <b>(4.3%)</b>  | <b>533</b>     | <b>1,610</b>   | <b>1,454</b>   | <b>(156)</b> | <b>(10.7%)</b> | <b>1,411</b>   | <b>6,234</b>    | <b>5,740</b>    | <b>5,979</b>    |
| <b>Infrastructure Costs</b>                   |                |                |              |                |                |                |                |              |                |                |                 |                 |                 |
| Hotel Services, Laundry & Cleaning            | 271            | 259            | (12)         | (4.6%)         | 245            | 847            | 783            | (64)         | (8.1%)         | 699            | 3,179           | 3,077           | 3,271           |
| Facilities                                    | 437            | 442            | 5            | 1.1%           | 429            | 1,359          | 1,325          | (34)         | (2.6%)         | 1,329          | 5,297           | 5,297           | 5,200           |
| Transport                                     | 148            | 128            | (20)         | (15.6%)        | 116            | 413            | 385            | (28)         | (7.3%)         | 355            | 1,514           | 1,514           | 1,355           |
| IT Systems & Telecommunications               | 157            | 176            | 19           | 10.8%          | 136            | 481            | 526            | 45           | 8.6%           | 380            | 2,104           | 2,104           | 1,731           |
| Interest & Financing Charges                  | 149            | 158            | 9            | 5.8%           | 175            | 521            | 485            | (36)         | (7.4%)         | 508            | 1,925           | 1,925           | 1,628           |
| Professional Fees & Expenses                  | 70             | 59             | (11)         | (18.6%)        | 150            | 213            | 178            | (35)         | (19.7%)        | 224            | 744             | 706             | 834             |
| Other Operating Expenses                      | 193            | 185            | (8)          | (4.5%)         | 126            | 592            | 553            | (39)         | (7.1%)         | 450            | 2,181           | 2,181           | 1,945           |
|   | <b>1,425</b>   | <b>1,407</b>   | <b>(18)</b>  | <b>(1.3%)</b>  | <b>1,377</b>   | <b>4,426</b>   | <b>4,235</b>   | <b>(191)</b> | <b>(4.5%)</b>  | <b>3,945</b>   | <b>16,945</b>   | <b>16,805</b>   | <b>15,964</b>   |
| <b>Expenses Total</b>                         | <b>6,940</b>   | <b>6,571</b>   | <b>(369)</b> | <b>(5.6%)</b>  | <b>6,193</b>   | <b>20,426</b>  | <b>19,943</b>  | <b>(483)</b> | <b>(2.4%)</b>  | <b>17,813</b>  | <b>82,814</b>   | <b>79,635</b>   | <b>77,188</b>   |
| Allocated from Governance & Admin             | 80             | 80             | 0            | 0.4%           | 78             | 240            | 241            | 1            | 0.4%           | 234            | 964             | 964             | 936             |
| <b>Surplus (Deficit)</b>                      | <b>(1,534)</b> | <b>(1,042)</b> | <b>(492)</b> | <b>(47.2%)</b> | <b>(1,150)</b> | <b>(3,930)</b> | <b>(3,357)</b> | <b>(573)</b> | <b>(17.1%)</b> | <b>(2,838)</b> | <b>(16,294)</b> | <b>(13,283)</b> | <b>(15,218)</b> |

## DHB FUNDER ARM - STATEMENT OF FINANCIAL PERFORMANCE FOR THE MONTH OF SEPTEMBER 2008

|                                    | Actual         | Budget         | Variance   | Variance     | Last Yr Act    | YTD Actual      | YTD Budget      | Variance   | Variance     | Last YTD        | Forecast         | Full Budget     | Last Full Yr    |
|------------------------------------|----------------|----------------|------------|--------------|----------------|-----------------|-----------------|------------|--------------|-----------------|------------------|-----------------|-----------------|
| Revenue                            | 7,712          | 7,579          | 133        | 1.8%         | 7,420          | 24,250          | 23,830          | 420        | 1.8%         | 21,655          | 92,577           | 90,986          | 88,525          |
| Revenue (MH Ring Fenced)           | 1,093          | 1,093          | 0          | 0.0%         | 896            | 2,186           | 2,186           | 0          | 0.0%         | 2,688           | 13,121           | 13,121          | 10,752          |
| IDF's                              | 120            | 120            | 0          | 0.0%         | 122            | 360             | 360             | 0          | 0.0%         | 366             | 1,439            | 1,439           | 1,417           |
| <b>Total Revenue</b>               | <b>8,925</b>   | <b>8,792</b>   | <b>133</b> | <b>1.5%</b>  | <b>8,439</b>   | <b>26,796</b>   | <b>26,376</b>   | <b>420</b> | <b>1.8%</b>  | <b>24,708</b>   | <b>107,137</b>   | <b>105,546</b>  | <b>100,694</b>  |
| <b>Expenditure-Personal Health</b> |                |                |            |              |                |                 |                 |            |              |                 |                  |                 |                 |
| Primary Health                     | (625)          | (702)          | 77         | 11.0%        | (574)          | (1,946)         | (2,107)         | 161        | 7.6%         | (1,738)         | (10,082)         | (9,520)         | (7,939)         |
| Referred Services (Labs & Pharms)  | (809)          | (778)          | (31)       | (4.0%)       | (730)          | (2,382)         | (2,315)         | (67)       | (2.9%)       | (2,147)         | (9,098)          | (9,098)         | (8,459)         |
| Maternity Devolved                 | (50)           | (50)           | (0)        | (0.0%)       | (96)           | (151)           | (151)           | (0)        | (0.0%)       | (144)           | (606)            | (606)           | (577)           |
| Secondary Care                     | (3,071)        | (3,139)        | 69         | 2.2%         | (2,845)        | (9,190)         | (9,416)         | 226        | 2.4%         | (8,535)         | (36,601)         | (36,601)        | (34,803)        |
| IDF's                              | (1,066)        | (1,065)        | (1)        | (0.1%)       | (1,052)        | (3,219)         | (3,216)         | (3)        | (0.1%)       | (3,155)         | (13,035)         | (13,035)        | (12,342)        |
|                                    | (5,621)        | (5,734)        | 114        | 2.0%         | (5,298)        | (16,889)        | (17,205)        | 316        | 1.8%         | (15,720)        | (69,422)         | (68,860)        | (64,120)        |
| <b>Expenditure-DSS</b>             |                |                |            |              |                |                 |                 |            |              |                 |                  |                 |                 |
| Community Based                    | (438)          | (480)          | 42         | 8.8%         | (417)          | (1,304)         | (1,440)         | 136        | 9.5%         | (1,227)         | (5,763)          | (5,763)         | (4,880)         |
| Residential                        | (734)          | (749)          | 16         | 2.1%         | (701)          | (2,250)         | (2,248)         | (2)        | (0.1%)       | (1,988)         | (8,994)          | (8,994)         | (8,405)         |
| IDF's                              | (94)           | (86)           | (8)        | (9.4%)       | (83)           | (281)           | (257)           | (25)       | (9.8%)       | (250)           | (1,028)          | (1,028)         | (848)           |
|                                    | (1,266)        | (1,315)        | 49         | 3.7%         | (1,200)        | (3,835)         | (3,944)         | 109        | 2.8%         | (3,466)         | (15,785)         | (15,785)        | (14,133)        |
| <b>Expenditure-Mental Health</b>   |                |                |            |              |                |                 |                 |            |              |                 |                  |                 |                 |
| Community Based                    | (652)          | (639)          | (13)       | (2.1%)       | (539)          | (2,534)         | (2,549)         | 14         | 0.6%         | (1,648)         | (7,669)          | (7,669)         | (5,929)         |
| Residential                        | (375)          | (377)          | 2          | 0.5%         | (362)          | (274)           | (258)           | (16)       | (6.3%)       | (1,086)         | (4,524)          | (4,524)         | (5,069)         |
| IDF's                              | (64)           | (73)           | 9          | 12.5%        | (67)           | (193)           | (220)           | 27         | 12.5%        | (201)           | (882)            | (882)           | (805)           |
|                                    | (1,091)        | (1,089)        | (2)        | (0.2%)       | (968)          | (3,001)         | (3,027)         | 26         | 0.8%         | (2,935)         | (13,075)         | (13,075)        | (11,803)        |
| <b>Expenditure-Public Health</b>   |                |                |            |              |                |                 |                 |            |              |                 |                  |                 |                 |
| Community Based                    | (69)           | (68)           | (2)        | (3.0%)       | (45)           | (219)           | (205)           | (14)       | (7.0%)       | (107)           | (883)            | (820)           | (576)           |
| <b>Governance</b>                  |                |                |            |              |                |                 |                 |            |              |                 |                  |                 |                 |
|                                    | (95)           | (95)           | (0)        | (0.0%)       | (94)           | (285)           | (284)           | (0)        | (0.0%)       | (281)           | (1,138)          | (1,138)         | (1,125)         |
| <b>Total Expenditure</b>           | <b>(8,142)</b> | <b>(8,301)</b> | <b>159</b> | <b>1.9%</b>  | <b>(7,606)</b> | <b>(24,229)</b> | <b>(24,666)</b> | <b>436</b> | <b>1.8%</b>  | <b>(22,508)</b> | <b>(100,303)</b> | <b>(99,678)</b> | <b>(91,757)</b> |
| <b>Surplus</b>                     | <b>783</b>     | <b>491</b>     | <b>292</b> | <b>59.6%</b> | <b>833</b>     | <b>2,567</b>    | <b>1,710</b>    | <b>856</b> | <b>50.1%</b> | <b>2,200</b>    | <b>6,834</b>     | <b>5,868</b>    | <b>8,937</b>    |

## DHB GOVERNANCE AND ADMIN - STATEMENT OF FINANCIAL PERFORMANCE FOR THE MONTH OF SEPTEMBER 2008

|                              | Actual      | Budget      | Variance  | Variance     | Last Yr Act | YTD Actual   | YTD Budget   | Variance    | Variance       | Last YTD  | Forecast Full | Budget Last Full Yr | Last Full Yr |
|------------------------------|-------------|-------------|-----------|--------------|-------------|--------------|--------------|-------------|----------------|-----------|---------------|---------------------|--------------|
| <b>Revenue</b>               | 102         | 95          | 7         | 7.6%         | 94          | 306          | 285          | 22          | 7.6%           | 282       | 1,138         | 1,138               | 1,135        |
| <b>Personnel Costs</b>       |             |             |           |              |             |              |              |             |                |           |               |                     |              |
| Management / Admin           | 142         | 133         | (10)      | (7.2%)       | 88          | 428          | 405          | (24)        | (5.8%)         | 294       | 1,605         | 1,605               | 1,304        |
| <b>Outsourced Services</b>   | 16          | 21          | 5         | 22.5%        | 22          | 48           | 63           | 15          | 23.7%          | 55        | 253           | 253                 | 203          |
| <b>Infrastructure Costs</b>  |             |             |           |              |             |              |              |             |                |           |               |                     |              |
| Transport                    | 9           | 9           | 0         | 0.0%         | 6           | 22           | 26           | 4           | 15.4%          | 33        | 112           | 112                 | 96           |
| IT Systems & Communication   | 1           | 0           | (1)       | 0.0%         | 1           | 3            | 3            | 0           | 0.8%           | 2         | 5             | 5                   | 6            |
| Professional Fees & Expenses | 13          | 21          | 8         | 38.1%        | 26          | 111          | 63           | (48)        | (76.2%)        | 48        | 275           | 257                 | 210          |
| Other Operating Costs        | 10          | 11          | 1         | 11.3%        | (14)        | 34           | 33           | (1)         | (3.4%)         | 5         | 135           | 135                 | 174          |
| Democracy                    | 22          | 25          | 3         | 12.0%        | 21          | 60           | 74           | 14          | 18.9%          | 53        | 295           | 295                 | 300          |
|                              | 55          | 66          | 11        | 17.0%        | 40          | 230          | 197          | (33)        | (16.8%)        | 141       | 822           | 804                 | 786          |
| <b>Expenses Total</b>        | 213         | 219         | 6         | 2.9%         | 150         | 706          | 664          | (42)        | (6.3%)         | 490       | 2,680         | 2,662               | 2,293        |
| Allocated to Provider        | (80)        | (80)        | (0)       | 0.4%         | (78)        | (240)        | (241)        | (1)         | 0.4%           | (234)     | (964)         | (964)               | (936)        |
| <b>Surplus (Deficit)</b>     | <b>(31)</b> | <b>(44)</b> | <b>13</b> | <b>30.0%</b> | <b>22</b>   | <b>(160)</b> | <b>(139)</b> | <b>(21)</b> | <b>(15.2%)</b> | <b>26</b> | <b>(578)</b>  | <b>(560)</b>        | <b>(222)</b> |



**DHB CONSOLIDATED - STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 2008**

|  | <b>Actual</b> | <b>Budget</b> | <b>Variance</b> | <b>Variance</b> | <b>Last Yr Act</b> |
|--|---------------|---------------|-----------------|-----------------|--------------------|
| <b>Current Assets</b>                  |               |               |                 |                 |                    |
| Cash                                   | (1,325)       | 1,768         | (3,093)         | (175.0%)        | 3,057              |
| Short term Investments                 | 3,506         | 6             | 3,500           | 58333.3%        | 3,506              |
| Debtors & Prepayments                  | 2,785         | 8,958         | (6,173)         | (68.9%)         | 3,266              |
| Inventory                              | 678           | 605           | 73              | 12.1%           | 615                |
| Assets for Sale                        | 252           | 252           | 0               | 0.0%            | 252                |
|  | <b>5,896</b>  | <b>11,589</b> | <b>(5,693)</b>  | <b>(49.1%)</b>  | <b>10,696</b>      |
| <b>Non Current Assets</b>              |               |               |                 |                 |                    |
| Land & Buildings                       | 18,873        | 18,952        | (79)            | (0.4%)          | 17,785             |
| Equipment (incl IT)                    | 8,488         | 8,561         | (73)            | (0.8%)          | 8,065              |
| Vehicles                               | 146           | 131           | 15              | 11.5%           | 109                |
| Work in Progress                       | 348           | 0             | 348             | 0.0%            | 2,566              |
| Investments                            | 1,589         | 1,589         | 0               | 0.0%            | 1,589              |
|  | <b>29,444</b> | <b>29,232</b> | <b>212</b>      | <b>0.7%</b>     | <b>30,114</b>      |
| <b>Current Liabilities</b>             |               |               |                 |                 |                    |
| Accounts Payable                       | 6,012         | 6,985         | (973)           | (13.9%)         | 7,406              |
| Employee Entitlements                  | 8,151         | 7,391         | 760             | 10.3%           | 7,177              |
| Current Portion of Term Loans          | 250           | 250           | 0               | 0.0%            | 3,500              |
|  | <b>14,413</b> | <b>14,626</b> | <b>(213)</b>    | <b>(1.5%)</b>   | <b>18,083</b>      |
| <b>Net Funds Employed</b>              |               |               |                 |                 |                    |
|  | <b>20,927</b> | <b>26,195</b> | <b>(5,268)</b>  | <b>(20.1%)</b>  | <b>22,727</b>      |
| <b>Term Liabilities</b>                |               |               |                 |                 |                    |
| Employee Entitlements                  | 2,633         | 2,200         | 433             | 19.7%           | 2,234              |
| Other Term Liabilities                 | 13,201        | 13,451        | (250)           | (1.9%)          | 7,701              |
|  | <b>15,834</b> | <b>15,651</b> | <b>183</b>      | <b>1.2%</b>     | <b>9,935</b>       |
| <b>Crown Equity</b>                    |               |               |                 |                 |                    |
| Crown Equity                           | 55,393        | 60,622        | (5,229)         | (8.6%)          | 55,449             |
| Retained Earnings / (Accumulated Loss) | (50,341)      | (50,119)      | (222)           | 0.4%            | (42,698)           |
| Trust Funds                            | 41            | 41            | 0               | 0.0%            | 41                 |
|  | <b>5,093</b>  | <b>10,544</b> | <b>(5,451)</b>  | <b>(51.7%)</b>  | <b>12,792</b>      |
| <b>Net Funds Employed</b>              |               |               |                 |                 |                    |
|  | <b>20,927</b> | <b>26,195</b> | <b>(5,268)</b>  | <b>(20.1%)</b>  | <b>22,727</b>      |

## DHB CONSOLIDATED - STATEMENT OF CASHFLOWS FOR THE MONTH OF SEPTEMBER 2008

|                                    | Actual       | Budget       | Variance     | Variance        | Last Yr Act  | YTD Actual     | YTD Budget     | Variance     | Variance        | Last YTD       |
|------------------------------------|--------------|--------------|--------------|-----------------|--------------|----------------|----------------|--------------|-----------------|----------------|
| <b>Operating Activities</b>        |              |              |              |                 |              |                |                |              |                 |                |
| <b>Operating Receipts</b>          | 9,847        | 9,602        | 245          | 2.6%            | 9,303        | 29,174         | 23,103         | 6,071        | 26.3%           | 27,129         |
| Payments to Personnel              | 3,925        | 4,129        | 204          | 4.9%            | 2,754        | 11,909         | 12,624         | 715          | 5.7%            | 11,006         |
| Payments to Providers              | 3,351        | 3,462        | 111          | 3.2%            | 3,099        | 10,113         | 10,387         | 274          | 2.6%            | 9,245          |
| Interest & Capital Charge          | 75           | 158          | 83           | 52.6%           | 151          | 404            | 475            | 71           | 14.9%           | 1,032          |
| Payments to Suppliers, GST, etc    | 2,735        | 2,105        | (630)        | (29.9%)         | 2,654        | 10,381         | 7,375          | (3,006)      | (40.8%)         | 6,143          |
| <b>Operating Payments</b>          | 10,086       | 9,855        | (231)        | (2.3%)          | 8,658        | 32,807         | 30,860         | (1,947)      | (6.3%)          | 27,426         |
| <b>Net Cashflow from Operating</b> | <b>(239)</b> | <b>(254)</b> | <b>15</b>    | <b>(5.8%)</b>   | <b>645</b>   | <b>(3,633)</b> | <b>(7,758)</b> | <b>4,125</b> | <b>(53.2%)</b>  | <b>(297)</b>   |
| <b>Investing Activities</b>        |              |              |              |                 |              |                |                |              |                 |                |
| Interest receipts 3rd Party        | 22           | 55           | (33)         | (60.0%)         | 89           | 311            | 165            | 146          | 88.5%           | 280            |
| Sale of Fixed Assets               | 0            | 0            | 0            | 0.0%            | 0            | 0              | 0              | 0            | 0.0%            | 0              |
| Increase (Decrease) in Investments | 0            | 0            | 0            | 0.0%            | 0            | 0              | 3,500          | 3,500        | 100.0%          | 0              |
| Purchase of Fixed Assets           | 285          | 577          | 292          | 50.6%           | 671          | 818            | 1,310          | 492          | 37.6%           | 2,657          |
| <b>Net Cashflow from Investing</b> | <b>(263)</b> | <b>(522)</b> | <b>292</b>   | <b>(55.9%)</b>  | <b>(582)</b> | <b>(507)</b>   | <b>2,355</b>   | <b>3,992</b> | <b>169.5%</b>   | <b>(2,377)</b> |
| <b>Financing Activities</b>        |              |              |              |                 |              |                |                |              |                 |                |
| <b>Financing Receipts</b>          |              |              |              |                 |              |                |                |              |                 |                |
| Equity Injections                  | 0            | 520          | (520)        | (100.0%)        | 0            | 0              | 520            | (520)        | (100.0%)        | 0              |
| Loans Raised                       | 0            | 0            | 0            | 0.0%            | 0            | 0              | 0              | 0            | 0.0%            | 0              |
|                                    | 0            | 520          | (520)        | (100.0%)        | 0            | 0              | 520            | (520)        | (100.0%)        | 0              |
| <b>Financing Payments</b>          |              |              |              |                 |              |                |                |              |                 |                |
| Equity Repaid                      | 0            | 0            | 0            | 0.0%            | 0            | 0              | 0              | 0            | 0.0%            | 0              |
| Repaid Debt                        | 0            | 0            | 0            | 0.0%            | 0            | 0              | 0              | 0            | 0.0%            | 0              |
|                                    | 0            | 0            | 0            | 0.0%            | 0            | 0              | 0              | 0            | 0.0%            | 0              |
| <b>Net Cashflow from Financing</b> | <b>0</b>     | <b>520</b>   | <b>(520)</b> | <b>(100.0%)</b> | <b>0</b>     | <b>0</b>       | <b>520</b>     | <b>(520)</b> | <b>(100.0%)</b> | <b>0</b>       |
| <b>Opening Cash</b>                | 2,683        | 2,029        | 654          | 32.2%           | 6,490        | 6,321          | 6,656          | (335)        | (5.0%)          | 9,227          |
| <b>Net Cashflow</b>                | (502)        | (255)        | (243)        | (95.2%)         | 63           | (4,140)        | (4,883)        | 746          | 15.3%           | (2,674)        |
| <b>Closing Cash</b>                | <b>2,181</b> | <b>1,774</b> | <b>411</b>   | <b>23.2%</b>    | <b>6,553</b> | <b>2,181</b>   | <b>1,774</b>   | <b>411</b>   | <b>23.1%</b>    | <b>6,553</b>   |

**WEST COAST DISTRICT HEALTH BOARD DEBT REGISTER  
AS AT SEPTEMBER 2008**

|  |                |  |  |             |
|--|----------------|--|--|-------------|
| <b>Lender's name</b>                           | <b>CHFA</b>    | <b>CHFA</b>  | <b>CHFA</b>  | <b>BNZ</b>  |
| <b>Loan Identified As</b>                      | Renewal        | Renewal  | Dementia Unit  | Overdraft   |
| <b>Debt Amount - face value</b>                | \$7,695,000    | \$3,500,000  | \$2,250,000  | \$3,600,000 |
| <b>Instrument type</b>                         | Term Loan      | Term Loan  | Amortising Loan                                      | Overdraft   |
| <b>Fixed / Floating interest rate</b>          | Fixed          | Fixed  | Fixed  | Floating    |
| <b>Fixed rate</b>                              | 6.11%          | 6.58%  | 7.42%  |             |
| <b>Floating rate base and margin</b>           |                |  |  | BKBM+0.225% |
| <b>Interest payment frequency</b>              | Quarterly      | Semi-annually  | Semi-annually  | Daily       |
| <b>Covenants (Debt to Debt + Equity ratio)</b> |                |  |  | 65%         |
| <br>   |                |  |  |             |
| <b>Next Payment Due</b>                        |                |  |  |             |
| When   | 31/10/2010     | 31/12/2017   | 30/06/2009   | any time    |
| How much                                       | \$7,695,000    | \$3,500,000  | \$250,000  | any amount  |
| <br>   |                |  |  |             |
| <b>Next Rollover / Refinance Due</b>           |                |  |  |             |
| When   | 31/10/2010     | 31/12/2017   | 30/06/2012   |             |
| How much                                       | \$7,695,000    | \$3,500,000  | \$1,500,000  |             |
| Plan   | Refinance CHFA | Continuation of lending<br>subject to review by CHFA | Continuation of lending<br>subject to review by CHFA |             |
|  | 5 year renewal | N/A  | N/A  |             |

**Upcoming Loan Repayments**

|               |   |    |         |
|---------------|---|----|---------|
| Dementia Unit | 30/06/2009                              | \$ | 250,000 |
|               | (Excludes Overdraft and Lease Payments) |    |         |

**WEST COAST DISTRICT HEALTH BOARD**  
**CASH FLOW FORECAST AS AT 11 NOVEMBER 2008**

| Fortnight Ended                           | 14/11/2008         | 28/11/2008         | 12/12/2008         | 26/12/2008          | 09/01/2009          | 23/01/2009          | 06/02/2009          | 20/02/2009         | 06/03/2009          | 20/03/2009          |
|---|--------------------|--------------------|--------------------|---------------------|---------------------|---------------------|---------------------|--------------------|---------------------|---------------------|
| <b><u>Provider and Governance Arm</u></b> |                    |                    |                    |                     |                     |                     |                     |                    |                     |                     |
| <b>Opening Balance</b>                    | <b>(8,438,513)</b> | <b>(5,797,801)</b> | <b>(9,817,117)</b> | <b>(7,078,735)</b>  | <b>(10,005,018)</b> | <b>(7,268,543)</b>  | <b>(11,351,016)</b> | <b>(8,384,113)</b> | <b>(9,559,179)</b>  | <b>(10,218,880)</b> |
| <b><u>Cash In</u></b>                     |                    |                    |                    |                     |                     |                     |                     |                    |                     |                     |
| Revenue                                   | 5,147,382          | 1,064,695          | 5,474,426          | 969,695             | 5,659,337           | 897,169             | 5,720,035           | 983,544            | 5,586,255           | 960,322             |
| Investments redeemed                      | -                  | -                  | -                  | -                   | -                   | -                   | -                   | -                  | -                   | -                   |
| Loan Funds                                | -                  | -                  | -                  | -                   | -                   | -                   | -                   | -                  | -                   | -                   |
| Equity                                    | -                  | 550,000            | -                  | 550,000             | -                   | 550,000             | -                   | 550,000            | -                   | 550,000             |
| Asset Sales                               | -                  | -                  | -                  | -                   | -                   | -                   | -                   | -                  | -                   | -                   |
| <b><u>Cash Out</u></b>                    |                    |                    |                    |                     |                     |                     |                     |                    |                     |                     |
| Payroll Costs                             | 1,269,580          | 1,216,500          | 1,250,000          | 1,240,000           | 1,300,000           | 1,258,610           | 1,220,890           | 1,233,610          | 1,245,000           | 1,250,000           |
| Creditors Payments                        | 533,944            | 3,007,511          | 831,044            | 2,283,978           | 884,193             | 2,741,000           | 875,022             | 520,000            | 3,150,956           | 520,000             |
| GST                                       | -                  | 540,000            | -                  | -                   | -                   | 540,000             | 540,000             | -                  | 540,000             | -                   |
| PAYE / ACC                                | 703,146            | 620,000            | 655,000            | 655,000             | 655,000             | 667,662             | -                   | 655,000            | 1,310,000           | -                   |
| Loan & Interest Pmts                      | -                  | -                  | -                  | -                   | 83,670              | 105,370             | 117,219             | -                  | -                   | -                   |
| Capex                                     | -                  | 250,000            | -                  | 267,000             | -                   | 217,000             | -                   | 300,000            | -                   | 300,000             |
| <b>Closing Balance</b>                    | <b>(5,797,801)</b> | <b>(9,817,117)</b> | <b>(7,078,735)</b> | <b>(10,005,018)</b> | <b>(7,268,543)</b>  | <b>(11,351,016)</b> | <b>(8,384,113)</b>  | <b>(9,559,179)</b> | <b>(10,218,880)</b> | <b>(10,778,558)</b> |
| <b><u>Funder Arm</u></b>                  |                    |                    |                    |                     |                     |                     |                     |                    |                     |                     |
| <b>Opening Balance</b>                    | <b>7,968,174</b>   | <b>9,967,740</b>   | <b>7,803,691</b>   | <b>10,456,092</b>   | <b>8,567,290</b>    | <b>10,878,435</b>   | <b>8,508,345</b>    | <b>11,490,024</b>  | <b>8,543,898</b>    | <b>10,778,037</b>   |
| <b>Cash In</b>                            | 9,678,052          | 30,000             | 9,644,361          | 165,000             | 9,674,361           | -                   | 9,894,361           | -                  | 9,674,361           | -                   |
| <b>Cash Out</b>                           | 7,678,486          | 2,194,049          | 6,991,960          | 2,053,802           | 7,363,216           | 2,370,090           | 6,912,683           | 2,946,125          | 7,440,222           | 2,352,591           |
| <b>Closing Balance</b>                    | <b>9,967,740</b>   | <b>7,803,691</b>   | <b>10,456,092</b>  | <b>8,567,290</b>    | <b>10,878,435</b>   | <b>8,508,345</b>    | <b>11,490,024</b>   | <b>8,543,898</b>   | <b>10,778,037</b>   | <b>8,425,445</b>    |
| <b><u>Consolidated</u></b>                |                    |                    |                    |                     |                     |                     |                     |                    |                     |                     |
| <b>Closing Balance</b>                    | <b>4,169,939</b>   | <b>(2,013,426)</b> | <b>3,377,357</b>   | <b>(1,437,727)</b>  | <b>3,609,892</b>    | <b>(2,842,671)</b>  | <b>3,105,911</b>    | <b>(1,015,281)</b> | <b>559,157</b>      | <b>(2,353,112)</b>  |

**Assumptions**

"Early Payment" funding of \$5.087M has been received from the Ministry of Health but isn't shown in this cash flow forecast as it has been set aside for Debt repayment. (by way of investing it for fixed terms that expire when our core CHFA loan is due for renewal).

Note: Our Overdraft limit is \$3.6M

## WEST COAST DISTRICT HEALTH BOARD

### SUMMARY OF EXPENDITURE YEAR TO DATE TO 30TH SEPTEMBER 2008

Note: Figures GST Exclusive

|                                     | <b>Actual</b>   | <b>Budget</b>   | <b>Variance</b>  | <b>Annual<br/>Budget</b> |
|-------------------------------------|-----------------|-----------------|------------------|--------------------------|
|                                     | \$              | \$              | \$               | \$                       |
| <b>Board Member Fees</b>            | 49,000          | 49,251          | 251              | 197,004                  |
| <b>Board Member Expenses</b>        | 1,495           | 900             | (595)            | 3,600                    |
| Travel Expenses                     | 3,687           | 6,999           | 3,312            | 27,996                   |
| Other                               | 23,650          | 6,249           | (17,401)         | 24,996                   |
| <b>Total</b>                        | <b>27,337</b>   | <b>13,248</b>   | <b>(14,089)</b>  | <b>52,992</b>            |
| <b>Advisory Committee Costs</b>     | 8,704           | 17,499          | 8,795            | 69,996                   |
| <b>Community Consultation Costs</b> | 0               | 3,000           | 3,000            | 12,000                   |
| <b>TOTAL EXPENSES</b>               | <b>36,041</b>   | <b>33,747</b>   | <b>(2,294)</b>   | <b>134,988</b>           |
| <b>WCDHB DEMOCRACY EXPENDITURE</b>  | <b>\$85,041</b> | <b>\$82,998</b> | <b>(\$2,043)</b> | <b>\$331,992</b>         |

**Financial Performance Indicators for September 2008**

|  |       | <b>Month<br/>Actual</b> | <b>Month<br/>Budget</b> | <b>Month<br/>Last Yr</b> |
|--|-------|-------------------------|-------------------------|--------------------------|
| Net result after tax                         | \$000 | -784                    | -596                    | -299                     |
| Net Result/Net Funds Employed % (Annualised) | %     | -45.0                   | -27.3                   | -15.8                    |
| Earnings* /Net Funds Employed % (Annualised) | %     | -0.1                    | 0.0                     | 0.2                      |
| Revenue/Net Funds Employed (Annualised)      | times | 5.6                     | 4.4                     | 4.8                      |
| Debt*** /Debt + Equity (CFA definition)      | %     | 72.5                    | 56.5                    | 46.7                     |
| Revenue/Fixed Assets (Annualised)            | times | 4.0                     | 4.0                     | 3.6                      |
| Interest cover                               | times | -6.3                    | -7.0                    | -298.0                   |

\* Earnings = operating surplus/(deficit) before interest, capital charge, tax and depreciation.

\*\*\* 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.

**V.L.C.A.** - Very Low Cost Access

**CQIT** - Clinical Quality Improvement Team

|           |   |
|-----------|---|
| Approved: | General Manager - Corporate Services – 13 November 2008 |
| Approved: | Acting Chief Executive – 14 November 2008               |

# REPORTS FROM BOARD ADVISORY COMMITTEES



# HAC REPORT TO BOARD

**TO: Chair and Members  
West Coast District Health Board**

**FROM: Chair, Hospital Advisory Committee**

**DATE: 14 November 2008**

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## REPORTING BACK ON WORK PLAN AND BOARD REFERRED ITEMS

### HR matters / Key vacancies

Key staffing issues remain the lack of O and G specialists and nursing vacancies with the latter affecting the Board's ability to provide in patient elective surgery.

## PROVIDER ARM PERFORMANCE AND RELATED MATTERS

### Finance

Significant variances continue to be due to the same concerns with these being the inability to fill staff vacancies and the need to rely on outsourced services with the high costs that these entail. The savings envisaged from the new procurement strategies are yet to be realised and travel costs are negatively affected by the support given to women travelling to Christchurch due to the O and G situation. The Ministry is well aware of the worsening deficit and recognises the inevitability of the increase because of the points previously stated.

It is important to note that the financial impacts of the O and G situation demonstrate the strategic clinical and financial benefits of having services delivered on the West Coast

### ESPIs

Dental surgery and plastic surgery are non complying areas due to the timing of visits by specialists from outside the DHB but these will be corrected by mid December.

### Operational Indicators

HAC was pleased with the presentation made on the PRIMHD project around mental health data collection and is delighted to report that the WCDHB is the lead DHB in terms of progress in this area. The comprehensive data collection has positive implications for individual patients and for strategic planning at DHB and Ministry levels. Congratulations to Sue Brown for leading this project and for the whole of the mental health team for the successful outcome.

Waiting times in the DHB practices were discussed. Buller has improved as the staffing situation has improved and Greymouth is likely to follow as further staff members are engaged. The practices are prime examples of the balancing act needed to meet clinical demand while trying to be fiscally prudent.

Despite the impact, on in patient elective surgery, of the nursing shortages, case weights are being maintained at a reasonable level being only 8% behind contracted volumes.

### **In Committee Items**

The committee reviewed the financial report on DHB owned GP practices.

HAC was brought up to date on a variety of key staffing issues.

Author: Christine Robertson, Chair, Hospital Advisory Committee – 14 November 2008

# DRAFT MINUTES OF THE HOSPITAL ADVISORY COMMITTEE MEETING HELD FRIDAY 14 NOVEMBER 2008 AT 9.45 AM IN THE BOARDROOM, CORPORATE OFFICE, GREYMOUTH

## PRESENT

Christine Robertson, Chair  
Warren Gilbertson, Deputy Chair  
Barbara Holland  
Glen Morgan  
Mary Molloy

## IN ATTENDANCE

Joel George, Acting CEO  
Chris Le Prou, GM Secondary Health Services  
Wayne Champion, General Manager Corporate Services  
Hecta Williams, General Manager Mental Health/Primary Health  
Colin Weeks, Acting Chief Financial Manager  
Bryan Jamieson, Communications Officer  
Sandra Gibbens, Minute Secretary  
Sue Brown (from 10.30am)  
Laura Mills, Grey Evening Star

## APOLOGIES

Rex Williams, West Coast District Health Board Chair

## KARAKIA

Glen Morgan

## 1. WELCOME AND APOLOGIES

The Chair welcomed attendees to the meeting. An apology was received from Rex Williams.

It was **RESOLVED** to accept the apologies.

**Moved: Warren Gilbertson Seconded: Barbara Holland**

## 2. DISCLOSURES OF INTEREST

- Warren Gilbertson – Acting CEO for Development West Coast

## 3. MINUTES OF THE LAST MEETING

The minutes of 3 October 2008 were accepted as a true and accurate record with the following amendments:

Page 3 (No. 12) and page 5 (6.3) – the resolutions to accept matters arising and patient transfers are to be removed.

It was **RESOLVED** to accept the minutes with the above changes.

**Moved:** Mary Molloy **Seconded:** Glen Morgan

#### **HAC Chair Report to the Board**

The Acting Chair spoke to his HAC report to the Board. The complaints process is currently under review.

#### **4. MATTERS ARISING**

**1 National Cervical Screening Programme**

The copy of the letter was unavailable for the meeting.

**2 Mental Health – PRIMHD Report Presentation**

This presentation will be given at 10.30am and is addressed further in the agenda.

**3 Risk Management – Objectives and Strategies to be discussed**

This has not yet been done, however it may be addressed as part of the review of board membership and roles of committees.

**4 Complaints – to be discussed with the CEO**

The discussion has taken place.

**5 Case-weights – September report to be provided depending on data availability**

This is addressed further in the agenda.

**6 Primary Practices Finances Report**

This is addressed further on the In Committee agenda.

#### **5. CORRESPONDENCE**

There was no correspondence for the period of October 2008.

#### **6. WORK PLAN**

##### **6.1 DISTRICT ANNUAL PLAN 2008/09 - UPDATE**

Points discussed:

- The DAP reporting will be part of the review process as outlined in Matters Arising, No. 3.
- Suggestion that a variance report would be useful.
- Black areas within HR and IT caused some comment from HAC members.
- Noted that there are no significant concerns.

##### **6.2 MANAGEMENT TEAM REPORT**

It was noted that a verbal Staff report will be provided in-committee.

The General Manager Secondary Health Services spoke to the report. There is work being done to maximise staffing and minimise impact on patients as much as possible. There is currently no in-patient elective surgery due to nursing shortages, however day case and acute service delivery is being provided as usual. It is acknowledged that the situation is not ideal, however staffing is, and will continue to be, an ongoing problem for the West Coast, as it is nationally and internationally. Staff retention, collaboration, morale and the issues that are specific to our region were discussed by the committee with the suggestion that strategic planning could be a role for HAC in the future given that the shortage situation is likely to continue and alternatives should be considered for the maintenance of services to meet the needs of people on the West Coast.

### **Recruitment/Vacancies**

O&G specialist and nursing vacancies are the particular areas of concern at present.

## **RISK MANAGEMENT**

### **Complaints**

A review is currently taking place. The resolution time was considered and noted that the Code states 10 days to acknowledge the complaint with 20 days to resolve.

### **Primary Health Services**

The General Manager Mental Health/Primary Health spoke to her report.

- Waiting times at Buller Health have improved significantly due to locum GPs and permanent appointments.
- In Greymouth the waiting time was high however this has started to reduce. It is expected that the situation will improve quite quickly due to: two additional GP positions approved and recruitment begun; at least two additional locums sourced to assist through to January and longer term appointments being looked for; and two additional practice nurses also approved. The situation will continue to be monitored. Some of the problem is due to other practices having closed off enrolments.
- It was agreed that having fewer doctors is a regional problem, and is not just unique to the DHB practices. Concern for permanent residents unable to enrol and having to pay full casual rates against subsidised costs was raised.

The committee wished to note that there are positive happenings within the DHB, including a cheque for \$65,000 received from the Fresh Futures Trust which was very gratefully accepted, and the recent receipt of a national Innovation Award.

**It was RESOLVED to accept the Management Report.**

**Moved: Warren Gilbertson    Seconded: Barbara Holland**

***Sue Brown entered the meeting at 10.27am***

## **6.2 MENTAL HEALTH – PRIMHD REPORT**

Sue Brown, Project Manager, Community Mental Health tabled the PRIMHD Report and presented the 'Being MH Smart 2005 – 07 PRIMHD and Beyond 08'. This is a Mental Health Service Integrated DATA Project. On the 1<sup>st</sup> July 2008 the PRIMHD project met the Ministry of Health deadlines ahead of schedule making us the lead DHB in New Zealand.

It was clear that this project has implications for better individual care and also for strategic planning nationally and within the DHB.

The Hospital Advisory Committee commended Sue and the Mental Health staff on their significant amount of work enabling the success of PRIMHD. The Committee and Board also thanked Sue in particular for her excellent presentation.

***Sue Brown left the meeting at 10.55 am***

## **6.2 FINANCIAL REPORT**

The Acting Chief Financial Manager spoke to the Finance Report.

- Consolidated result for the first quarter ended September 2008 is a deficit of \$1,767k which is \$259k better than budget (\$2,026k deficit)
- Year to Date consolidated deficit for the Provider Arm of \$3,930k, is \$573k worse than budget (\$3,357k deficit)
- Outsourced services are over budget due to staff vacancies and locum costs
- Clinical supplies are over budget due to the timing of procedures and procurement plan
- The DHB's situation has changed since the budget was set

The General Manager Corporate services added that, from a strategic perspective, our forecast shows that it is more expensive to provide services for the West Coast population elsewhere than to provide services on the West Coast.

The cost of providing service to meet the needs of the people is more expensive in our area, however it would be even more expensive to provide services outside of the area.

There was then discussion about:

- what is happening in the rest of the sector financially (ie MECAs etc)
- The Ministry have been advised about our financial forecast

**It was RESOLVED to accept the Financial Report.**

**Moved: Warren Gilbertson    Seconded: Barbara Holland**

## **6.2 OPERATIONAL INDICATORS**

We are currently waiting on feedback from the Ministry of Health.

## **6.2 OPD CANCELLATIONS**

There was nothing significant to note.

## **6.2 CASE-WEIGHTS**

The General Manager Secondary Health Services spoke to his report. From a surgical perspective we are running slightly behind with the caseweights as at September and it has remained at that level in October. However we are still delivering a reasonably high level of contract considering the current staff shortages.

## 6.2 ESPIS

There are two surgical issues – being Dentals and Plastics. Both of these are visiting specialties and will be resolved in November and December.

## 6.3 PATIENT TRANSFERS

It was put that this is an area which may need to be reviewed in terms of needing to continue to receive reports on DHB to DHB transfers. The outstanding issue where it could be possible to address IDFs is that of GP to other DHB referrals.

## 7. KEY ISSUES / ITEMS OF INTEREST TO REPORT TO THE BOARD

- Staffing and impact on services
- Waiting times—GP practices
- Finance
- PRIMHD data
- Caseweights

## 8. GENERAL BUSINESS

### **Complaints Handling Process**

The General Manager Corporate Services spoke to his report. It is intended that management report back to HAC on progress in approximately four months time. HAC was reminded that the review of all matters relating to complaints is being considered by the Audit Risk and Finance Committee.

### **WCDHB Committee Contribution to Board evaluation of the Advisory Committees 2008**

The committee are to discuss this after the In-committee section. There will be Board planning days in November 2008 and January 2009 with invitations to attend being emailed out today. 2009 meeting dates have yet to be determined.

### **Hospital Benchmark Information**

This was not an agenda item as it was provided for member's information only. There are some surgical indicators where we are behind, however our length of stay is below the sector average and we are meeting all of the ED triage benchmarks. The letter from the Ministry of Health states that we are one of the few DHBs who are managing to do that.

## 9. IN-COMMITTEE

That members of the public now be excluded from the meeting pursuant to Clause 32a, Schedule 3 of the New Zealand Public Health and Disability Act, so that the meeting may discuss the following matters:

- Minutes of meeting held 3 October 2008
- Matters Arising from the Minutes of 3 October 2008
- Primary Practices Finance Report
- Staffing

On the grounds that public conduct of this part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 9 of the Official Information Act 1982.

**Moved out of public at 11.20 am and into In-committee.**

**Moved: Christine Robertson      Seconded: Warren Gilbertson**

**Moved back into public at 11.40 am.**

**Moved: Christine Robertson      Seconded: Barbara Holland**

As this is possibly the Chair's last Hospital Advisory Committee, the Chair thanked the committee for their support during her tenure.

## **10. NEXT MEETING**

The next meeting is yet to be determined.

## **11. EVALUATION QUESTIONNAIRE**

HAC responded to an evaluation questionnaire and the results will be provided to the Board who will consider them when reviewing the role of the advisory committees.

***There being no further business the meeting concluded at 11.42am***



## MATTERS ARISING FROM HOSPITAL ADVISORY COMMITTEE MEETINGS

| Item No.                            | Meeting Date     | Action Item   | Action Responsibility              | Reporting Status   | Agenda Item Ref |
|-------------------------------------|------------------|---|------------------------------------|--------------------|-----------------|
| 1                                   | 3 October 2008   | National Cervical Screening Programme – Copy of the letter to be provided to HAC  | GM Mental Health/Primary Health    | Next HAC meeting   | 6.2             |
| 2                                   | 3 October 2008   | Risk Management – Objectives and Strategies to be discussed   | Acting Chair                       | November 2008      | 6.2             |
| 3                                   | 30 May 2008      | Operational indicators - management to identify to HAC those indicators which are a cause for concern to the DHB, ie was there feedback from the Ministry which indicated action needed | All Management                     | Next HAC meeting   | 6.2             |
| 4                                   | 3 October 2008   | Nursing Report – Activity data for District Nurses/Primary Community Nurses   | GM Mental Health/GM Primary Health | April 2009         | 6.3             |
| 5                                   | 7 March 2008     | Sentinel Events or PQAA Report—WCDHB's current process  | GM Secondary Health Services       | May 2009           | 6.3             |
| 6                                   | 14 November 2008 | Complaints Handling Process – Report on progress  | GM Corporate Services              | March 2009         | 8               |
| <b>ITEM REFERRED FROM THE BOARD</b> |                  |   |                                    |                    |                 |
| 7                                   | December 2007    | Analysis of data showing reduction in acute presentations to determine impact of Primary Health Strategy/Primary Care Plan.   | CEO/GM Secondary Services          | First meeting 2009 | 4               |

**DRAFT MINUTES OF THE COMMUNITY AND  
PUBLIC HEALTH ADVISORY COMMITTEE MEETING HELD ON 7  
NOVEMBER 2008 IN THE BOARDROOM, CORPORATE OFFICE,  
GREYMOUTH, COMMENCING AT 10.00 AM**

|                      |   |
|----------------------|---|
| <b>PRESENT</b>       | Susan Wallace, Chair<br>Rex Williams, West Coast DHB Chair<br>Sharon Pugh, Deputy Chair<br>Shar Ransom<br>Elinor Stratford<br>Barbara Holland                                 |
| <b>IN ATTENDANCE</b> | Emma Smith, Minute Secretary<br>Wayne Turp, GM Planning and Funding<br>Bryan Jamieson, Community Liaison<br>Gary Coghlan<br>Joel George<br>Kim Hibbs, HR (partial attendance) |
| <b>APOLOGIES</b>     | Cheryl Brunton<br>Jem Pupich<br>Barbara Greer<br>Helen Rasmussen<br>Shar Ransom (for lateness)  |

**1.0 APOLOGIES, WELCOME, KARAKIA**

The Chair welcomed everyone to the meeting and Gary Coghlan gave the karakia. Apologies were received on behalf of Jem Pupich and Cheryl Brunton.

**2.0 STANDING ORDERS**

The Deputy Chair waived the Standing Orders.

**3.0 DISCLOSURES OF INTEREST**

**Susan Wallace**

- Add "Director - Kāti Māhaki Ki Makaawhio Ltd"
- Add "Member - Te Rūnanga o Makaawhio"
- Add "Member - Te Rūnanga o Ngati Waewae"

Shar Ransom joined the meeting at 10.02

**4.0 AGENDA CHECK**

Committee members' availability for the next meeting was discussed to establish if there would be a quorum. The Chair will advise if the meeting should go ahead on the scheduled date depending on the agenda. Apologies for December 19<sup>th</sup> were offered by Susan Wallace and Shar Ransom

## **5.0 MINUTES OF THE PREVIOUS CPHAC MEETING HELD 26<sup>TH</sup> SEPTEMBER 2008**

Minutes were amended to show Rex Williams as present, rather than In Attendance

**Moved: Sharon Pugh      Seconded: Shar Ransom**

***It was RESOLVED that the Minutes of the Community and Public Health Advisory Committee meeting held 26<sup>th</sup> September 2008 with the changes noted were a true and accurate record.***

## **6.0 MATTERS ARISING**

- Free smears – MoH has changed the eligibility criteria but has advised the DHB that it can continue to provide free smears to women who were previously eligible
- Processing of smear results – the timeframe has improved and has now reduced to a few weeks
- MSD – this issue is ongoing; GM Planning and Funding will contact MSD
- 1080 Report – this report has not yet been received by the Board. GM Planning and Funding will ask Cheryl Brunton to table the report to the next Board meeting rather than submitting it via CPHAC, and the paper will be sent to CPHAC members for their information.

## **CORRESPONDENCE**

No correspondence was presented to the committee.

## **7.0 GENERAL BUSINESS**

### **7.1 Chair's Report to Committee**

It was noted that the DAP workshop is to be held in afternoon of 28<sup>th</sup> November, after the Board meeting – the venue is to be confirmed depending on the venue of the Board meeting

### **7.2 Work Plan**

#### **GM Planning and Funding Report**

The report was taken as read. GM Planning and Funding advised committee members that the Improving Patient Pathways project won a category award at the National Innovation Awards in Wellington. It was questioned how the knowledge from these projects was shared – GM Planning and Funding explained that these awards are part of a three-day conference highlighting interesting work in the health sector in New Zealand and globally, and this is an opportunity to share learnings and knowledge. He advised that two national finalists were category winners from the 2007 West Coast DHB awards. The Chair of the Board requested a report to Board and committees from staff that attended the conference.

GM Planning and Funding and the Director of Nursing will prepare a management report that will be sent to the Board.

Committee members acknowledged the success and congratulated the award winners. It was requested that this also be acknowledged at the local awards ceremony.

It was noted that good progress is being made with oral health and the B4School checks.

Progress on smokefree parks was questioned – GM Planning and Funding had no update to report.

### **Update against the District Annual Plan**

The Chair of the Board queried the amount of interaction between interested parties in the area of Māori health; it was agreed that there is not enough communication. More liaison between the Chair of Tatau Pounamu and Chair of the Board was recommended. It was noted that the areas of cultural training needs to be addressed. Some good progress has been made and the relationship between Māori and the Board on the West Coast is reasonably strong, according to an independent review carried out of eight DHBs. It was suggested that Chair of Tatau Pounamu be invited to attend CPHAC meetings to address committee members and increase the level of participation and feedback. GM Māori Health will discuss this with the Chair of Tatau Pounamu. The Memorandum of Understanding between the DHB and the runanga states that the Chairs should meet two or three times a year.

Page 31, routine neonatal hearing screening – the MoH timeline for implementation is either 2008/09 or 2009/10 – the DHB's Provider Arm would prefer to implement in 2009/10. It was agreed that this item could be deferred to the 2009/10 DAP and the action would be reflected as a Status Change in the report. GM Planning and Funding will investigate whether checks are carried out on babies born off the Coast in Christchurch or Nelson.

Page 52, accessibility of checks – no report was received from the DHB's Provider Arm. This issue has been raised to management by the CEO and managers have been requested to address the problems in advance of committee meetings.

Page 53, integration of databases – as above.

Page 55, targets for retinal screening – the retinal screening service was withdrawn by the previous provider. A replacement provider has been identified and will start providing the service in Quarter Two.

Page 56, establishment of Local Cardiovascular Team – further detail will be provided on the reason for the lack of this in the next report.

Page 61, self-management programmes for Māori and Pacific communities – further discussion is required around which team is responsible for this item.

Page 70, training for nursing staff – no further information was available on this item.

Page 72, ethnicity data collection training – GM Māori Health felt that most staff who should have received the training have already done so. The importance of accurate data collection was discussed. It was recommended that the issue be raised to the Board.

Page 76 – no report was received on these items.

### **West Coast PHO Quarterly Report**

Andrea Baker was not able to attend to speak to the report – it was agreed that the report would be reviewed and questions raised to her

Page 4, After Hours Service - GM Planning and Funding explained that the problem with after hours service provision is not unique to the West Coast, and that the problem has

been escalated to MoH. A whole system approach is needed with GPs providing care outside core hours; currently the service is good in South Westland, satisfactory in Buller but poor in Grey, where ED is currently providing after hours care. It was noted that this arrangement leads to a lack of a home visit service, requiring rest home patients in need of after hours GP care to be transported to and from hospital by ambulance. As a long term solution, the Sustainability Project will be seeking to address the issue of after hours care, perhaps by the co-location of primary and secondary services. An interim solution was queried, and the Committee will raise its concern to the Board.

Page 5, Practices - the number of new enrolments was a concern, and it was suggested that the introduction of a kaiawhina service may exacerbate the problem. It was noted that the kaiawhina may raise the number of existing patients who identify as Māori. The DHB is seeking to address the increase in enrolments by seeking to increase numbers of GPs and nurses at the practice. The Chair will raise to the Board the Committee's ongoing concern with capacity of primary care services to support the West Coast community.

Page 16, CVD Annual Reviews – concern was raised that these are below target due to clinician shortages.

Page 17, Corrections Vouchers - it was noted that these are again below target – it was queried whether this is because fewer people need them, because Corrections needs to promote them more strongly, or because the PHO needs to give more training.

### **Student Scholarships**

The third Incubator session has just been run, with an SHO and a pharmacist present. Attendance was affected by the recent death of a student, but it was enjoyed and all sessions have generated positive feedback. The programme is used as an opportunity to promote the scholarships

The DHB is half way through the contract with Hawke' Bay DHB to run the programme in one school (it is piloted in one school to make sure it functioning properly – commitment form 20 staff is required for this). The DHB is consulting with Grey High on scheduling next year. The optimum size for the group was discussed. The ratio of Māori students was questioned and committee members were advised that students this year identified as Māori; the training had been promoted to Māori students. Committee members were advised that year 12 and 13 students are self-selecting from an initial session.

It is hoped that in time the scheme can be run Coast-wide.

Scholarships close on Monday, and a good response has been received (one student has been through the Incubator programme). It was noted that scholarships are not bonded, although incentives for remaining on the Coast are under discussion.

### **7.3 Māori Health Profile**

Cheryl Brunton was unable to present on this item. It was suggested that as an update on needs analysis to be given to Board on 28<sup>th</sup> November, the presentation on needs analysis could also be given then.

The profile needs to be presented to whānau, hapū and iwi to discuss what can be done better and how to work together to improve the health of the Māori community.

A review of the District Strategic Plan and of the population health needs analysis is due in 2009, which will need formal public consultation and input from the Board and its advisory committees.

GM Māori Health expressed his thanks to Community and Public Health for this mahi.

### **7.4 Proposed CPHAC Workplan 2008/09**

A meeting is scheduled for Chairs to review the workplans for all committees. Committee members' comments on current workplan items were as follows:

Relevant actions from the DAP - retain

Relevant IT items - retain

Post-grad GP training - to be reviewed

Referred Services - discuss with PHO

PHO Quarterly Report - retain

HEHA - retain

Undergraduate medical - to be reviewed

Green Prescription - to be included in PHO Quarterly report

Cervical Screening - retain

NRT - to be part of a regular Smokefree DHB report

Healthline Usage - retain

Sexual Health - retain

Public Health Plan - retain

Student Scholarships - to be reviewed

Breastscreen Aotearoa - retain

Immunisation rates - retain

Diabetes services - retain

Clinical Governance Working Group Report - GM Planning and Funding will discuss this internally and with the PHO

Add: DHB relations with other stakeholders - it was noted that this forms part of the CEO's report to the Board

### **Other Business**

*There being no further business to discuss,  
the meeting concluded with a karakia at 12.00pm*

**The next meeting will be held on 19<sup>th</sup> December 2008  
10.00am in the Boardroom, Corporate Office, WCDHB, Greymouth**

**MATTERS ARISING FROM COMMUNITY & PUBLIC HEALTH ADVISORY COMMITTEE MEETINGS**

| <b>Meeting Date</b> | <b>Action Item</b>  | <b>Action Responsibility</b>             | <b>Reporting Status</b>    |
|---------------------|---|--|----------------------------|
| 15 August 2008      | Liaise with MSD to establish what will happen to organisations that already have MSD funding for counselling that is offered through an NGO | GM Planning and Funding                  | Discussions underway       |
| 15 August 2008      | Prepare a report on the use of 1080 for inclusion in the Board papers   | GM Planning and Funding / Cheryl Brunton | Update to December meeting |
| 7 November 2008     | Prepare a report on Innov'08 for Advisory Committees  | GM Planning and Funding                  | Update to December meeting |
| 7 November 2008     | Investigate whether neonatal hearing checks are carried out on babies born off the Coast in Christchurch or Nelson                          | GM Planning and Funding                  | Update to December meeting |
| 7 November 2008     | Raise the Committee's concerns around ethnicity data collection training to the Board   | Chair                                    | Update to December meeting |
| 7 November 2008     | Raise the Committee's concerns around the provision of an after hours service to the Board  | Chair                                    | Update to December meeting |
| 7 November 2008     | Raise the Committee's ongoing concerns around the capacity of primary care services to support the West Coast community                     | Chair                                    | Update to December meeting |

## **INFORMATION PAPERS**

The following documents have been included with your papers for your information.



# WEST COAST DISTRICT HEALTH BOARD ADVISORY COMMITTEE MEMBERS TERMS OF APPOINTMENT

## HOSPITAL ADVISORY COMMITTEE

| Member                              | Date of Appointment  | Length of Term                                     | Expiry Date             |
|-------------------------------------|--|--|-------------------------|
| Dr Christine Robertson<br>(Chair)   | 7 February 2002 (Re-appointed 17 December 2004 & 14 December 2007) | 1 Year   | Last Board Meeting 2008 |
| Warren Gilberston<br>(Deputy Chair) | 14 December 2007   | 1 Year   | Last Board Meeting 2008 |
| Rex Williams                        | 14 December 2007   | For the period served as an appointed Board Chair. | While Board Chair       |
| Barbara Beckford                    | 25 June 2003 (Re-appointed 30 June 2006)                           | 3 Years  | 30 June 2009            |
| Glen Morgan                         | 13 June 2008   | 3 Years  | 12 June 2011            |
| Richard Wallace                     | 25 July 2005   | Until advised by Te Runanga o Makaawhio            |                         |
| Mary Molloy                         | 18 January 2008  | 3 Years  | 17 January 2011         |

## DISABILITY SERVICES ADVISORY COMMITTEE

| Member                             | Date of Appointment  | Length of Term                                     | Expiry Date             |
|------------------------------------|--|--|-------------------------|
| John Vaile<br>(Chair)              | 7 February 2002 (Re-appointed 17 December 2004 & 14 December 2007) | 1 Year   | Last Board Meeting 2008 |
| Elinor Stratford<br>(Deputy Chair) | 14 December 2007   | 1 Year   | Last Board Meeting 2008 |
| Mohammed Shahadat                  | 17 December 2004 (Re-appointed 14 December 2007)                   | 1 Year   | Last Board Meeting 2008 |
| Rex Williams                       | 14 December 2007   | For the period served as an appointed Board Chair. | While Board Chair       |
| Kevin Brown                        | 14 December 2007   | 1 Year   | Last Board Meeting 2008 |
| Graham Axford                      | 26 January 2007  | 3 Years  | 26 January 2010         |
| Lynnette Beirne                    | 1 June 2007  | 3 Years  | 31 May 2010             |
| Patricia Nolan                     | 18 July 2005 (Re-appointed 18 July 2006 & 19 July 2008)            | 3 Years  | 18 July 2011            |
| Rick Barber                        | 14 March 2008  | 3 Years  | 14 March 2011           |

# COMMUNITY & PUBLIC HEALTH ADVISORY COMMITTEE

| Member                        | Date of Appointment   | Length of Term  | Expiry Date             |
|-------------------------------|---|---|-------------------------|
| Susan Wallace<br>(Chair)      | 3 November 2006<br>(Re-appointed 14 December 2007)                              | 1 Year  | Last Board Meeting 2008 |
| Sharon Pugh<br>(Deputy Chair) | 14 December 2007  | 1 Year  | Last Board Meeting 2008 |
| Rex Williams                  | 14 December 2007  | For the period served as an appointed Board Chair.                              | While Board Chair       |
| Elinor Stratford              | 14 December 2007  | 1 Year  | Last Board Meeting 2008 |
| Barbara Beckford              | Co-opted September 2004 Appointed 4 March 2005<br>(Re-appointed 1 October 2007) | 3 Years   | 30 September 2010       |
| Cheryl Brunton                | 1 February 2005 (Re-appointed 3 November 2006 & 13<br>June 2008)                | Whilst remaining as the Medical Officer of the Health for the<br>West Coast DHB |                         |
| Barbara Greer                 | 12 November 2003 (Re-appointed 15 December 2006)                                | 3 Years   | December 2009           |
| Sharon Ransom                 | September 2004 (Re-appointed 1 October 2007)                                    | 3 Years   | 30 September 2010       |
| Helen Rasmussen               | 15 December 2006  | Until advised by Te Runanga o Makaawhio   |                         |

# WEST COAST DISTRICT HEALTH BOARD AND ADVISORY COMMITTEE TIMETABLE JANUARY 2008 TO DECEMBER 2008

| DATE                            | MEETING               | TIME            | VENUE   |
|---------------------------------|-----------------------|-----------------|---|
| Friday 18 January 2008          | Board                 | 8.30 am         | Tai Poutini Polytechnic                             |
| Friday 25 January 2008          | HAC                   | 9.45 am         | Boardroom, Corporate Office, Greymouth              |
| Friday 1 February 2008          | CPHAC                 | 10.00 am        | Boardroom, Corporate Office, Greymouth              |
| <b>Thursday 7 February 2008</b> | <b>Board Training</b> | <b>10.00 am</b> | <b>Boardroom, Corporate Office, Greymouth</b>       |
| Friday 8 February 2008          | Board                 | 9.30 am         | Boardroom, Corporate Office, Greymouth              |
| Wednesday 27 February 2008      | DSAC                  | 1.00 pm         | Boardroom, Corporate Office, Greymouth              |
| Friday 29 February 2008         | CPHAC                 | 10.00 am        | Boardroom, Corporate Office, Greymouth              |
| Friday 7 March 2008             | HAC                   | 9.45 am         | Boardroom, Corporate Office, Greymouth              |
| Friday 14 March 2008            | Board                 | 9.30 am         | Council Chambers, Hokitika                          |
| Friday 11 April 2008            | CPHAC                 | 10.00 am        | Boardroom, Corporate Office, Greymouth              |
| Friday 18 April 2008            | HAC                   | 9.45 am         | Boardroom, Corporate Office, Greymouth              |
| <b>Thursday 1 May 2008</b>      | <b>Board Training</b> | <b>10.00 am</b> | <b>Boardroom, Corporate Office, Greymouth</b>       |
| Friday 2 May 2008               | Board                 | 9.30 am         | Boardroom, Corporate Office, Greymouth              |
| Friday 23 May 2008              | CPHAC                 | 10.00 am        | Boardroom, Corporate Office, Greymouth              |
| Friday 30 May 2008              | HAC                   | 9.45 am         | Boardroom, Corporate Office, Greymouth              |
| Wednesday 4 June 2008           | DSAC                  | 1.00 pm         | Boardroom, Corporate Office, Greymouth              |
| Friday 13 June 2008             | Board                 | 9.30 am         | Te Tauraka Waka a Maui Marae, Bruce Bay             |
| Friday 4 July 2008              | CPHAC                 | 10.00 am        | Boardroom, Corporate Office, Greymouth              |
| Friday 11 July 2008             | HAC                   | 9.45 am         | Boardroom, Corporate Office, Greymouth              |
| Friday 25 July 2008             | Board                 | 9.30 am         | Council Chambers, Westport                          |
| Friday 15 August 2008           | CPHAC                 | 10.00 am        | Boardroom, Corporate Office, Greymouth              |
| Friday 22 August 2008           | HAC                   | 9.45 am         | Boardroom, Corporate Office, Greymouth              |
| Friday 29 August 2008           | Board                 | 9.30 am         | Boardroom, Corporate Office, Greymouth              |
| Wednesday 3 September 2008      | DSAC                  | 1.00 pm         | Boardroom, Corporate Office, Greymouth              |
| Friday 26 September 2008        | CPHAC                 | 10.00 am        | Boardroom, Corporate Office, Greymouth              |
| Friday 3 October 2008           | HAC                   | 9.45 am         | Boardroom, Corporate Office, Greymouth              |
| <b>Thursday 16 October 2008</b> | <b>Board Training</b> | <b>10.00 am</b> | <b>Boardroom, Corporate Office, Greymouth</b>       |
| Friday 17 October 2008          | Board                 | 9.30 am         | Boardroom, Corporate Office, Greymouth              |
| Friday 7 November 2008          | CPHAC                 | 10.00 am        | Boardroom, Corporate Office, Greymouth              |
| Friday 14 November 2008         | HAC                   | 9.45 am         | Boardroom, Corporate Office, Greymouth              |
| Friday 28 November 2008         | Board                 | 9.30 am         | Conference Room, Tai Poutini Polytechnic, Greymouth |
| Wednesday 3 December 2008       | DSAC                  | 1.00 pm         | Boardroom, Corporate Office, Greymouth              |
| Friday 19 December 2008         | CPHAC                 | 10.00 am        | Boardroom, Corporate Office, Greymouth              |



# Value for Money

### Special points of interest:

- Inaugural meeting of the NZ Chapter of the Health Roundtable
- Waikato DHB's successful use of Lean thinking methods
- What is "Lean thinking"?
- VfM has a new lead Chair

## The New Zealand Chapter of the Health Roundtable

The New Zealand Chapter of the Health Roundtable (HRT) held a very successful inaugural meeting on 15 and 16 October, in Auckland.

HRT General Manager, David Dean, accompanied by Fabian Chessell and Michael Blatchford, travelled from Sydney to be at this significant event.

All DHBs are now HRT members, and they were well represented at the meeting. It was an excellent opportunity to catch up with colleagues and share experiences and information.

The HRT is a not-for-profit organisation. Members share information and their individual problems and solutions to providing high quality hospital care. Vivian Blake, Chief Operating Officer (COO) at Otago DHB and Chair of the national COO

group, said the meeting was a wonderful opportunity for DHBs to discuss the different challenges faced in their hospitals.

"One thing is evident though," she said, "putting the patient first is essential if we are to improve the patient journey and deliver better and better services."

David Dean described how the HRT now includes 107 hospitals throughout New Zealand and Australia. He said this provided a wealth of data for DHBs to search

for differences and make voluntary comparisons with peers. He emphasised there was no "right or wrong" and the HRT was an opportunity and a focus that allowed gradual fine tuning by individual hospitals.

David also talked about the four key lessons HRT has learned over the past 13 years: "out of sight out of mind", "money talks", "necessity is the mother of invention", and "misery loves company".

Over the next 18 months, COOs will focus on stroke, ED and Theatres, with comparative Stroke and ED information shared daily.. A follow-up meeting in Auckland in 6 months will evaluate progress with the stroke and ED initiatives and begin benchmarking on theatre productivity.

### INSIDE THIS ISSUE:

|                                    |   |
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| Stereotactic biopsy at Waikato DHB | 2 |
| Lean thinking                      | 3 |
| VfM Steering Group                 | 4 |
| Scanning the horizon               | 4 |



### Extract from the New Zealand Chapter of the Health Round Table Terms of Reference

The overall aim of the group is to "improve systems and processes for the delivery of New Zealand public health services through benchmarking various key performance indicators and by the sharing and dissemination of innovative and good practice ideas amongst its members."

# Lean Thinking Programme

## Stereotactic biopsy at Waikato DHB

At Waikato DHB there were complaints about the stereotactic biopsy service; staff noted waste and duplication and patients were concerned about the wait-time for treatment.

A team was set up to look at the issue and in July 2007 it made its goal a decrease in the wait time for out of region patients for stereotactic biopsy from assessment and referral to completion of the procedure. The aim was to bring the wait time down to less

than 14 days by 30 of September 2008. The Waikato DHB team used the Lean Technique of Value Stream Mapping (VSM) to work through the problem and come up with a workable approach. The VSM technique is highly structured and requires the involvement of staff. The more the team worked with staff, the stronger the buy-in. The team was also able to gather a greater quantity of better information.

Baseline measures - Aver-

age number of days wait for stereotactic biopsy for symptomatic patients during 2007:

- ⇒ 26 working days over-all Midland area
- ⇒ 25 working days for Waikato women
- ⇒ 32 working days for BOP women
- ⇒ 12 working days for Lakes women

### What we heard....

*I found the lump in the shower, from then on it was the only thing I thought about*

*Waiting was hard, to see GP, specialist and to have scans, biopsies, etc*

*It should be standard practice to send films with referrals*

### Where was the waste?

#### Waiting

Wait to see the surgeon  
Wait for referral to be typed and signed off  
Wait for imaging to be sent  
Wait for Radiologist to vet referral  
Wait for procedure date to come around

#### Overproduction

Surgical assessment prior to procedure (funding requirement more than clinical requirement)

Vetting of referrals (few rejected)

#### Rejects

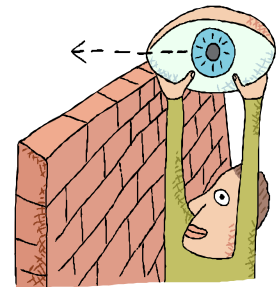
The need to often check residency status and hence eligibility, and other personal details

#### Motion

Accessing films and prior history

#### Transport

Arranging appointments to meet the needs of women from other DHBs (travel)



Centralised drop off point for courier packages at Waikato Hospital

#### Staff Utilisation

Only able to book x3 procedures per day due to availability of specialists and coordination of specialist appointments.

### Results: what was done, and what was learnt

#### Results

The baseline has now been met for Waikato DHB, with an average wait time for stereotactic biopsy for symptomatic patients of only 9 days.

However the wait time for women from Lakes has increased from 12 days to 19 days. The team is focusing on bringing this back down to an average of 14 days.

#### What was done

Waikato DHB put in a number of initiatives to bring the wait time down. In particular they established:

- ⇒ A standard out of town

referral letter to include ALL relevant information

- ⇒ A process for couriering referrals directly to the Breast Care Centre accompanied by films/imaging
- ⇒ A flow diagram that depicts the process for out of town referrals
- ⇒ A protocol for Breast Care Centre staff on out of town referrals including the management of cases, prioritisation processes and result letters

#### What was learnt

The key learnings from this initiative identified by Waikato

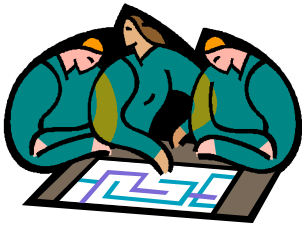
DHB were:

- ⇒ You need strong local/operational involvement and engagement
- ⇒ Process needs to be supported with the dedication of time, project management and lean expertise
- ⇒ You need strong commitment from management to implement initiatives (ideally directly involved)
- ⇒ It is possible for the 'lean team' to make an impact when not directly involved.

Lean Team Waikato DHB contact:

Anne Morrison, PHIT Unit, Population Health, Waikato DHB (07 8382569 ext 2028)

## What is Lean Thinking?



It may come as no surprise to you to know Lean Thinking has its roots in scientific management — Henry Ford, Frank Gilbreth, FW Taylor. This viewpoint of reducing waste in all aspects of the work was picked up by the Toyota car manufacturing company, resulting in their Toyota Production Systems (TPS). Adapting TPS into other businesses led to the concept of Lean.

There are three objectives to Lean (US EPA):

1. Reduce production resource requirements and costs
2. Increase customer responsiveness
3. Improve product quality

A successful lean organisation will arrange its processes to ensure a continuous flow of production (or service to a customer); the environment will facilitate the production flow (eg orderly and clean); and ALL employees are involved (US EPA).

Some of the methods underpinning Lean are: Kaizen (or Rapid Process

Improvement Events), Value Stream Mapping, Six Sigma, and Five Pillars.

By applying one or more of these methods, businesses can expect to: reduce backlogs and lead times, simplify work processes, improve quality and process transparency, and increase staff morale. This is all done in such a way that it is customer focused, involves employees and external stakeholders in continuous improvements and problem solving, emphasises implementation, reduces complexity of processes, and provides quantitative and qualitative feedback to improve real-time decision making (US EPA).



**Reference:** U.S. Environmental Protection Agency (US EPA). *Lean Thinking and Methods*. <http://www.epa.gov/lean/thinking/index.htm>. Accessed 31 October 2008

## What are the 5 (sometimes 6) Pillars, and the 6 $\sigma$ (Sigma)?

Both are Lean methods to improve performance.

The 5S Pillars are: Sort, Set in order, Shine, Standardize, Sustain. The 6th one refers to “Safety” which may be added. The method is a cycle, and discipline in each of these

areas results in continuous quality improvement. The emphasis is on clean and clutter free work environments (US EPA).

The 6 $\sigma$  are statistical tools that are used in a sequence of steps: Define, Measure, Analyze, Im-

prove, and Control. The emphasis of this method is to identify the weaknesses, correct them, and measure the change (US EPA).

There are other Lean methods which you might also like to investigate and try.

**Reference:** U.S. Environmental Protection Agency (US EPA). *Lean Thinking and Methods*. <http://www.epa.gov/lean/thinking/index.htm>. Accessed 31 October 2008

## Is Lean just the flavour of the month?

The US Environmental Protection Agency (US EPA) and the Environmental Council of the States (ECOS) highlight a number of aspects of Lean which they say make it different from what has been tried in the past. In their publication “Lean in Government Starter Kit” the US EPA bring our attention to TQM and Continuous Improvement (the buzz words of some 10-20 years ago) and suggest

they did not survive because:

“After several days of training on what seemed like obtuse principles, staff were sent back to their regular duties and told to improve the quality of their work process. No one typically thought their process was broken so there wasn’t a lot of incentive to change anything and besides, they were already behind from all those days in training.”

The EPA agree the theory underpinning TQM was “not bad” but it lacked follow-through and commitment. To answer the challenge of whether this is the flavour of the month, the EPA and ECOS say:

“Lean – be it kaizen events, value stream mapping, or other Lean Six Sigma methods – has been proven to work in government time and again, no matter what the process.”

**What do you think?**

**Reference:** Environmental Council of the States & U.S. Environmental Protection Agency. *Lean in Government Starter Kit*. <http://www.epa.gov/lean/toolkit/LeanGovtKitFinal.pdf>. Accessed 31 October 2008

## VfM Steering Group



The VfM national programme farewells Peter Glen-sor (Chair Hutt Valley) as he vacates the Lead

Chair of VfM to take up the role of Chair of the Chairs' Executive Committee. Peter's commitment to VfM and his enthusiasm has been much appreciated.

We welcome Bob Francis (Chair, Wairarapa) as the new Lead Chair for VfM. More about Bob in a future newsletter.

The "INNOV8—weaving innovation into health" conference was held on

3-5 November. This was a three day summit, hosted by Ministry of Health and the NZ Trade and Enterprise, to learn about best practices and success stories in implementing innovative solutions in health-care. We hope to be able to share some of the experiences from this conference, and as a result of the conference, within the sector. *Please contact Chris to put your story in this newsletter, or to share on the VfM website.*

The VfM Steering Group's current focus is "Learning sector". There are many questions being explored, such as "What does this

mean?", and "what do we need to do?". A small expert group is drafting a strategy for discussion and input from DHBs and the Ministry.

The intent is to identify and use the established networks, tools, relationships and processes. The national strategy does not replace local and regional work in this area; rather it will provide a framework to support and align local and regional activity.

*Please contact your VfM Champion (or Chris) to request the draft Learning Sector Strategy for your feedback.*



**Value AND money**

We're on the web  
[DHBnz.org.nz](http://DHBnz.org.nz) (members section)

### Scanning the Horizon: Recent Developments in Health Innovations and Technologies

Issue 3 of "Scanning the Horizon: Recent Developments in Health Innovations and Technologies" has been placed on the Ministry of Health website. The newsletter provides links to assessments of new and emerging technologies and to recent key research and guidelines.

Particular emphasis is placed on the Ten Health Targets.

Other topics addressed in the October newsletter include:

- technology for disability services
- management of otitis media
- 30th anniversary of Alma-Ata Declaration
- primary care
- single use and reusable devices

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Value for Money  
Published through  
DHBnz  
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Wellington

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