



HOSPITAL ADVISORY COMMITTEE

MINUTES – PUBLIC - unconfirmed

Tuesday 23 February 2010

10.00am

Corporate Meeting Room 1

Base Hospital

David Street

New Plymouth

Present:

Peter Catt (Chairman), John Young (ex officio), Mary Bourke, Karen Eagles, Jenny Nager, Grant Knuckey (Board Members), Brian Jeffares, Peter Moeahu, Nic Boheimer, Jan Dunlop (co-opted members)

In Attendance:

Tony Foulkes (Chief Executive), George Thomas (General Manager Finance and Corporate Services, Rosemary Clements (Acting General Manager Hospital and Specialist Services), Gavin Woolley (General Manager Organisation Development and Human Resources) John Doran (Chief Medical Advisor), Katherine Fraser-Chapple (Management Accountant), Sue Carrington (Media Advisor), Jenny McLennan (PA to Board)

545.0 Declaration to Open Meeting

The meeting was opened with a Karakia at 10.00am

546.0 Apologies

Kura Denness (Board member) and Joy Farley (General Manager Hospital and Specialist Services)

547.0 Conflicts of Interest

No new interests were declared.

548.0 Minutes of Previous Meeting

Resolution

That the Minutes of the Hospital Advisory Committee meeting held on 26 January 2010 be confirmed subject to the following amendment:-

- *Present – Jan Dunlop (Co-opted)*

*Nager/Eagles
Carried*

549.0 Management Reports

549.1 The Acting General Manager Hospital Services referred to the report and attachments highlighting the following:

- ED activity at Base Hospital increase of 4.4% with a decrease of activity at Hawera ED of 4.0%
- Forecasted year end deficit of \$7.1m
- Number of reviews underway are continuing.
- Awaiting feedback on business case from NASO On Ambulance Services

Discussion

- Hawera Model of Care – Mrs Nager questioned the timeline regarding the review of service delivery at night at Hawera Hospital. Ms Clements advised that consultation for the Model of Care review had been completed with the review now in the implementation phase. Ms Clements was to make the Model of Care report available for new board members.
- Financial position – Mr Moeahu referred to the statement that planned cost savings may not be achieved within the six months timeframe and asked for how many years there had been an operating deficit. Mr Foulkes advised that there had been a recurring deficit in hospital services for the previous four years and that the financial situation had to change. While recent reviews had incurred savings increased costs in other areas, including significant movement in pay structures, MECA increases and pay shifts with nursing staff meant that it cost more to employ the same number of staff. This along with increases in non-staff items meant that as quick as savings are realised in one area increased costs are occurring in another. Mr Foulkes advised that further reviews and changes in the system will not fully address the deficit hence the previous discussions that there was a requirement to do more and do it differently to obtain greater control of the current financial situation.

Mr Moeahu questioned the political fall-out by the Minister if DHBs did not respond to directives for financial control and restraint. Mr Young replied advising that the impact of increased costs to deliver services, including settlement for national contracts was significant. The people of Taranaki have continued to be better served with an increase in elective surgery and services but there remained the requirement for the Executive Management team (EMT) to satisfy the Ministers requirements. The Ministry was taking a line-by-line monitoring approach to ensure DHBs live within their DAP and EMT needed to be encouraged and supported to meet the plan.

Mr Foulkes advised that as indicated in the previous months report initiatives and reviews were actively proceeding in an effort to meet the plan for the year and noted that as the forecast will be outside of the plan there was a need for operational managers to take further action in addition to what has already begun to address the issues. Although it is anticipated that by the end of June an operational activity should be in line with the plan the longer-term plan needed to be reconsidered. As a point of clarification Mr Foulkes noted that the deficit related to hospital services only and was not the consolidated DHB position.

The financial position was discussed extensively with points of interest noted as follows:-

- Policy regarding the purchase of vehicles in particular hybrid cars. Mr Thomas advised that this policy received ongoing consideration as the fleet required turnover. Consideration included the purchase of green vehicles. Current fleet managed with optimal usage incorporating the ongoing provision of community services.
- Although some cost had been identified and previously reported detailed figures on potential savings from reviews underway was not available. Mr Foulkes advised the overall target was an accumulated target to bring in line to budget.
- Encouragement of EMT to continue work on reviews utilising collective wisdom of staff to identify areas of potential savings.
- Initial and ongoing expenditure associated with Project Maunga, especially in light of the financial situation, was raised as a challenging issue with its continuation due to its financial impact questioned. Mr Foulkes advised that the Project Maunga Business Case for Investment identified that the project would always be a financial challenge and even once completed would continue to provide financial pressures. Configuration of services and the quality of buildings would be addressed through the project and while there is never a good or right time to embark on major capital the DHB was able to take advantage of the global financial status when the project was originally approved. The challenge within the NZ health service was that capital investment is managed as a commercial investment rather than as an investment for the good of the community. The business case was approved prior to the economic downturn and it was unlikely a further window of opportunity would be available within the next 10 to 20 years if stage 1 of the project didn't continue. Whilst the challenging financial commitment was recognised the benefits of the investment was a longer term consideration.
- The requirement of additional personnel cost associated with Project Maunga in addition to the engagement of a consultant was questioned. Mr Thomas advised that some key staff had been seconded to lead project groups eg theatre. Substantial time and input was required to ensure expertise within these groups and as a result there was a need to backfill some time for service continuity with associated expenditure capitalised against project expenditure. Noted that the large number of staff involved in user groups were not receiving any additional compensation for their participation.
- Noted the involvement of Hawera staff to ensure their experience as a result of the Hawera Hospital redevelopment and was raised as option for internal consultants. Mr Foulkes reminded members of the two options available:
 - i) hospital designs built on 'in-house' expertise, which has lots of merit or
 - ii) expert advice – 'off-the-shelf' hospital design doesn't necessarily address local issues

The reality is that either option cannot be done in extreme and that local knowledge with expert advice was an appropriate blend of the two.

Mr Thomas further added the 6-8 user groups involved 8-9 people. Outside expertise work off theory and as the provision of hospital services was operationally complex there was a need to ensure the provision of services was maintained throughout the project. Costly mistakes can be incurred if project was not managed effectively. Mr Young cited a Capital and Coast example of local knowledge not captured advising that local expertise was essential to ensure any potential benefits and savings in the project were realised. In closing Dr Catt recognised the concerns raised and supported the continuation of the project.

Hospital Operations

Electives delivery overall was progressing well in most specialities and although behind in ophthalmology, ENT and urology strategies were in place to meet targets.

Recruitment for a 4th O&G consultant continuing.

Podiatry services outsourced with no full-time position available due to inability to retain specialist even if recruited successfully.

Clinical Ambulatory Report

Noted that there was a 4% decrease in patient presentations at Hawera ED. The 76% 4-5 triage presentation was due to the number of general practitioners in Hawera and that some were closed in January. Miss Bourke requested that it was noted data did not reflect a lack of need for ED services.

Resolution

That the Hospital Advisory Committee note and receive the report and attachments.

*Nager/Jefferes
Carried*

550.0 Next Meeting

The next meeting was scheduled to be held on Tuesday 30 March 2010 in New Plymouth.

544.0 Exclusion of Public

Resolution

That the Hospital Advisory Committee resolve to make this resolution in reliance on Schedule 4, clauses 34 and 35 of the New Zealand Public Health and Disability Act 2000 and the particular interest or interests protected by clause 34 Schedule 4 of that Act or Section 5 or section 7 or section 9 of the Official Information Act 1982, as the case may require which would be prejudiced by the holding of the meeting in public are as follows:

1. To present Hospital Advisory Committee Minutes pursuant to an earlier resolution publicly excluding the item
- 2.. To present General Manager Hospital and Specialist Services Report in that the public conduct of the meeting would be likely to result in the disclosure of information where the withholding of the information is necessary to:
 - (g) Enable the DHB, Board or Board Committee holding the information to carry out, without prejudice or disadvantage, commercial activities.
 - (h) Enable the DHB, Board or Board Committee holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).
- 3.. To present a report on the Stratford Health Centre, Integrated Family Health Centre Project in that the public conduct of the meeting would be likely to result in the disclosure of information where the withholding of the information is necessary to:
 - (g) Enable the DHB, Board or Board Committee holding the information to carry out, without prejudice or disadvantage, commercial activities.
 - (h) Enable the DHB, Board or Board Committee holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).

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Chairman

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Date