



HOSPITAL ADVISORY COMMITTEE

MINUTES – PUBLIC - Unconfirmed

Tuesday 27 March 2007

10.00am

Corporate Room 1

Base Hospital

David Street

New Plymouth

Present

John Young (Chairman), Kura Denness, Dan Devadhar, Jan Dunlop, Flora Gilkison, Hayden Wano (ex officio) (Board members), Brian Jeffares, John Doran (Co-opted members).

In Attendance

Peter Catt (Board Member), Tony Foulkes (Chief Executive), Joy Farley (General Manager Hospital Services), George Thomas (General Manager Finance & Corporate Services), Sue Carrington (Communication Advisor), Pamela Hikuroa (PA to Board)

368.0 Declaration to Open Meeting

The meeting was opened at 10.00am.

369.0 Apologies

Hayden Wano and John Doran for lateness

Resolution

That the apologies be sustained.

*Denness/Jeffares
Carried*

370.0 Conflicts of Interest

The following change to an interest was declared:

K Denness Director Te Aroha Medicare Ltd (previously Chairman)

The following interest was removed:

K Denness PHCS Implementation Committee

371.0 Minutes

Resolution

That the Hospital Advisory Committee resolve to accept the minutes of the meeting held on 27 February 2007 as a true and correct record.

*Dunlop/Denness
Carried*

372.0 Presentation

The Chairman advised that the presentation on diagnostics was to be deferred until the April meeting.

373.0 Management Reports

373.1 General Manager Hospital Services

Ms Farley took report as read and highlighted the following:

- Attended various national and local forums during the past month. Increasingly drawn into national scene from a provider perspective, with a number of forums identified.
- Continuing to post year to date operating deficit. This month \$633k which is similar level to last month
- Work continuing on planning around the facility redevelopment and District Annual Plan for 07/08.

Continue to await feedback on funding of the additional 5% elective work. Hospital has been geared up to provide the additional 5% and there is a narrow window of opportunity to pull back from this work.

Discussion took place on whether it would be possible for the DHB to undertake the work on the assumption that funding would be provided. Ms Farley advised that the additional 5% amounted to \$800k and with the provider being in a deficit position it would not be prudent to undertake the work without receiving confirmation from the Ministry that the funding would be provided. The Chief Executive advised that it was the intention to follow the issue up with the Ministry.

Dr Doran arrived at 10.10am

Financials

- Financial position had not improved from the previous month
- Continuing to run ahead on revenue targets by \$1.8m but operating costs continue to exceed budget, mostly in the area of personnel.
- Outsourced services improved on last year's position but signal 12 potential vacancies in junior staff out of total of 28 so this position may deteriorate sharply.
- There had been publicity recently around surplus UK junior doctors which could be beneficial to New Zealand and Human Resources staff were working closely on this matter in an endeavour to obtain staff. This issue was raised as a potential solution for staffing at Hawera, but the difficulty is that the Hawera positions require senior experienced doctors and it is unlikely that the doctors becoming available in the UK would be in this category.
- Update on risk exposure for various budgetary lines provided.

- Highlighted extraordinary demand for oncology agents which will cause some difficulties from a financial perspective over coming months. Outlined process for acceptance of these extraordinary requests. Noted that oncology drugs was an area of growth and DHBs were working together with PHARMAC to get the best possible outcomes within the resources available.
- Financial Forecast - No change based on information available.

Mr Wano joined the meeting at 10.25am

Discussion

The Chairman noted that nearly through March in fact only 3 months in which to turn around the forecast and queried whether management expected the additional 5% funding to have a positive impact on the current position.

Ms Farley advised that the 5% related to additional elective services funding and it was not anticipated this would eliminate the deficit. She assured the committee that management were continuing in their endeavours to reduce costs wherever possible.

The Chief Executive advised that it would be extremely difficult for the hospital provider to reach a breakeven position but also assured the committee that management was continuing to manage expenditure in an endeavour to avoid additional expenses and put in place initiatives wherever possible to try and reduce the deficit.

The General Manager Finance and Corporate Services also reminded the Committee that the hospital commenced the year with a \$2.3m cost to funding gap and considerable effort had gone in to try and reduce this amount.

It was noted that revenue had increased considerably however it was also noted that costs had also increased significantly.

The Committee questioned whether the forecast had been adjusted to take into account the possible impact on outsourced services as reported by Ms Farley, with Mr Thomas advising that this matter had been taken into account when the forecast had been reviewed and also advised that the forecast is reviewed on a monthly basis.

Ms Denness and committee members noted that management had indeed signalled the financial challenges early in the year and had made some good progress on managing them during the year. This nevertheless did not change the concern expressed regarding the forecast deficit for the hospital and specialist services.

Mental Health

- Majority of the overruns in FTEs came from mental health area.
- Had been unsuccessful in recruiting to the vacancies but interim locum cover remained in place

General

- Outlined audits planned for the coming months.
- Operation Cruickshank (Pandemic Planning) 16 and 17 May
- Clinical Training Agency to audit Taranaki DHB medical training contracts for compliance - May
- Royal College of Surgeons undertaking inspection of hospital for re-accreditation of training programmes – April

Discussion

Discussion took place on changes to the way in which paediatric service was provided with the committee being informed that the focus was on keeping children out of hospital. There had also been a reduction in the number of children being seen over the summer months but this position could change with the onset of winter.

Ms Farley advised that although there had been a significant change in the way in which paediatric services were provided this did not allow a reduction in resources. When the new contract was put in place with Planning and Funding it was acknowledged that a financial adjustor was required to support the service. If funding was based purely on in-patient numbers the funding level would be insufficient to provide the service in place, which was in line with best practice.

It was also noted that the changes in clinical practice would be seen over the total hospital service with a shift towards day stay and closer links between the primary/secondary sectors. This change in practice was being taken into account in the development of the new facilities.

Resolution

That the Hospital Advisory Committee note and receive the report.

*Devadhar/Gilkison
Carried*

374.0 Other Business

374.1 Taranaki Base Hospital Redevelopment Plan

Ms Farley took report as read and noted

- High level business case had been submitted to the National Capital committee on 23 March.
- Peer Review had taken place early March and the report produced largely supported the approach being taken by TDHB.
- Discussions had taken place with the Heads of Department and there was support to work together as a team to come up with a result which would meet the issues identified in the peer review.

In discussion the Chief Executive advised that the signals being received from the Ministry were encouraging and he was optimistic of a positive outcome. An indication from the National Capital Committee on the high level business case was expected after 24 April and if positive a full business case would be developed.

Mr Foulkes also advised that it was the intention to keep local members of Parliament, community interest groups and community Trusts etc informed of progress.

Resolution

That the Hospital Advisory Committee note and receive the report.

*Gilkison/Doran
Carried*

375.0 Work Plan 2006/07

Resolution

That, subject to the change of timing for the Diagnostic presentation, the workplan for 2006/07 be noted and received.

*Denness/Gilkison
Carried*

376.0 Next Meeting

The next meeting is scheduled to be held on Tuesday 24 April in New Plymouth.

377.0 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 not be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public are as follows:

- 1. To present Hospital Advisory Committee Minutes pursuant to an earlier resolution publicly excluding the item.*

*Denness/Devadhar
Carried*

The meeting adjourned at 11.05am to reconvene at 11.10am

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Chairman

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Date