

Health Committee

16 February 2011

Attending:

Jenny Black Chair (since December 2010)

John Peters CEO

Dr Heather McPherson Chief Medical Officer (Acting)

Keith Rusholme Chief Operating Officer (to Nov 2010)

Peter Burton GM Primary and Community (to Nov 2010)

Mike Cummins GM Corporate Services (Acting)

Dr Sharon Kletchko GM Strategy and Planning



What has happened since 30 June 2010?

- Sweeping change to a “supported service delivery” rather than “corporate” focus
- Clinical leadership (1° and 2 °) core part of Executive Leadership Team
- Health Alliance in place with GPs and PHOs
- Four out of six national health targets met; smoking and diabetes improving
- Continued stringencies of 2010 recovery plan
- Rutherford Initiative continues
- Patient satisfaction, ALOS ratings maintained

We are transforming Models of Care

- Clinical involvement in decision making enhances the SMO led model
- Clinical Pathways changing established practice, putting patient at centre of thinking
- Improved district wide services approach
- Wairau Redevelopment benefits are being achieved
- Optimising the Patient Journey and Rutherford Initiative are aimed at improving viability
- Golden Bay IFHC
- New After Hours and extended primary care facilities
- ED presentations falling

Population Health Needs

updated in October 2010

- Compared to the rest of NZ NMDHB has:
 - high incidence of chronic lung disease, chronic pain and dementia, intellectual and physical disability
 - high incidence of obesity in Maori men, but fewer people overall classified as overweight and obese
 - high personal injury and accident rates
 - more people > 65; fastest growing > 85
 - more births; fewer young adults (18-30)
 - one of the lowest 'amenable mortality' rates
 - one of the longest 'life expectancy at birth' rates
 - one of the 'most active' populations
 - access to good public health, community, General Practice and Secondary services

Regional Initiatives

- **South Island Collaboration Priorities**
 - Child Health
 - Cancer Services
 - Mental Health
 - Health of Older People
 - IT
 - Procurement
- **Recent move to alliance based approach**
overcoming some issues with SI regional working:
 - geographic distances
 - natural work/patient flows – three tertiaries involved
 - flexibility – one size doesn't fit all
- **Other areas**
 - HR
 - elective services
 - Ophthalmology
 - patient vs clinician travel
- 2007 - 6 DHBs & 6 CEOs; 2011 - 5 DHBs & 4 CEOs

Sustainability

- **Clinical**

- SMO led model
- aging workforce
- smarter use of two base hospitals
- continue resources movement to front line

- **Financial**

- tracking to surplus
- the Rutherford Initiative is key
- restructure balance sheet to address capital charge inequities in the Fund

- **Environmental**

- Land Fill Gas at Nelson now 65%, replacing coal
- transport between sites
- working with Councils on health impact assessments and common issues
- Talking Heads Forum

Financial Trends

2008/9	2009/10	2010//11 Budg	2011/12 f/c
(4.8m)	(5.4m)	(0.7m)	0.6m

- 2010/11 forecast surplus subject to reserve status being lifted from Wairau land
- Year to date is \$3.5m ahead of budget - reflects achieving gains earlier than planned
- Demand continues to grow in ARC, community pharmaceuticals, acute surgery
- Tight expenditure controls in place

Rutherford

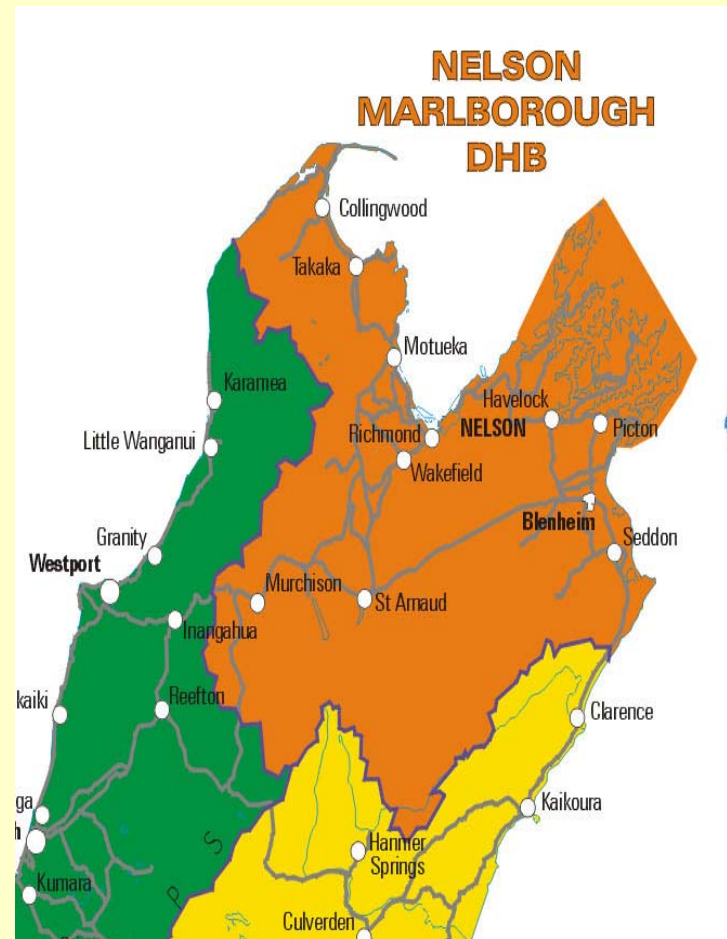
- **Intent** *"We haven't the money, so now we've got to think"* Ernest Rutherford 1928
 - Intense look at every part of organisation
 - best value for dollars spent?
 - 45 areas - corporate, clinical support and services
 - internal and external expertise
 - target \$20 million over three years
- **Outcomes**
 - 21 areas reviewed, 15 committed
 - all of corporate, two clinical services
 - \$19m identified, \$11m committed
 - some difficult decisions, challenging status quo
 - decisions pending on Ophthalmology & Psychogeriatric services – working with SMOs on refining options

Our Challenges for 2010/11 and 2011/12

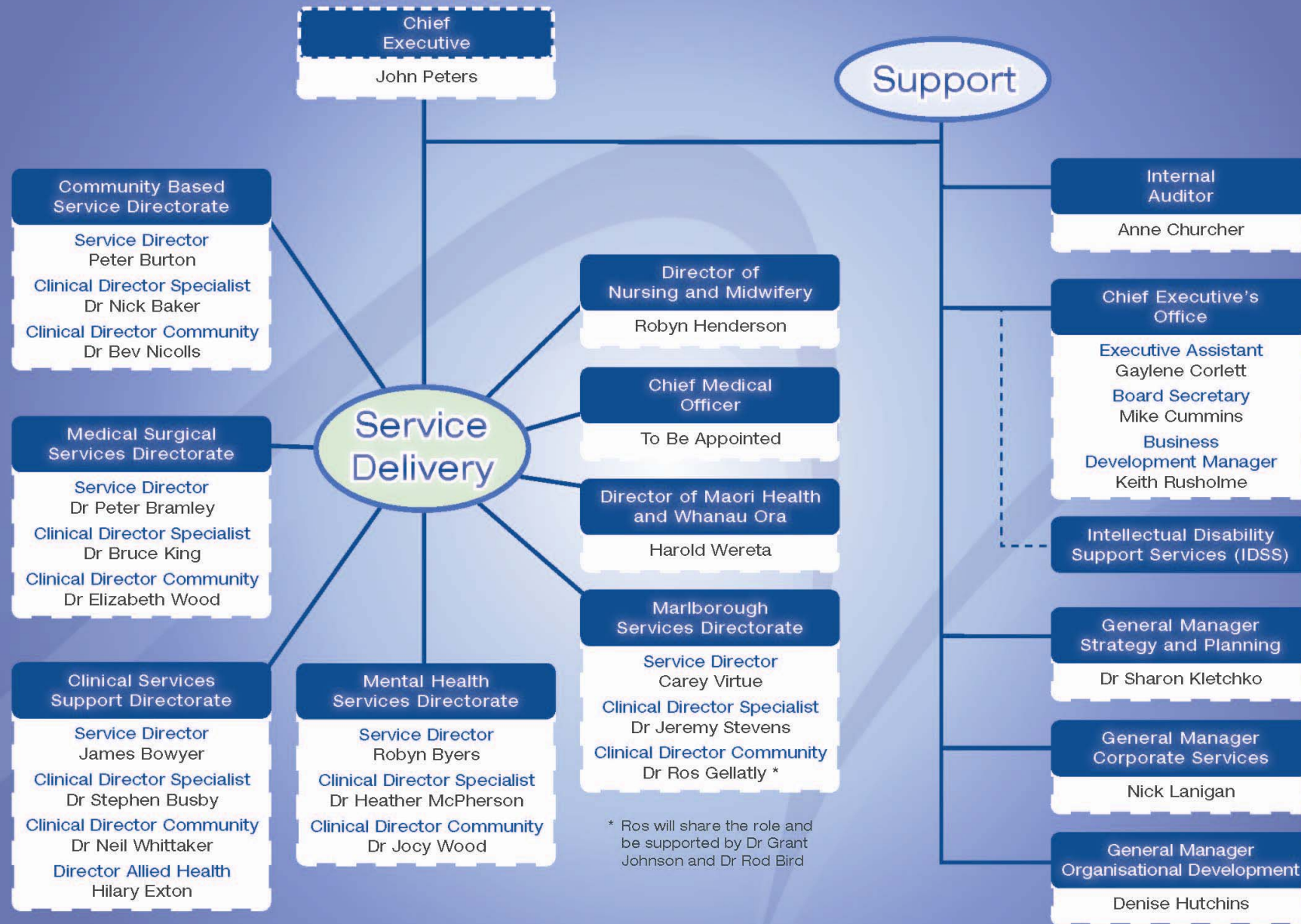
- Realising the gains under the current initiatives
- Sale of surplus properties
- Community acceptance for the need to change how services are delivered
 - between Nelson and Wairau
 - across South Island
- Growing awareness of environmental concerns
 - coal, methyl bromide, contaminated land
- Completing Golden Bay in timeframe

At a Glance...

- Pop 135,000 - 1/3; 2/3
- Challenging terrain, distance and weather
- Pop/sq km = 6
- Two secondary hospitals
- Two rural hospitals
- Psycho-geriatric hospital
- 2320 staff (1800 FTEs)
- 87 GPs, 34 dentists, 26 pharmacies, 40 community and NGO providers, 23 rest homes, 6 home based support agencies



Executive Leadership Team



* Ros will share the role and be supported by Dr Grant Johnson and Dr Rod Bird