

## Ngā miniti a Poari o Te Whatu Ora | Hauora Aotearoa

### Te Whatu Ora | Health New Zealand Board Minutes

Friday July 29. 9.30 am – 1.30 pm. Online.

<b>Chair for the meeting</b> Te Kaihautū mō te hui	Rob Campbell
<b>Board attendees</b> Ngā mema o te Poari	<b>In person:</b> Hon. Amy Adams, Tipa Mahuta (from 11.00 am), Dame Dr Karen Poutasi, Dr Curtis Walker, <b>Online:</b> Vanessa Stoddart
<b>In Attendance</b> Ngā manuhiri	<b>Te Whatu Ora:</b> Margie Apa (Chief Executive), Catherine Foster (Board Secretary)  <b>In attendance for specific items:</b> <ul style="list-style-type: none"> <li>Rosalie Percival (Interim Finance Lead, Te Whatu Ora)</li> <li>Dr Nick Chamberlain (National Director, National Public Health Service)</li> </ul>
<b>Apologies</b> Ngā tamōnga	Tipa Mahuta joined the meeting at 11.00 am

#### Karakia and mihi

The meeting began at 9.34am.

C Walker opened the meeting with karakia.

Apologies were received from Tipa Mahuta for lateness.

Board members advised the following changes to the Interest Register:

Dame K. Poutasi updated that S 9(2)(a)

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#### Chair Report

The Board Chair provided a verbal update on

- Board appointments and committee membership. The Chair supported committees appointing independent members to ensure committees have appropriate expertise.
- Defining process for working with Ministers: The Chair highlighted the need for the Board to be involved in information and decisions presented to the Minister. It is important for management to clarify when the Board needs to be involved in communication with Ministers. Management welcomed a discussion from the Board on its risk appetite and matters of significance.
- Documenting decisions: There must be a record of what decisions are made by the Minister and by Te Whatu Ora Board/Management to provide visibility of decision-making and to manage budgets carefully.

**Action:** Board Secretary to provide a list of critical documents that the Board must see and sign off to assist with defining the Board's role and responsibilities.

#### Update from the Chief Executive

The Chief Executive's report was noted.

M Apa provided a verbal update on several matters. Key discussion points included:

- Workforce: The Board requested assurance that management is pursuing immediate outcomes for the workforce and that action is underway. The Board asked about the benefits of realisation of workforce initiatives to ascertain the effectiveness of investment. Speed in developing our workforce is critical for the Board and it is important for the workforce to see it prioritised. Policy papers are coming to the People and Culture Committee. However, long-term workforce strategy development remains a priority.
- Holidays Act: People and Culture Committee will discuss this matter at their next Committee meeting including how to progress and pay workers their entitlement.

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#### The Escalation of Adverse Events:

Board discussion points included:

- The Clinical Quality Assurance Committee signalled the intention to request Board time to run an educational session on clinical governance and processes and quality improvement and assurance
- Board highlighted the importance of an accountability culture regarding adverse events
- Learning and improvement must be core to how the system responds to adverse medical events
- Non-clinical accountability is also essential to understanding all aspects of the systems that may have led to an adverse event occurring
- The Board has a role in ensuring there are appropriate systems and processes in place to deliver the best level of care and that lessons are being learned while developing a culture of accountability (not blame).

**BD018- 29 July 2022:** The Board endorsed the Managerial process of escalation of adverse events, including

The basis for escalation of adverse events between district, regional and national management layers is proposed to be as follows:

- District staff identify the Severity Assessment Code (SAC) for the incident and continue reporting, investigating, addressing, and escalating as per their existing policies. The SAC level is determined based on the severity of the event and its impact on the patient, with levels 1-4. SAC levels 1 and 2 are the most severe and are reported to the Health, Quality and Safety Commission (HQSC), alongside any events on the 'always report and review list'.
- District Directors must escalate, as soon as is reasonably practicable, any adverse event incident that may attract media attention or lead to a significant reputational risk to Te Whatu Ora. Regional Director must decide whether they agree with the District Director's assessment. If so, the Regional Director must escalate the adverse event incident to the CEO and National Director of Medical.
- The CEO and National Director of Medical will then decide whether to escalate to Board, the Ministry and/or the Minister's office. Decisions will be made based on the 'no surprises' policy.
- All adverse event incidents escalated to the Ministers office will also be escalated to Board Chair contemporaneously.

Governance oversight of adverse event escalation:

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- Regional Directors will be asked to provide a summary report of adverse events and any adverse HDC or coronial inquiries on a monthly or quarterly basis to align with the Clinical Quality Assurance Board Committee's rhythm and expectations for reporting. Management will take the Committee's advice on whether they wish to escalate the summary report to the entire Board.
- The Clinical Quality Assurance Board Committee will receive a copy of the Health, Quality and Safety Commission quarterly updates from their mortality and morbidity review committee, consolidating a view of events nationally. Management will take the Committee's advice on whether they wish to escalate this report to the entire Board.

T Mahuta joined the meeting at 11.00 am.

Other discussion points on the CE report included:

- Reporting metrics: GP contact rate tells how many patients are seen; however, looking at the waitlist and those not being seen is also valuable data. Telehealth statistics are also a useful metric as not all people contact GPs.
- Planned care: The Board requested further information on prioritisation criteria for Māori and Pacifica patients awaiting planned care. Clinically urgent care is the number one driver for prioritisation, followed by criteria such as waitlist time and age.
- COVID-19: As we live with COVID-19 in the community, funding is changing and will be reduced in some areas. Te Aka Whai Ora is interested in ensuring Māori providers are supported with a sustainable capacity to reach out to communities.

**Action:** Board Secretary to add a “reduction in COVID-19 care in the community funding” item to the Finance and Audit Committee work programme to understand financial risk.

### GOVERNANCE / BOARD ADMINISTRATION

#### Updates from Board Committees

#### Capital and Infrastructure Committee

R Campbell, Chair of the Capital and Infrastructure Committee, reported on the Capital and Infrastructure Committee meeting held on 19 July 2022. Committee discussed

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- Whakatane business case.
- Update on Dunedin Hospital.

The quality of business cases was not at an appropriate level and it has been expressed to the team that the Board expects a quality improvement.

#### Items for Endorsement

R Percival joined the meeting at 11.45 am.

#### Te Whatu Ora Standby Credit Facility

BD019 – 29 July 2022 Board endorsed the recommendation to:

- note that the iHNZ and iMHA Joint Working Group on Finance and Audit endorsed the approach described in this paper at meetings in May and June 2022
- note that DHBs have required a SCF to manage short-term working capital fluctuations and treasury liquidity management purposes, and a similar facility will serve a similar purpose for Te Whatu Ora  
s 9(2)(b)(ii)
- note that consent for the facility will be sought from the Ministers of Health and Finance
- s 9(2)(b)(ii)

The CFO provided the following points for the Board regarding current challenges and risk:

Budget setting: Poor data quality has made it difficult to challenge and test budget assumptions. Never before has there been a holistic view of the health system's financial performance as it has been so fragmented.

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Financial risks include:

- Lack of visibility of inherited decisions, prior commitments
- The expectation that things will be funded going forward will undermine the financial position
- Covid funding from Covid Recovery and relief fund is received differently to Vote Health funding. We must ensure appropriate cash flows in the first quarter to fund covid responses as required. We must be vigilant on these costs as Covid costs can escalate quickly if not tightly controlled.
- Valuations of buildings: Property valuations have risen materially and will impact depreciation expense.
- Planned care: inheriting a significant backlog. There is payment for something that hasn't been delivered, which Te Whatu Ora needs to adjust and presents inaccurate system performance expectations.

R Percival left the meeting at 12.12 pm.

#### Update from Te Aka Whai Ora

T Mahuta provided a verbal update from the Te Aka Whai Ora Board. Key discussion points included:

- At the Te Aka Whai Ora Board meeting held 27 July 2022 a key item for discussion was co-commissioning
- Māori names and branding: Requested further information on what guidance is given on using local and Māori names. As the system matures and regions settle into their roles, brand image for a local identity will develop further. IMPBs will contribute to local identity.
- There will be a joint Te Aka Whai Ora and Te Whatu Ora board meeting on 18 August. Key agenda items will be co-commissioning, Kawenata and Waka Hourua relationship, and mental health.
- Monitoring: Te Aka Whai Ora is considering their monitor role and how they monitor for success and system improvement
- Te Aka Whai Ora is concerned about the Māori workforce disappearing as COVID-19 and community services are reduced
- Committees: Te Aka Whai Ora will nominate Board members to participate in Te Whatu Ora's Committees. Secretariats will work with Chairs to confirm arrangements.

#### National Public Health Service discussion with National Director

N Chamberlain joined the meeting at 12.25 pm.

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The Board discussed the following points:

- Public Health Workforce: There is a focus on workforce wellbeing, workforce who have led the COVID-19 response are exhausted. Attracting Māori and Pacific into the workforce remains a priority, and we are working closely with Te Aka Whai Ora in this respect.
- National Public Health Service Structure: in place and agreed. Key roles include transformation, prevention, health promotion, protection, and assessment and surveillance. Director of Māori Public Health and Pacific Health are two new roles.
- Transformation: vision is to shift from public health service and expand into localities and engagement at a community level
- Policy: Working with the Ministry of Health and other government agencies to ensure public health is central to government policy and legislation. The Ministry of Health is an important partner. The Board will have a role in Public Health advocacy, and work to consider where this sits and how to be most effective.
- Board Reporting: The Board and CE will receive a report on public health activities to ensure they oversee key activities.

N Chamberlain left the meeting at 12.59 pm.

#### Co-commissioning

The Board discussed the following points:

- Co-commissioning is intended to be discussed at the joint meeting with Te Aka Whai Ora on 18 August
- Te Whatu Ora Board needed to articulate first principles to staff to ensure we got the best out of the discussion
- The Board had previously received a co-commissioning framework which would be recirculated to the Board to help them with their views of how best to work with Te Aka Whai Ora
- There are vital matters to consider, including legislative and contract management and the best services to be co-commissioned
- Co-commissioning will be discussed at the Public Health, Community and Primary Care Committee meeting on 12 August 2022.

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#### GOVERNANCE / BOARD ADMINISTRATION

##### Board Administration

Register of interests: Noted. Amendments were advised as noted in the Karakia and mihihihi section of these minutes.

**BD020 - 29 July 2022:** Minutes and actions of the 15 July 2022 meeting were accepted as a true and accurate record of that meeting.

Actions register: Noted.

Meeting and engagements schedules: Noted.

##### General Business

The Board discussed there is an opportunity for lessons learnt from Te Pūkenga - New Zealand Institute of Skills & Technology.

Board expressed an interest in site visits to ensure Board members can discharge their governance accountabilities effectively.

The meeting closed at 1.10 pm.

The Board met in closed session.

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#### Actions from July 29 2022

(refer to separate Actions Register for a complete list, including status, of all interim Board open and closed actions)

No.	Action	Responsible owner	Due date
BD290722-01	Provide a list of critical documents that the Board must see and sign off to assist with defining the Board's role and responsibilities	Board Secretary	26.08.22
BD290722-02	Add a "reduction in COVID-19 care in the community funding" item to the Finance and Audit Committee work programme to understand financial risk	Board Secretary	26.08.22

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