

# Healthy Hawke's Bay

# Te Hauora o Te Matau ā Māui

## CHIEF EXECUTIVE'S REVIEW



**DELIVERY OF HIGH-QUALITY PRIMARY CARE SERVICES IS DEPENDENT ON ENGAGED AND MOTIVATED PROVIDERS WHO REALLY WANT TO MAKE A DIFFERENCE FOR OUR COMMUNITY.**

At Health Hawke's Bay we are fortunate to have the opportunity to work with providers who support our goals to improve outcomes, especially for our more vulnerable whānau. During the 2014/15 year, Health Hawke's Bay's enrolled population rose by 1,309 to 153,951, an increase in 0.9% - 188 of these were supported by our free high needs enrolment programme aimed at engaging more people with a primary care team.

The team at Health Hawke's Bay is dedicated to achieving the best health results for our population. In addition to solid achievement of four of the five national targets, including leading the way in cervical screening coverage for Māori, Health Hawke's Bay has specifically supported providers to deliver better practices – at the time of going to print close to 1,000 patients are enrolled to use the tool. We continue to provide support for information systems and over the past twelve months, this has included the development of advanced forms, programme-specific reporting and associated documentation for programmes and projects such as the Pre Diabetes Study, Primary Care Say Ahh (Rheumatic fever) and Clozapine, and the analysis of data to support meaningful decision making.

Embracing new technology is important to many of our enrolled service users and Health Hawke's Bay is investing in the implementation of patient portals across our member practices – at the time of going to print close to 1,000 patients are enrolled to use the tool. We continue to provide support for information systems and over the past twelve months, this has included the development of advanced forms, programme-specific reporting and associated documentation for programmes and projects such as the Pre Diabetes Study, Primary Care Say Ahh (Rheumatic fever) and Clozapine, and the analysis of data to support meaningful decision making.

In line with the national and local strategic direction, we are committed to supporting collaborative initiatives in health and social care, a commitment that has been articulated in a new organisational goal. Empowering our Community – supporting individuals, whānau and communities to influence the factors and decisions that shape their health care. We will be continuing to work jointly with Health Hawke's Bay District Health Board on achieving the best health outcomes for our communities over the coming year.

Liz Stockley, Chief Executive Officer  
Health Hawke's Bay

## CONSULTATIONS (CAPITATION) 12 MONTHS TO 30 JUNE 2015

Type	1 July 2014 – 30 June 2015	Annual Trend
Nurse and GP Consults	698,901	↑ 3.7%
GP	521,061	↑ 3.3%
Nurse	177,840	↑ 5.1%

## CLINICAL PHARMACIST FACILITATOR

### HBDHB QUALITY REPORT

The clinical pharmacist facilitator works in general practice alongside GPs and nurses doing medicine reviews. As modern medicine has improved, people are living longer with many different conditions, with each condition requiring special medicines.

The purpose of the clinical pharmacist facilitator is to take stock of what medicines a patient is taking to make sure that the patient has the best possible combination of medicines. There is no charge to a patient for this service.

### CASE STUDY

He kaupanua: Partnering with patients and encouraging self-management to improve quality of life and reduce the risk of diabetes complications.

Mr CG is 63 years old with heart disease and diabetes. Mr CG is concerned about significant fatigue and that his medicines may be working against his diet. His blood glucose (sugar) had recently been high, increasing his risk of diabetes complications.

The clinical pharmacist and Mr CG worked together to identify his goals, which included preventing further heart attacks and losing weight. Changes were made to Mr CG's medicines, including reducing his cholesterol (fat) medicine, starting new medicines for diabetes and reducing the number of times a day he had to take some medicines.

After three months Mr CG reported he had more energy, had lost 3kg and his blood glucose (sugar) was lower, reducing his risk of diabetes complications by 17%. Mr CG was very happy with the progress towards his goals and was grateful for the support and education from the clinical pharmacist.

## CHAIRPERSON'S REPORT



**IT IS MY PRIVILEGE TO PRESENT THE HEALTH HAWKE'S BAY – TE ORANGA HAWKE'S BAY ANNUAL REPORT FOR THE YEAR ENDING 30 JUNE 2015.**

In November 2014 we said farewell to John Newland, the inaugural chairperson to the Health Hawke's Bay Board. I want to thank John for his contribution to the Board and to the success of the organisation. The Board continues to include a positive mix of competencies that ensures the voices of Māori, Pacific and high needs families, the Hawke's Bay community and clinicians are heard through the influence of governance. With steady, honest and passionate people at the Board table, we are on course to deliver against the organisation's strategic goals and the financial targets we have set for the next three years. I thank my fellow directors for their dedication.

Nothing ever stands still and Health Hawke's Bay has worked hard to deliver on our vision and strategic direction, which we share with the Hawke's Bay District Health Board (HBDHB) under Transform and Sustain. This vision has guided the Board to set time challenging the status quo and determining how we respond to our parallel responsibilities with the HBDHB in regards to the communities we serve. There is no doubt that we need to continue to transform and sustain given the challenge of the aging demographic and the increased burden placed on our health system by chronic and long-term conditions such as diabetes. We are working towards one health system within a culture of collaboration and cooperation – this is being fostered through close work with the HBDHB, which includes membership of the HBDHB executive management team and the Alliance Leadership Team, with access to integrated primary care high on the list of priorities.

The Board works to influence how best to equitably devolve funding to general practice, targeting our high needs population, and continue to take responsibility for developing and supporting excellent clinical service delivery in the primary care sector. Our key initiatives are to ensure national health targets are met within primary care, with the Health Hawke's Bay team supporting general practices to maximise their service delivery.

In summary, it has been a year of further progress both strategically and operationally; however, there is no complacency in such a changing environment. We continue to focus our energies on where we will best maximise services. Health Hawke's Bay can only do this successfully with the excellent people we have on board, led by our CEO Liz Stockley. We are proud that Health Hawke's Bay is heralded as one of the best performing PHOs in the country, evidenced by a recent audit report. On behalf of the Board I would like to thank all our employees and providers for the significant contribution and efforts made during the 2014/15 year, as we work towards achieving our vision.

Adri Isbister, Chairperson  
Health Hawke's Bay

## ENSURING GOOD GOVERNANCE

**ENSURING GOOD GOVERNANCE – THE BOARD OF DIRECTORS OF HEALTH HAWKE'S BAY**

The role of the Board of Health Hawke's Bay is to ensure good corporate governance processes are adhered to and to establish the strategic direction of the organisation. Chosen for their governance skills, the following individuals were directors of the Board for the 2014/15 year:

- Adri Isbister, Chair
- Bayden Barber, Deputy Chair
- Dr Jon Eames
- Jeremy Harker
- Dr Sandra Jessop
- Aramanu ROPHA
- Helen Walker

During this reporting period the Board was provided with professional advice by three committees:

- The Priority Population Committee, chaired by Bayden Barber
- The Clinical and Quality Advisory Committee, chaired by Adri Isbister
- The Finance, Audit and Risk Committee, chaired by Jeremy Harker

### WHAT DO WE DO / NGĀ RATONGA

We receive funding from the government to support the provision of health services throughout the Hawke's Bay region. These services are delivered through medical centres, general practices, family doctors and nurses and other health providers that are members of Health Hawke's Bay.

We work with health care providers, social services, education providers, and community organisations to improve health outcomes for the population of Hawke's Bay. We promote positive health messages locally and advocate for Hawke's Bay at a national level.

“In 2014/15 we have seen our relationship with Health Hawke's Bay continue to improve through engagement on a number of key projects, such as the integration of district nursing into general practice and the development of health promotion across both organisations. We also have an alliance in place led by the new PHO chair, which is working effectively to support progress on our five-year health system strategy while minimising bureaucracy. There will be many opportunities over the coming three years to make a step change in how we deliver services to our community through primary care, and I look forward to working ever more effectively with Health Hawke's Bay to ensure that happens.”

DR KEVIN SNEE, CHIEF EXECUTIVE,  
HAWKE'S BAY DISTRICT HEALTH BOARD

## STANFORD

**STANFORD IS A SELF-MANAGEMENT SUPPORT PROGRAMME THAT PROVIDES POSITIVE MENTORING FOR CLIENTS WITH LONG-TERM CONDITIONS.**

Stanford delivers a sustainable self-management programme in a workshop-style format for clients who have chronic diseases (long-term conditions). It teaches the skills needed in the day-to-day management of treatment and to maintain and / or increase life's activities and quality of life.

During the 2014/15 year Health Hawke's Bay has provided 16 group sessions, one train the trainer course, and held a master training course in long-term conditions and diabetes.

Four Health Hawke's Bay staff are certified Stanford master trainers - Ina Graham, Lillian Ward, Wi Ormsby and Kerry Gilbert.



Clockwise from left: Ina Graham, Lillian Ward, Wi Ormsby and Kerry Gilbert

## CLINICAL PATHWAYS

**EIGHT CLINICAL PATHWAYS PUBLISHED IN 2014/15**

Diabetes – Type 1 Management

Diabetes – Type 2 Management

COPD – Diagnosis

COPD – Chronic Management

COPD – Exacerbation in Primary Care

Dementia – Diagnosis

Dementia – Management

Rhinosinusitis – Diagnosis and Management

## CORPORATE SERVICES FINANCIAL TEAM

**ACCOUNTING SERVICES BROUGHT IN HOUSE 2014/15**



Left to right: Melanie Sims, Raewyn Robertson, Heather Sharp



## HEALTH HAWKE'S BAY LIMITED 2014/15 FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

### COMPANY DIRECTORY AS AT 30 JUNE 2015

Date of Incorporation:	11 August 2003
Incorporation Number:	1370539
Registered Office:	Ground Floor 205 Hastings St South Hastings 4122
Nature of Business:	Primary Health Services
Directors:	Adri ISBISTER Bayden BARBER Aramanu ROPHA Helen WALKER Sandra JESSOP Jonathan EAMES Jeremy HARKER John NEWLAND (ceased November 2014) Andrew HESLOP (ceased October 2014)
Shareholder:	Te Matau ā Māui Health Trust 100 shares
Bankers:	BNZ
Solicitors:	Brumwell Grossman HASTINGS
Auditors:	Staples Rodway HASTINGS

### STATEMENT OF FINANCIAL RESPONSIBILITY FOR THE YEAR ENDED 30 JUNE 2015

The Directors are responsible for preparing the financial statements and ensuring that they comply with generally accepted accounting practice in New Zealand, and give a true and fair view of the financial position of the Company as at 30 June 2015 and the results of its operations for the year ended on that date. The Directors consider that the financial statements of the Company have been prepared using appropriate accounting policies, consistently applied and supported by reasonable judgements and estimates and that all relevant financial reporting and accounting standards have been followed.

The Directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the Company and facilitate compliance with generally accepted accounting practice in New Zealand.

The Directors consider that they have taken adequate steps to safeguard the assets of the Company, and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide a reasonable assurance as to the integrity and reliability of the financial statements.

The Directors are pleased to present the financial statements of Health Hawke's Bay Limited for the year ended 30 June 2015.

For and on behalf of the Directors:

Director: 15 October 2015  
Director: 15 October 2015

### ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2015

The Board of Directors present their Annual Report including the financial statements of the Company for the year ended 30 June 2015. The shareholders of the Company have exercised their right under section 211(3) of the Companies Act 1993, and unanimously agreed that this annual report need not comply with any paragraphs (a) and (e)-(j) of section 211(1) of the Act.

For and on behalf of the Board

Director: 15 October 2015  
Director: 15 October 2015

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2015

	Note	Share Capital	Available for Sale Revaluation Reserve	Retained Earnings	Total Equity
Balance as at 1 July 2013 (as disclosed in 2014 financial statements)		\$ 1	\$ 270,684	\$ 4,903,512	\$ 5,174,197
Correction of prior period error	17		(176,038)	176,038	
Balance as at 1 July 2013 (after correction)			94,646	5,079,550	5,174,197
Profit/(loss) for the period				(715,608)	
Other comprehensive income			(82,410)		
Total comprehensive income for the period			(82,410)	(715,608)	(798,018)
Balance as at 30 June 2014	1	12,236	4,363,942	4,376,179	
Balance as at 1 July 2014		\$ 1	\$ 12,236	\$ 4,363,942	\$ 4,376,179
Profit/(loss) for the period				19,390	
Other comprehensive income				78,559	
Total comprehensive income for the period				19,390	78,559
Balance as at 30 June 2015	1	90,795	4,383,332	4,474,128	

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Contract Revenue	2015	2014	4. Cash and Cash Equivalents	2015	2014		
	\$	\$					
CBF	23,622,308	23,121,913	ASB current account	-	471,400		
Careplus	2,848,582	2,705,276	BNZ current account	951,551	5,414		
SIA	1,808,986	1,887,551	BNZ cash account	46,328	56,486		
Health promotion	324,536	436,633	ASB term deposit	608,194	700,000		
CPO	1,054,429	922,083	BNZ term deposit	812,675	1,223,357		
Integrated Performance and Incentive Framework	1,165,842	765,437	Westpac term deposit	1,053,511	1,000,000		
Mental health project	938,174	1,005,663	ANZ term deposit	563,333	1,009,225		
BASC	416,160	442,449	Petty cash	287	700		
Management services income	1,047,942	986,422		4,036,079	4,766,588		
Other contracts	1,835,913	1,724,803					
	<b>35,062,872</b>	<b>33,998,948</b>	<b>5. Trade and Other Receivables</b>	2015	2014		
The Integrated Performance and Incentives Framework (PIF) that has replaced the previous PBD Performance Programme (PPP) has changed to Charge Payments (previously sub-monthly). Due to this change in payments the 2015 income of \$3,165,842 includes eighteen months of revenue of which six months relate to the 2014 year.			Trade receivables	1,237,114	667,535		
			Prepayments and other receivables	276,614	132,583		
				<b>1,513,728</b>	<b>800,118</b>		
			The fair value of trade receivables is equivalent to the carrying value.				
<b>2. Contract Payments</b>	2015	2014	<b>6. Other Investments</b>	2015	2014		
	\$	\$					
CBF	23,622,307	23,121,910	Loans and receivables	\$	\$		
Careplus	2,605,026	2,504,830	Fixed interest bonds	658,847			
SIA	1,605,986	1,728,463	Non-current investments	2,722,344	3,219,134		
Health promotion	222,071	361,033	Fixed interest bonds				
CPO	874,028	873,421		<b>2,722,344</b>	<b>3,219,134</b>		
Integrated Performance and Incentive Framework	776,098	675,795	<b>7. Plant and Equipment</b>	2015	2014		
Mental health project	772,368	895,663	Cost	Current year depreciation	Accumulated depreciation	Carrying value	
BASC	336,791	354,449	30 June 2015	183,085	33,679	91,392	91,693
Other contracts	32,183,055	31,858,544	Equipment (at cost)	183,085	33,679	91,392	91,693
			30 June 2014	235,455	28,245	159,588	75,867
			Equipment (at cost)	235,455	28,245	159,588	75,867
<b>3. Net Finance Costs</b>	2015	2014					
	\$	\$					
Interest income on bank deposits and investments	364,508	354,352					
	<b>364,508</b>	<b>354,352</b>					

### SIGNIFICANT ACCOUNTING POLICIES

#### REPORTING ENTITY

The Company is a limited liability company incorporated and domiciled in New Zealand and registered under the Companies Act 1993. The address of its registered office is Ground Floor, 205 Hastings St South, Hastings 4122.

Health Hawke's Bay Limited (the Company) principal activity during the period was payment of primary health funding to general practitioners and provision of primary health services to the enrolled population in Hawke's Bay.

The Company is a registered charity under the Charities Act 2005 (registration number CC20380).

The financial statements of the Company are for the year ended 30 June 2015. The Company's financial statements were audited for issue by the Company's Board of Directors on 15 October 2015.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of these financial statements are set out below.

**Changes in accounting policies**

In the 2014 financial statements, reserve funding carried forward to future years was debited against expense. For the 2015 financial statements reserve funding has been debited against revenue to more accurately reflect the fact that the revenue has not yet been recognised. This change has been applied retrospectively and decreased revenue and increased expense by \$142,502 in the 2014 financial year and by \$132,608 in the 2015 financial year. There is no impact on net profit in either year. All other policies have been consistently applied to all the periods presented.

**Base of preparation**

Financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable Financial Reporting Standards, as appropriate for public benefit entities, and are prepared in accordance with the historical cost convention, except that investments are stated at fair value.

**Assets**

Assets and receivables are non-derivative financial assets with fixed or determinable payments that are not due within 12 months after the reporting date. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets.

**Financial assets**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not due within 12 months after the reporting date. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets.

**Trade and other receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not due within 12 months after the reporting date. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets.

**Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position.

**Share capital**

Ordinary shares are classified as equity. Trade and other payables are liabilities for goods and services provided to the Company at the reporting date which are unpaid. The amounts are unsecured and are usually paid within 30 days of reporting.

**Financial assets measurement**

#### INCOME TAX

The Company is registered with the Charities Commission and is therefore exempt from income tax. All amounts are shown exclusive of Goods and Services Tax (GST), except for receivables and payables, which are stated inclusive of GST.

**Revenue recognition**

Revenue from contracts is recognised in the profit and loss as earned.

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### STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015	2014
Contract Revenue	1	35,062,872	33,998,948
Total income		<b>35,062,872</b>	<b>33,998,948</b>
Contract payments	2	32,183,055	31,858,544
Audit fees		21,509	12,394
Advisory committee fees		42,547	40,646
Directors fees		138,750	151,930
Director meeting expenses		8,722	4,925
Gain/loss on disposal of plant and equipment		6,265	-
Depreciation		33,679	28,245
Occupancy costs		241,850	257,795
Other costs		542,769	596,235
Project costs	16	145,000	145,000
Salaries and wages		2,042,531	1,991,763
Operating profit/(loss) before financing		<b>(343,805)</b>	<b>(1,088,529)</b>
Finance income	3	364,508	354,352
Net finance income		<b>364,508</b>	<b>354,352</b>
Net gain on disposal of available for sale financial assets		(1,313)	18,569
Net other gains		<b>(1,313)</b>	<b>18,569</b>
Profit/(loss) for the period		<b>19,390</b>	<b>(18,569)</b>
Other comprehensive income			
Net change in fair value of available for sale financial assets		78,559	(82,410)
Other comprehensive income for the period		<b>78,559</b>	<b>(82,410)</b>
Total comprehensive income for the period		<b>97,949</b>	<b>(798,018)</b>



For and on behalf of the Directors:

Director: 15 October 2015  
Director: 15 October 2015

Director: 15 October 2015  
Director: 15 October 2015

Director: 15 October 2015  
Director: 15 October 2015

Director: 15 October 2015  
Director: 15 October 2015

Director: 15 October 2015  
Director: 15 October 2015

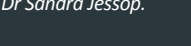
Director: 15 October 2015  
Director: 15 October 2015

Director: 15 October 2015  
Director: 15 October 2015





Respiratory Project ensuring patients receive evidence-based care



The image displays a 12-month calendar grid, showing the days of the week (S, M, T, W, T, F, S) and the corresponding dates (1-31). The months are labeled in large green letters: JAN, FEB, MAR, APR, MAY, JUN, JUL, AUG, SEP, OCT, NOV, DEC. The grid uses a color-coded system to represent weather conditions: green cells indicate sunny weather, blue and orange icons represent rainy and snowy weather respectively. The calendar shows a mix of weather patterns throughout the year, with sunny days being the most frequent. The grid is organized into a 12x7 layout, with each row representing a month and each column representing a day of the week. The days of the week are labeled at the top of each column: S, M, T, W, T, F, S. The dates are numbered 1 through 31, with the last day of each month being highlighted in green. The months are labeled in large green letters: JAN, FEB, MAR, APR, MAY, JUN, JUL, AUG, SEP, OCT, NOV, DEC. The grid uses a color-coded system to represent weather conditions: green cells indicate sunny weather, blue and orange icons represent rainy and snowy weather respectively. The calendar shows a mix of weather patterns throughout the year, with sunny days being the most frequent.