

Reflections on governance

My last district health board meetings are two days away. In my four terms as an elected member of the Otago (now Southern) board, I've attended over 500 meetings, and driven over 50,000 kilometres.

DHBs are big business, and they really matter. Southern is a \$0.8b enterprise with 4,500 staff delivering a dizzyingly wide range of services to all 304,000 people south of the Waitaki River.

Sometimes, as I've made my tired and often disillusioned way home, I've wondered what value I've added. And now, after 12 years, I'm also reflecting on the nature of governance. In this sector, what is good governance, and are New Zealand's DHBs really 'governable' at all?

The answers to those questions can be surprisingly ambiguous. Yes, the boards of the old Otago and Southland DHBs made some heroic decisions during my time. We amalgamated, for one thing, arguably the biggest health sector structural change ever achieved in this country. And if you think private sector mergers are hard (and many fail), try doing it in the health sector!

Both boards – prior to amalgamation – pulled off major service changes, and working together we now offer more services, to higher standards, to more people, at lower real costs. Among many other things, we've radically changed how we deliver mental health services, how we look after the health and well being of older people, how services are delivered in our rural areas ... and we're the best in the country for key indicators of future health status like immunisation and child welfare. We've refurbished and rebuilt old facilities and built completely new ones – including new hospitals in Invercargill and Central Otago.

Whose hands were on the wheel as we navigated the rocky shoals that could have sunk any of those projects? Here's a partial list: various Ministers of Health; the Ministry of Health; the CEO and senior management teams; the health unions; the professional colleges and other sector power blocks; the vested private-sector interests of senior staff; industry and special-interest advocacy groups; NGO service providers; and ... yes, the board.

When you think about it, the idea of 'hands on the wheel' is a bit silly, right? Every one of those stakeholders has a different, and sometimes very different, set of demands. They all pull in different directions.

Perhaps the triumph of our health system is that decisions get made at all!

So what is the role of the board – the governors? Let's take an example. For the past three years I've chaired Southern's combined Community and Public Health and Disability Support advisory committees. We recently made a controversial decision about home-based services for older people, and two long-term providers lost \$7.5m worth of business. How were the committee members (and ultimately the board, which adopted our recommendation) involved?

Over a series of three monthly meetings we reviewed the policy fundamentals, picked apart the process, and interrogated senior leaders about the quality and completeness of the underlying analysis. Improvements were made. Additional steps were built in to strengthen the outcome. At least a month was added to the timeline to satisfy us that all potential participants had a fair go, and they all agreed they had. Eventually new contracts were let, and instead of a dozen or so providers, there are now three. I'm confident that as a result services to older people in our district are improving, and will continue to do so.

Reviewing the past 12 years, I can think of hundreds of decisions like that one. They're often complex, of course, and controversial, and in a sector rich with opportunity for unintended consequences, sometimes even wrong. In the example above, many hands were on the wheel, but we collectively delivered a better service. Committee and board members added real value. It's messy, and often frustrating, but ultimately worthwhile.

Does that demonstrate that New Zealand's DHBs are governable, in the conventional understanding of that word? In my view it doesn't – it just shows that a determined board or committee can have an effect. Holding the wheel firmly, and determining where the great ship points – that's a whole other issue.

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