

2009

ANNUAL REPORT  
christchurch<sub>ph</sub>





# vision

*"Together as one, we rise as many." Kahikatea-tu i te uru*

*Here we think of the Kahikatea forest and how each tree with roots entwined support each other..they stand together..they breathe together..they are more valuable together..as one.*

*Some may see a single forest. But many Kahikatea create that place, each reliant on the other for its life and the life-force it gives.*

To be attractive to providers (due to excellent support) and populations (due to excellent accessible services and reasonable fees by our contracted practices)

To be able to demonstrate measured improvement in population health

To be treated as a partner and be influential at DHB and National levels

## Guiding Principles

The guiding principles of the Christchurch PHO are:

- Better Health - emphasis will be given to health promotion to the whole population
- Excellence - improving coordination and continuity of health care
- Health Care - in times of ill health, people should have ready access to skilled, competent and caring health professionals who they know and trust
- Health Promotion - the population should be encouraged to pursue a healthy lifestyle within a healthy environment
- Innovation - improving accessibility, affordability and appropriateness of services
- Resourcing - providing and funding services according to the population needs priorities

# Chair Report

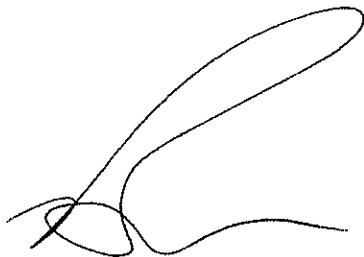
## Chairman's Report – Christchurch Primary Health Organisation.

2009 has been a good year for our Primary Health Organisation. Our significant funding lines have once again enabled us to support our contracted practices to care for their enrolled patients. The practices core business of caring is enabled by the capitation payments we pass on in full. It is also enhanced by numerous extra services we are able to offer. Our core philosophy involves us accessing as many funding lines as possible, repackaging these for our practices, and then monitoring the benefits as they are delivered to our population. This philosophy is still appropriate and sound. All practices struggle with workload, ours are no different, but as the Christchurch PHO we do not wish to be the direct care provider so can only encourage our practices to grow their service capacity. Our steady provision of funding lines should give them confidence to move forward positively.

It is of note that the Christchurch PHO has passed on the majority of its accumulating financial asset in this last year. We have been financially successful and watched our reserve funds grow to beyond that needed as a buffer. These significant funds were allocated to the practices on a per patient basis to be spent on any of a number of listed approved projects. I am proud of the basic philosophy underlying this action as the money we have in our bank is a community asset given to us to facilitate healthcare. This is what it has been spent on.

Christchurch PHO facilitates care for 8% of the Canterbury population and our size enables us to be nimble and effective in assisting our practices. Although we're unable to take on some of the large pieces of work e.g. pharmaceutical budget holding, we're happy for other large organisations to provide services to our population in these situations.

The new government which was elected in late 2008 has brought subtle but significant change to the environment we work in. We need to be aware of new opportunities that these changes present.

A handwritten signature in black ink, appearing to be 'Stephen Brown', written in a cursive style.

Stephen Brown

# Executive Report

Christchurch PHO ended the 08-09 financial year in a positive position and continued to make progress in delivering a suite of innovative health initiatives, programmes & services for the population in our region predominantly through our general practices. These were practice based with our service facilitator working alongside practice teams in scoping and implementing such initiatives.

The success of our PHO is due to the standard of service delivery our practice teams strive to attain. Our role has been to support these organised practices.

## *Strategic relationships*

We continued to develop and strengthen our relationship with community groups, organisations and people, encouraging them to work together on multi-disciplinary initiatives to reach specific needs of the population.

Chch PHO enjoy a collaborative working relationship with the other PHO's in Canterbury and across all the South Island PHO's . We also meet with the chairs and managers of all the South Island PHO's.

Some PHO's have taken a lead role in managing initiatives on our behalf including GP Liaison roles, Immunisation programmes and the oral health programmes.

Christchurch PHO works together with CDHB and other PHO's to ensure our population get fairer access to a range of primary care based services which is in line with the MOH Primary Health Strategy 2001.

This year has had its challenges and our intention is to ensure we consolidate and focus on supporting and providing our member practices with even better services this coming year. We aim to promote and enable better health for our enrolled population and to reduce health inequalities amongst at-risk and disadvantaged groups.

Primary health care services that are funded through a variety of contracts include not only first line services to restore people's health when unwell but also a number of targeted programmes to improve access to health services and to promote maintaining good health.

This year the Board spent time reviewing the purpose of Christchurch PHO and the outcome of the 08-10 strategy is outlined on our upgraded website.

We have made significant progress in developing a range of initiatives alongside the practice based teams. Most of these new programmes will be evaluated during 09-10 with a view to strengthening support for those showing significant positive outcomes. Initiatives included practice led - healthy eating, health educations for Asian people, small group sleep & stress sessions, a new person health check, physiotherapy treatment for patients with osteo-arthritis of the knee, podiatry treatment for elderly patients and diabetics, mental health –packages of care, Pilot for integrating clinical pharmacist into practice's & nurse led asthma clinics.

Significantly we have had funding withdrawn by the CDHB impacting some progressive programmes that on evaluation by us produced some excellent health outcomes for this client group. Thankfully the Board have agreed to support these programmes for 09-10.

Programmes include a revamped chronic disease management in the form of Packages of Care (POC) and a 'mobile practice nurse'. We will be continuing to evaluate initiatives during 09-10.

Thank you to our PHO team contracted members and to the Board members for the expertise, direction, advice, support and practical input that we acknowledge and appreciate.

Helen Johnson

## Member Practices

Burnside Medical Centre	368 Wairakei Rd	Burnside
Casebrook Surgery	12 Grampian St	Casebrook
Moorhouse Medical Centre	3 Pilgrim Place	Christchurch Central
Riccarton Clinic	6 Yaldhurst Rd, Church Corner	Riccarton
University Health Centre	Ilam Rd	Ilam

## Organisational Structure and Governance

Christchurch PHO operates as a non profit, limited liability company and has a governance board with eight members including:

- Two community representatives
- Two Maori representatives
- Two GP's
- One Practice nurse
- One Chairman

This ensures the diversity of background, skills and expertise is represented at Board level which meet monthly. The members of the Board are:

Stephen Brown	<i>Chairman</i>
Julia Anderson	<i>Community representative (resigned June 09). Seeking replacement</i>
Megan Gerard	<i>Practice Nurse representative</i>
Angus Chambers	<i>GP provider representative</i>
Sharon McFarlane	<i>Community representative</i>
Joan Allardyce	<i>GP provider representative</i>
Manaia Cunningham	<i>Maori representative – Manawhenua ki Waitaha</i>
Seeking appointment	<i>Maori representative</i>

The Board is responsible for the provision of primary health care services to the population enrolled with our contracted practitioners within its area. The Board are also responsible for setting the strategic direction and setting organisational policy.

# Population

The Christchurch PHO has an enrolled population of 28,866, as at 30 June 2009.

Ethnicity				Age Group					
NZ European	Maori	Pacific Islander	Other	Under 6 yrs	6-17 yrs	18-24 yrs	25-44 yrs	45-65 yrs	Over 65 yrs
18479	1729	664	7994	1219	3070	9076	9182	4964	1355

## Strategic Goals 2006-08

- Achieve the best possible health status for the population of our area, within accepted policy settings and working within available resources
- Lessen health inequalities within our area by targeting those with special needs and those with disabilities and chronic illness
- Establish and maintain excellent relationships with communities we serve, acknowledging their geographic spread and ethnic characteristics
- Establish and maintain excellent relationships with organisations and individuals contracted to deliver services, and with our funder the Canterbury District Health Board
- Work with key providers of primary care within our area to achieve the best level of integrated service provision possible, by way of an appropriately skilled and supported workforce
- Ensure that the services we contract for are of a high quality, and are an effective and efficient use of resources
- Be recognised by the Ministry of Health as a 'high performing Primary Health Organisation' according to valid criteria

## Performance Management

The MOH strategy includes encouraging best practice in all fields of health. National targets are set for the achievement of three categories of performance which include clinical indicators, process indicators and financial indicators.

Each year CDHB and Christchurch PHO negotiate achievable targets that are realistic. Christchurch PHO is paid additional money per enrolled person according to the proportion of the possible 100% of the performance indicators achieved. The value of the payment rates for the performance indicators is based on 60% for achieving clinical factors, 10% for process indicators and 30% for financial indicators.

The practices are informed of the results of their participation in the PPP and their payment allocation according to the results, made.

# Health Promotion and Services to Improve Access

**Programmes that continue to be offered to our population include**

**Men's and Women's Wellness Checks** - these programmes are delivered to the demographics population for men and women over 45 years who have not been to a GP for three years. The programmes is targeted for those people that could be at risk including Maori and Pacific Islanders

**Youth Sexual Health** - consultations for young adults aged 16-20

**Diabetes Annual Check** - free 'get checked' 12 month annual check up for those with diagnosed diabetes

**Chronic Packages of Care (CPOC)** - these are tailored packages of care that provide a solution that meets an individual person's needs and which ensures there is a wide flexibility and choices

**Careplus** - assists those people with two or more chronic diseases, ensuring low cost access and a flexible package of care, including an individual care that is developed alongside that person

**Child Health Liaison** - to assist practices to utilise current resources within existing funded services

**Palliative Care** - to advise and support general practice teams for end of life care

**Discretionary Funding** - allows the purchase of health related services to people on low incomes who have no means of accessing care through other mechanisms

**Language Line** - provides an oncall translation service for new NZ residents who do not speak English

**Education** - the PHO provides financial assistance to practices to support their CNE & CME requirements

**Mental Health - Brief Intervention Co-ordination (BIC)** - services available to people with mild to moderate health issues

**Extended GP Consultations** - assisting GP's to offer extended time with an individual

**Smoking Cessation Programme** - available to people who want to give up smoking

**Maori Health Initiatives** - which during this past year have included offering chronic disease packages of care for Maori, nurse led asthma clinic which will include focusing on the high rates of asthma in this population, health promotion series at the university using the 'Brown line' magazine to relay key health messages, translating patient education flyers into Maori, well men and well women checks targeting Maori to ensure CVD risk assessments are offered and static displays set up in the Whare at the university. This will also be a fore runner to the soon to be introduced "one heart many lives" - programme which is in the early planning stages

## New initiatives that have commenced include

- **Casebrook Surgery Nurse Led Healthy Eating Initiative**

This project commenced in March and involved practical sessions focusing on the importance of good nutrition, healthy eating and included food preparation demonstrations

- **Burnside Medical Centre Health Education Sessions**

These commenced in April. Sessions were targeted at Asian, Maori and Pacific patients to provide information regarding health services available to them and encourage this enrolled population to be more actively involved in primary health care services

- **Stress and Sleep Initiatives**

These small group sessions were provided by University of Canterbury health professionals for patients experiencing sleep, stress and/or anxiety particularly in the lead up to exams

- **New Patient Health Checks Riccarton Clinic**

The Riccarton clinic & Moorhouse Medical Centre are currently piloting this initiative which commenced in February March 2009. A six month evaluation of the pilot will be completed with a view to extending this to all practices if proven successful

- **Physiotherapy Treatment for Patients with Osteoarthritis of the Knee**

This is a joint pilot project with the Canterbury Private Physiotherapists Association which commenced at the beginning of April. The aim of this project is to provide physiotherapy and supervised exercises for patients with osteoarthritis. It is currently being piloted for 6 months by Casebrook and Burnside medical centres

- **Podiatry Treatment for Elderly Patients with High Needs**

This project is aimed at reducing pain, falls and complications associated with poor foot health. It is being piloted for 6 months at Burnside and Casebrook clinics

- **Mental Health Packages of Care**

The purpose of this initiative is to provide appropriate packages of care for patients with mental illness who are at risk of developing serious health problems

- **Pharmacy Initiative**

The purpose of this project is to integrate a clinical pharmacist into the primary health care team at Riccarton Clinic focussing on elderly patients and patients that have been discharged from hospital

## Initiatives under development include

- Physiotherapy intervention for patients with postural pain
- Intervention for patients with stress related conditions
- Nurse led asthma clinics at practices

# Other Programmes

Provided to our population by contracting other lead PHO's in a collaborative role include;

- **ADMS**

Acute demand service co-ordination– an alternative to hospital care for people presenting in an acute state through co-ordination of acute packages and acute nursing services

- **Appetite for Life (AFL)**

A nutritional programme for nurses to be trained to provide to women and families with weight issues

- **Green Prescription**

Available to people who wish to be more active

- **Immunisation**

Available for children and adults

- **Oral dental**

A free oral health promotion service for adolescents (yr 9 to 18 yrs) even if they have left school

Our programmes offer a wide range of options however are currently underutilised. We will be looking at more ways to ensure our population are aware of these programmes moving forward this year.



**Christchurch PHO Limited**  
Annual report  
for the year ended 30 June 2009

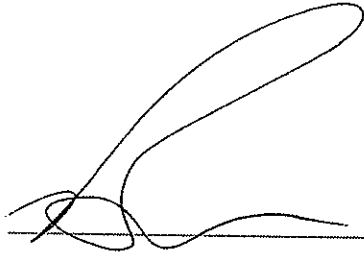
# Statement of Financial Responsibility

*for the year ended 30 June 2009*

The Christchurch PHO directors are responsible for preparing the financial statements ensuring they comply with the generally accepted accounting practice in New Zealand.

The directors consider the financial statements of the company have been prepared using appropriate accounting policies, consistently applied and supported by reasonable judgements and estimates that all relevant financial reporting and accounting standards have been followed.

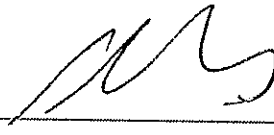
For and on behalf of the Directors:



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**S Brown**  
Chair

20 October 2009



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**Angus Chambers**  
Director

20 October 2009

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# Directory

as at 30 June 2009

**Principal Business:**

Primary Health Organisation

**Address:**

PO Box 6032  
Level 9  
10 George Street  
DUNEDIN

**Directors:**

J Anderson	
J Allardyce	appointed 21 July 08
S Brown	
A Chamberlain	resigned 25 Nov 08
A Chambers	
M Cunningham	
M Gerrard	
A Hawes	resigned Nov 08
M Hughes	resigned Nov 08
S McFarlane	

**Auditors:**

WHK Taylors  
Dunedin

**Solicitors:**

Anderson Lloyd Lawyers

**Bankers:**

ASB Bank

# Statement of financial responsibility

for the year ended 30 June 2009

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 2009 and the results of their 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.

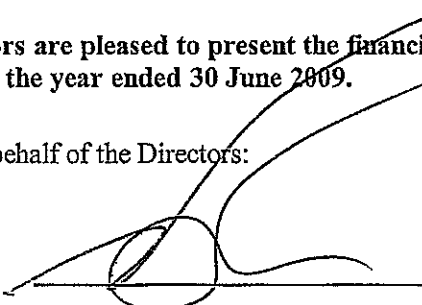
The Directors consider that they have taken adequate steps to safeguard the assets of the Company, and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide a reasonable assurance as to the integrity and reliability of the financial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

**The Directors are pleased to present the financial statements of the Christchurch PHO Limited for the year ended 30 June 2009.**

For and on behalf of the Directors:

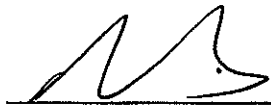
Director:

Dated:

  
19/10/09

Director:

Dated:

  
19/10/09

## Statement of financial performance

for the year ended 30 June 2009

	<i>Note</i>	<i>2009</i>	<i>2008</i>
		\$	\$
Operating revenue		4,052,163	3,831,331
<b>Total operating revenue</b>		<u>4,052,163</u>	<u>3,831,331</u>
Operating expenses	1	4,067,825	3,781,868
<b>Total operating expenses</b>		<u>4,067,825</u>	<u>3,781,868</u>
<b>Net operating surplus</b>		<b>(15,662)</b>	<b>49,463</b>
Interest Income		51,692	33,871
<b>Net surplus for the period</b>		<b>36,030</b>	<b>83,334</b>



## Statement of movements in equity

for the year ended 30 June 2009

	<i>Note</i>	2009 \$	2008 \$
Net Surplus		36,030	83,334
Total Recognised Revenues & Expenses		<u>36,030</u>	<u>83,334</u>
<b>Equity at beginning of year</b>		<u>174,838</u>	<u>91,504</u>
<b>Equity at end of year</b>		<b>210,868</b>	<b>174,838</b>



## Statement of financial position

as at 30 June 2009

	<i>Note</i>	2009	2008
		\$	\$
<b>Equity</b>		<b>210,868</b>	<b>174,838</b>
<b>Current assets</b>			
Cash and Bank	2	649,201	621,853
Accounts Receivable	3	58,918	126,703
Prepayments		10,825	3,186
GST Receivable		93,508	58,114
		<hr/> 812,452	<hr/> 809,856
<b>Non current assets</b>			
Plant and Equipment	4	2,254	4,334
Cash and Bank	2	213,160	-
		<hr/> 215,414	<hr/> 4,334
<b>Total assets</b>		<b>1,027,866</b>	<b>814,190</b>
<b>Current liabilities</b>			
Accounts Payable	5	816,998	639,352
<b>Total liabilities</b>		<b>816,998</b>	<b>639,352</b>
<b>Net assets</b>		<b>210,868</b>	<b>174,838</b>



## Statement of accounting policies

for the year ended 30 June 2009

### Basis of preparation

The Christchurch PHO Limited is registered under the Companies Act 1993, and the Charities Commission. These Financial statements have been compiled in accordance with the Companies Act 1993, the Financial Reporting Act 1993 and generally accepted accounting practice in New Zealand.

The measurement base is historical cost.

### Differential reporting

In terms of the framework for differential reporting an entity is exempt from certain requirements of the financial reporting standards if it satisfies the criteria laid down in the framework; such an entity is called a qualifying entity.

The Company is a qualifying entity because it has no public accountability and is not large (as defined in the framework).

All differential reporting exemptions have been adopted, except FRS 19 Accounting for Goods and Services Tax, as the financial statements are prepared GST exclusive.

### Plant and equipment

Plant and equipment is stated at cost and depreciated as outlined below.

Where an asset is disposed of, the gain or loss recognised in the statement of financial performance is calculated as the difference between the sale price and the carrying amount of the asset.

### Depreciation

Depreciation is calculated on a diminishing value basis to allocate the cost of the asset, less any residual value, over its estimated useful life.

The rates are as follows:

Equipment	48% DV
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### Revenue recognition

Revenue from contracts and interest is recognised in the Statement of Financial Performance as earned. Contract income for which service delivery is yet to occur is then transferred to the Statement of Financial Position and held as 'Reserve Funding'.

### Accounts receivable

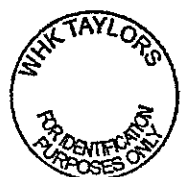
Accounts receivable are stated at estimated realisable value after providing against debts where collection is doubtful. Bad debts are written off during the period in which they are identified.

### Income Tax

As the Christchurch PHO Limited is registered with the Charities Commission it is exempt from Income Tax.

### Goods and services tax

All amounts are shown exclusive of Goods & Services Tax (GST), except for accounts receivable and accounts payable that are shown inclusive of GST.



## Statement of accounting policies

for the year ended 30 June 2009

### Changes in accounting policies

The accounting policies adopted are consistent with those of the previous year.

### Comparatives

Where applicable, certain comparatives have been restated to comply with the accounting presentation adopted for this year.



# Notes to the financial statements

## For the year ended 30 June 2009

1. Operating Expenses	2009	2008
	\$	\$
Audit Fees	4,665	3,924
Advertising	1,937	294
Bank Charges	296	108
Chairs Forum	1,975	1,153
Clinical Governance	9,045	3,036
Compliance Costs	1,400	-
Conference Expenses	1,138	1,403
Consultancy Fees	4,333	28,898
Contract Payments	3,768,015	3,475,133
Depreciation	2,080	181
Directors Fees	42,116	45,402
Directors Expenses	13,665	7,737
Education Meetings	978	113
Electricity	-	1,866
General Expenses	1,076	199
Insurance	4,011	4,412
Legal Fees	-	583
Management Services	173,246	199,460
Marketing	13,473	-
PHO Alliance Membership	3,000	1,000
Printing & Stationery	8,139	498
Project Officer - SIA/HP	-	3,159
Rental	9,533	2,600
Special Projects	-	327
Telephone & Tolls	3,704	382
	<b>4,067,825</b>	<b>3,781,868</b>

2. Cash and bank balances	2009	2008
	\$	\$
ASB Current Account	89,201	71,853
ASB Term Deposit	773,160	550,000
	<b>862,361</b>	<b>621,853</b>
Total cash and bank balances classified as follows:		
Current	649,201	621,853
Non Current	213,160	-
	<b>862,361</b>	<b>621,853</b>



## Notes to the financial statements

For the year ended 30 June 2009

3. Accounts Receivable	2009	2008
	\$	\$
Trade Receivables	56,002	118,863
Sundry Receivables	2,916	7,840
	<b>58,918</b>	<b>126,703</b>
4. Plant and equipment	2009	2008
	\$	\$
<b>Computer Equipment &amp; Plant</b>		
Cost	4,515	4,515
Accumulated depreciation	2,261	181
<b>Net book value</b>	<u>2,254</u>	<u>4,334</u>
<b>Total plant and equipment</b>	<b>2,254</b>	<b>4,334</b>
5. Accounts Payable	2009	2008
	\$	\$
Trade Payables	131,048	100,652
Sundry Payables	679,630	538,700
Revenue In Advance	6,320	
	<b>816,998</b>	<b>639,352</b>
6. Commitments and Contingencies		
As at 30 June 2009 the Christchurch PHO was not aware of any commitments or contingencies (2008: nil).		
7. Lease Commitment		
The company is party to an agreement for a property. The commitments outstanding at year end are as follows:		
	2009	2008
	\$	\$
Falling due within 1 year	1,541	9,244
Falling due after 1 year	-	1,541
	<b>1,541</b>	<b>10,785</b>



# Notes to the financial statements

## For the year ended 30 June 2009

### 8. Related Party Transactions

During the year South Link Health Inc transferred ownership of the company to Christchurch PHO Trust, until this date the following transactions occurred between the parties.

During the year South Link Health Inc provided Finance, Information Technology, Management and Education & Quality Improvement services to the PHO, these services were provided on a commercial basis.

Dr S Brown, Dr A Chambers and Dr J Allardyce who are directors of Christchurch PHO Ltd have received capitation and other payments from the PHO in their capacity as GP members of the PHO. All transactions have been carried out at arms length.

9. Equity	2009	2008
	\$	\$
Share Capital	1	1

As at 30 June 2009, 100 ordinary shares have been allocated to the shareholder and have been fully paid. All shares rank pari passu.

### 10. Post Balance Date Events

The government has signalled it's intention to review the manner in which the governments Primary Health Care Strategy is being delivered. This is likely to result in consolidation of Primary Health Organisations or the creation of new regionally based PHO's.

At the date of approving these financial statements the Directors have not been informed of the Canterbury DHB's intention regarding future Canterbury PHO configurations.



## Audit Report

### To the shareholder of Christchurch PHO Limited

We have audited the financial statements on pages 4 to 11. The financial statements provide information about the past financial performance of the company and its financial position as at 30 June 2009. This information is stated in accordance with the accounting policies set out on pages 7 and 8.

#### Directors' Responsibilities

The Directors are responsible for the preparation of financial statements which give a true and fair view of the financial position of the company as at 30 June 2009 and the results of its operations for the year ended on that date.

#### Auditors' Responsibilities

It is our responsibility to express an independent opinion on the financial statements presented by the Directors and report our opinion to you.

#### Basis of Opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- the significant estimates and judgements made by the Directors in the preparation of the financial statements;
- whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with New Zealand Auditing Standards. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to obtain reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Other than in our capacity as auditors we have no relationship with or interests in the company.

#### Unqualified Opinion

We have obtained all the information and explanations we have required.

In our opinion:

- proper accounting records have been kept by the company as far as appears from our examination of those records;
- the financial statements on pages 4 to 11 :
  - comply with New Zealand generally accepted accounting practice;
  - give a true and fair view of the financial position of the company as at 30 June 2009 and the results of its operations for the year ended on that date.

Our audit was completed on 19 October 2009 and our unqualified opinion is expressed as at that date.

A handwritten signature in black ink, appearing to read "W H K Otago Partnership", written over a printed logo for "WHK Otago Partnership Dunedin". The logo consists of the letters "WHK" in a bold, sans-serif font, followed by "Otago Partnership" in a smaller font, and "Dunedin" in a smaller font below it.



christchurchpho

L2, 160 Bealey Avenue, St Albans, Christchurch

[www.chchpho.org.nz](http://www.chchpho.org.nz)

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