

**BAY OF PLENTY DISTRICT HEALTH BOARD
PRELIMINARY RESULTS FOR THE FOUR MONTH ENDED 31 OCTOBER 2008
KEY FINANCIAL RESULTS SUMMARY**

	Year to Date			YEAR END ESTIMATES		
	Actual	DAP Budget	Variance	DAP BUDGET	YE Estimate	Variance
Operating Result	(680)	0	(680) *	(1,897)	(4,963)	(3,066) *
Net Result	(680)	0	(680) *	0	(2,700)	(2,700) *

Status:

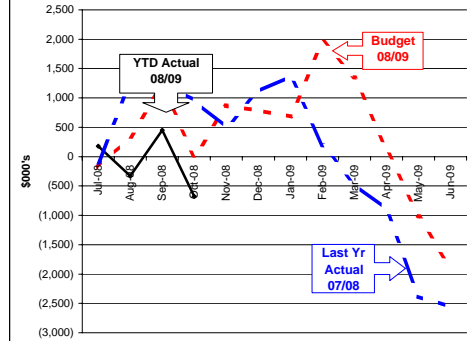
↗ AMBER (early deterioration, expected to correct)

③ UNAUDITED

KEY MEASURES

STAFF			
FTE Numbers	2,223	2,273	✓
PROVIDER VOLUMES			
Case weights (Cwd)	11,107	10,458	✓
CASH & BANK (\$000)			
Net Operating Cash flow	(7,348)	4,963	*
Balance	10	1,288	*
Days Cash	0.01	0.90	*
TERM ASSETS (\$000)			
Total	164,625	184,366	*
LOANS (\$000)			
Borrowed	68,000	77,543	✓
CROWN EQUITY (\$000)			
Total	59,641	66,129	*

OPERATING RESULTS



KEY RISKS IDENTIFIED:

- RESULTS ARE PRELIMINARY AND SUBJECT TO CHANGE.
- The cash flow shows a negative operating cash flow for the first five months of \$7.348m, driven partially by reduced accrued creditors.
- Volumes are yet to be confirmed, particularly for additional electives. Coding for 31 October 2008 was not finalised at the date of writing this report. Approximately 200+ cwd are still to be coded.
- Inter-District flows (IDFs), MoH Revenue and Pharmac rebates are based on DAP estimates until the half year result is finalised. These are of significant value and are centrally supplied figures.
- Employment settlements agreed since the DAP was prepared in February are being included at actual cost, which exceeds the FFT allowance, e.g. SMO/ASMS agreement. CME allowances for the year are accounted for in July.
- MECA employment agreements are currently in negotiation for PSA and EPMU. Settlements will impact on the forecast results if they exceed the FFT levels.
- Outsourced and locum costs are of concern and are being addressed by the Provider Arm.
- Clinical supply costs reflect the high medical acute volumes in the first three months.

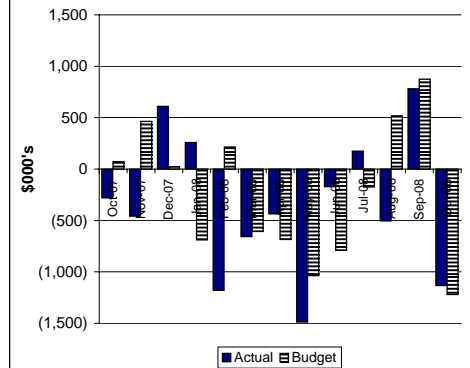
RESULT:

Year to date the result is a DEFICIT of \$0.680m which is \$0.680m worse than the DAP budget (a slight improvement on last months variance). The DHB is forecasting a net \$2.700m deterioration, after adjusting for \$0.366m additional expenditure against ring-fence retained earnings (Mental Health & HEHA). It is expected that this forecast will improve as DHB management address early trends.

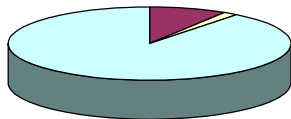
RECOMMENDATION:

That the Monthly Financial Report be **noted and received**.

MONTHLY RESULTS

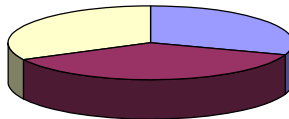


TOTAL ASSETS



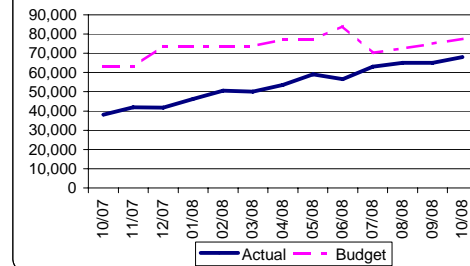
■ Cash & Investments ■ Debtors & Prepayments
■ Inventory ■ Fixed Assets
■ Investments

DEBT & EQUITY MIX

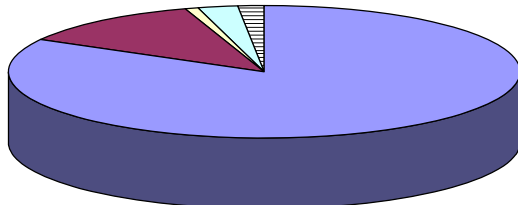


■ Current Liabilities ■ Term Liabilities ■ Crown Equity

LOAN BALANCES

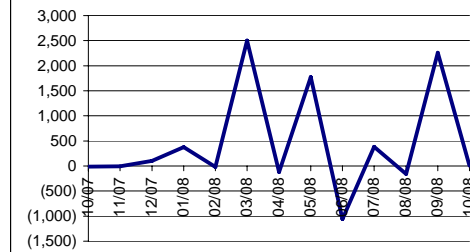


FIXED ASSET MIX



■ Land & Buildings ■ Clinical Equipment ■ Other Equipment
■ Information Technology ■ Motor Vehicles

CASH & INVESTMENTS



**BAY OF PLENTY DISTRICT HEALTH BOARD
PRELIMINARY RESULTS FOR THE FOUR MONTH ENDED 31 OCTOBER 2008
DIVISIONAL SUMMARY**

	Notes	YEAR TO DATE			FULL YEAR ESTIMATE						
		Actual	DAP	Variance	FULL YEAR DAP	YTD+ FY BUD	Prior Mth Est.	Current Est.	Change to Est.	VAR from FY DAP	
FUNDS											
Revenue	1	170,524	170,137	388	511,330	511,717	516,966	517,486	520	6,156	
Expenditure	2	169,743	171,106	1,362	513,227	511,864	520,936	518,852	2,084	(5,625)	Pharmaceutical, PHO and Secondary services cost growth due to volumes
Contribution		781	(969)	1,750	(1,897)	(147)	(3,970)	(1,366)	2,604	531	
DHB FUNDING & PLANNING											
Revenue	3	0	-	0	-	0	-	-	-	-	- No overall change expected
Expenditure	4-7	1,078	1,109	31	3,279	3,249	3,279	3,279	-	-	- No overall change expected
Contribution		(1,078)	(1,109)	31	(3,279)	(3,248)	(3,279)	(3,279)	-	-	
PROVIDER											
Revenue	3	92,221	92,045	176	276,134	276,310	277,178	277,287	110	1,154	Some elective volumes income is expected.
Expenditure	4-7	89,097	84,784	(4,313)	256,968	261,280	261,221	262,918	(1,697)	(5,950)	Staff, Locum, outsourced costs, blood products, meals and disposable equipment are all expected to exceed budget.
Contribution		3,124	7,261	(4,136)	19,166	15,030	15,957	14,369	(1,588)	(4,797)	
CORPORATE MANAGEMENT											
Revenue	3	2,376	2,197	179	6,591	6,769	6,713	6,813	100	222	E Learning revenue (HR) & Interest revenue
Expenditure	4-7	5,883	7,380	1,497	22,477	20,980	21,600	21,500	100	977	Interest Saving and adjustment of GRNI catch-up offset by electricity costs and fuel costs
Contribution		(3,507)	(5,183)	1,675	(15,886)	(14,211)	(14,887)	(14,687)	200	1,200	
TOTAL OPERATING RESULT											
		(680)	0	(680)	(1,897)	(2,577)	(6,179)	(4,963)	1,216	(3,066)	< Annual Report line >
LESS: Transfer to reserves		-	-	-	(1,897)	(1,897)	(3,718)	(2,263)	(1,455)	366	
Ring-fence Reserves (Net Movement)		-	-	-	(0)	(680)	(2,461)	(2,700)	(239)	(2,700)	
Net Result		(680)	0	(680)							

**BAY OF PLENTY DISTRICT HEALTH BOARD
PRELIMINARY RESULTS FOR THE FOUR MONTH ENDED 31 OCTOBER 2008
FORECAST SUMMARY**

\$000s	31 OCTOBER 2008 Estimate				30 SEPTEMBER 2008 Estimate				Change
	Revenue	Expend	Retained Earn Adj	Net Result	Revenue	Expend	Retained Earn Adj	Net Result	
FULL YEAR DAP BUDGET	544,012	545,909	(1,897)	0	544,012	545,909	(1,897)	0	0
ADJUSTMENTS TO FORECAST FROM DAP									
HEALTH FOR OLDER PEOPLE				0				0	0
Aged Related Care		(1,622)		1,622		(1,379)		1,379	243
Discretionary				0				0	0
Needs Assessment		(150)		150		(150)		150	0
Support Services		(294)		294		(677)		677	(382)
Treatment & Rehab Services		151		(151)		151		(151)	0
Other		124		(124)		80		(80)	(44)
Inter District Flows		(14)		14		(36)		36	(22)
MAORI HEALTH				0				0	0
Maori Service Development		50		(50)		73		(73)	23
Maori Workforce Development		(16)		16		(16)		16	0
Minor Maori Health				0				0	0
Rongoa Maori				0				0	0
Whanau Ora Services		166		(166)		239		(239)	73
Other				0				0	0
MENTAL HEALTH				0				0	0
Adult MH Services	131	1,252		(1,121)	131	831		(699)	(422)
Child & Youth		124		(124)		121		(121)	(4)
Drug Dependency Services	303	468		(164)	303	107		196	(360)
Forensic Services				0				0	0
Kaupapa MH Services	4	(312)		316	4	(346)		350	(34)
MH Services for Older People		580		(580)		725		(725)	145
Families & Whanau		244		(244)		269		(269)	25
Workforce Development	166	(147)		313	166	26		140	173
Other Mental Health Services	(554)	(990)		436	(554)	8		(562)	998
MH Ring Fence Retained Earnings			(366)	366			(1,821)	1,821	(1,455)
Inter District Flows		(407)		407		(305)		305	103

FORECAST SUMMARY

\$000s	31 OCTOBER 2008 Estimate				30 SEPTEMBER 2008 Estimate				Change
	Revenue	Expend	Retained Earn Adj	Net Result	Revenue	Expend	Retained Earn Adj	Net Result	
PERSONAL HEALTH SERVICES				0				0	0
Child & Youth	119	16		103	19	46		(26)	130
Chronic Disease Management		(0)		0		85		(85)	85
Domiciliary & District Nursing		(199)		199				0	199
Fertility & Maternity		(167)		167		(306)		306	(138)
Immunisation	1,098	1,576		(479)	1,098	1,579		(481)	2
Laboratory		1,470		(1,470)		1,549		(1,549)	80
Mental Health (Personal Health Services)				0				0	0
Oral Health		(721)		721		(829)		829	(108)
Pacific People's Health	41	41		0	41	41		0	0
Palliative Care	65	27		38	65	(58)		122	(84)
Pharmaceuticals	352	352		0	352	1,862		(1,510)	1,510
PHO	2,071	1,287		784	2,071	2,181		(110)	894
Primary Care	(65)	(781)		716	(65)	(721)		657	59
Radiology	66	(170)		236	66	(1)		68	169
Rural Support	(114)	28		(142)	(114)	19		(134)	(9)
Secondary & Tertiary Services	2,228	3,788		(1,559)	2,108	3,489		(1,380)	(179)
Sexual Health		(9)		9		1		(1)	10
Travel & Accommodation		143		(143)		9		(9)	(134)
Other Personal Health Services	(1,326)	(1,298)		(28)	(1,127)	(1,401)		275	(303)
Inter District Flows		111		(111)		111		(111)	0
PUBLIC HEALTH				0				0	0
Nutrition and Health Eating	628	273	(386)	741	628	257	(386)	758	(17)
Infrastructure				0				0	0
Screening	317	279		38	0	0		0	38
Tobacco Control	252	318		(66)		22		(22)	(44)
Other Public Health	178	107		71	248	108		139	(69)
OTHER FUNDER				0				0	0
Governance - other	196	(51)		247	196	(51)		247	0
Reduced transfer to Gov & Funder Admin				0				0	0
GOVERNANCE & FUNDING DEPT				0				0	0
Reduced transfer from Funder				0				0	0
DHB local & regional Emergency Planning				0				0	0
Other Funder costs				0				0	0

FORECAST SUMMARY

\$000s	31 OCTOBER 2008 Estimate				30 SEPTEMBER 2008 Estimate				Change
	Revenue	Expend	Retained Earn Adj	Net Result	Revenue	Expend	Retained Earn Adj	Net Result	
PROVIDER ARM				0				0	0
Disposable Equipment		150		(150)		0		0	(150)
Outsourced Orthopaedic (OSL & QEH)		818		(818)	818			(818)	0
Cancer (PCT) drugs		360		(360)		0		0	(360)
BNF Drugs due to high acute loads		750		(750)	750			(750)	0
Gynae Allowances		480		(480)		0		0	(480)
Consultancy		80		(80)		0		0	(80)
PACS Delay		(350)		350		0		0	350
Psychogeriatric beds	868			868	868			868	0
Haemodialysis	(565)	(565)		0	(565)	(565)		0	0
Orthopaedic & Cat washup (2007/8)	421			421	421			421	0
CME Provision increase	320	630		(310)	320	630		(310)	0
Outsourced skins treatments		621		(621)		621		(621)	0
Locum costs		2,500		(2,500)		2,000		(2,000)	(500)
Althorp TAC Beds & Equipment	110	130		(21)		0		0	(21)
Meals (Patient Catering)		330		(330)		0		0	(330)
Other Funding		17		(17)		0		0	(17)
OTHER DEPARTMENTS				0				0	0
Cash flow optimisation (Interest)	100	(370)		470		(270)		270	200
GRNI adjustment		(800)		800		(800)		800	0
Fuel Costs		50		(50)		50		(50)	0
Legal Costs		101		(101)		101		(101)	0
HR Emergency Planning Contract Revenue	100			100	100			100	0
Other Human Resources	22	82		(60)	22	86		(64)	3
Other	(0)	(39)	386	(347)	0	(45)	386	(342)	(6)
CURRENT FORECAST	551,545	556,508	(2,263)	(2,700)	550,816	556,994	(3,718)	(2,461)	(239)

SIGNIFICANT CHANGES - The forecast shows an initial deterioration from the submitted DAP budget, expected to correct during the remaining months.

The forecasts received from the departments reflect early changes from the DAP including employment settlements agreed since February when the DAP was prepared.