

KMC Annual Report - 30 June 2015.

I am pleased to present my second annual report for the financial year ending 30 June 2015. This is the first full financial year of the Limited Partnership ownership structure and although a loss of \$6881 was recorded, this was a substantial improvement on the previous 8 months which as previously reported were heavily impacted by an impairment loss of \$114,000. An independent tax opinion was taken on this which attributed this loss across all shareholders on a pro rata basis. This year's loss reduced shareholder equity from \$294,665 to \$287,784. I take this opportunity to remind you that our goal, across all business interests of the Helensville District Health Trust is to be "*financially viable and sustainable*". Accordingly, a number of initiatives have been, or are now in train to ensure that we can turn this year's small loss into a profit in the forthcoming year and to rebuild shareholder equity. I am pleased to note that we have an unqualified audit issued from our independent auditors McGregor Bailey.

Our total income of \$2.1m for the year was up on the previous year by \$78,000 with expenses of \$2.106m. Depreciation has been higher, along with increased accruals for leave factoring in new requirements for accruing alternate leave along with a one off timing on pays at the end of the financial year. Debtors continue to be an underlying theme which the Board and management is addressing with a new debtors policy. The Health Trust has a philosophy across all its entities that those who can pay should, and of course for those who require genuine assistance and financial relief, we will ensure that resources are applied wherever possible to provide appropriate support. Last year we wrote off \$5000 of bad debts. In addition, The Health Trust independently supports the KMC with a limited Community Assistance Fund where Doctors have discretion to support those most in need. Even with these support measures, we are carrying a further \$30,000 of bad debt which is neither acceptable nor sustainable. As a Very Low Cost Access (VLCA) practise, the KMC is privileged to be able to charge out at a base rate of \$17.50 per Doctor consult. . Under the current special funding arrangement with the Ministry of Health, we cannot independently increase our base charges for a consult without losing this funding across the whole business. The KMC is always able to make special arrangements to support those who genuinely cannot fund an appointment or medical services required. However, it is important to remember that there is no guarantee (as with any Ministry Policies) that the VLCA funding will always be available. We must be financially sustainable to have a secure future. It is therefore time consuming and often difficult for our very loyal and competent staff to have to act as debt collectors. We have reviewed our terms of trade and this can be requested by clients at any time.

On that note, it is an absolute priority to improve our patient access to our first class medical staff. We are very aware of some concern being expressed locally about timely access for appointments with your respective Doctors and Nursing staff. Let me assure you that we are responding to our customer needs. For example, our computer systems have just been upgraded to provide faster and more efficient processing time. We are reviewing a new phone system that will increase our line capacity and cater for peak loading of inbound and outbound calls, particularly between 8 – 10am and during winter. We are also undertaking a review of a medical health system that will allow you to directly access your own medical results and book appointments with your Doctor for the increasing number of “tech Savvy” customers we have. Please ensure your contact details are up to date on our system when you next visit us. Like most sectors and services we need to ensure we can use smart technology when it is available. You will hear more about this over the year as we review and trial this for the KMC and initially roll out to selected clients. Of course those who prefer to contact us via current and usual methods will be able to continue to do so.

Other measures that have been put in place to provide timely access to our medical staff include a Duty Doctor each morning and a triage arrangement where direct access to our nursing staff can provide both support and direction. Whilst we cannot guarantee that your regular doctor can be available at very short notice, we do commit to all our patients that you will be attended to by our Duty Doctor on the day if required. In addition, KMC staff provide four late nights and are also available on Saturday mornings (for urgent and emergencies only). The KMC forms a key part of the 24 * 7 rural emergency services on a rostered basis with other local practises in the North West to support the health needs of the Kaipara Community.

Over the last 2 years we have reinvested in this strategic and vital health business providing essential medical services to the South Kaipara. This includes updating computer hardware in 2013, appointing and settling into the business three new Doctors in 2014 in a difficult recruitment environment where there is a significant shortage of General Practitioners. We commissioned an independent review of the organisational and management structures in 2014 and the launch of a new website. The independent review resulted in the creation of a new role and the appointment of a Business Manager to reduce the operational burden on the senior management team and focus more resource to front line services – both medical and administration. We welcomed Richard Reid as our Business Manager in March this year. Richard has a clear focus now for the year ahead to address our two top priorities: customer service and financial viability. There is a lot to do.

The KMC employs 23 professional and committed staff. I would like to acknowledge and sincerely thank them for the excellent services they provide to our South Kaipara community. We receive some excellent feedback and letters of appreciation from our clients. I would like to especially acknowledge our Clinical Director Dr Phil Barter who leads a first class team of professional Doctors, Selina Halewood and her wonderful team of Nurses, and John Issott and his efficient frontline administration staff. We appreciate and value all your customer feedback and look forward to delivering you excellent services in the year ahead. Our health is our greatest asset. Finally, on behalf of the community I would like to acknowledge and thank our hard working Board of Directors who generously give of their time to govern the KMC.

Chairman

Dianne Kidd