



Minutes of Board Meeting

Board Meeting held on 28th May 2015

For Publication

Board Attendees

Andrew Vallance-Owen (Chair) [AVO]

Fiona Booth [FB]

Sir Cyril Chantler [CC]

Nancy Devlin [ND]

Don Grocott [DG]

Gerard Panting [GP]

Sir Norman Williams [NW]

Matt James (CEO) [MJ]

Other attendees

John Rudkin, Finance Director & Company Secretary [JR]

Dr VJ Joshi, CCIO [VJ]

1. Declaration of Conflicts

AVO asked if there were any potential conflicts of interest. There were no declared conflicts of interest.

2. Minutes from previous board meeting

Minutes of the previous meeting were approved.

3. Matters Arising

MJ reported that he had written a number of articles for Independent Practitioner Today and would be grateful if CC, GP, and NW would consider writing future articles. The previous articles would be circulated to the Board.

ACTION: Circulate IPT articles to Board

4. CEO update

MJ presented the CEO report. Jayne Scott, an accountant, and Michael Hutchings, a lawyer, had been appointed as the CMA nominated Non Executive Directors. Both are also current CMA panel Members. The five major PMI's have been written to asking them to form a consensus nominee to fill the Insurer representative Non Executive Director.

FB asked if the ABI had been approached. DG suggested that an approach to the Association of Medical Insurers and Intermediaries may also be considered. It was noted that there was a recognition from the PMI's that a direct employee representative from the PMI's was not acceptable to PHIN and that discussions were ongoing.

Subscriber Engagement

Following on from the Information Session in March, a Subscriber Implementation Forum was held on 5th May. The participants felt that Member Implementation Forum would better reflect the composition and aims of the Forum.

It was felt that the meeting was a success. CC asked if the meetings were private. MJ replied that they were although Board Members would be welcome. FB stated that she thought that it would be good for Board Members to attend to see how the Subscribing Members perceived what was being undertaken. FB also asked if there had been non attendees. MJ replied that there was one principal non attendee.

MJ reported that he had been asked to judge at the Health Investor Awards. He stated that whilst he had not been a judge, he had been circulated the nomination papers. MJ reported that they showed some excellent work within the sector, particularly the Best Hospital Group award nominations. He would seek clearance to circulate these to the Board.

ACTION: MJ to request circulation of nomination papers to Board.

MJ also mentioned that the AIHO Summer Reception would be held on the evening of June 25th (the date of the next Board Meeting) and that all Board Members were invited.

ACTION: JR to circulate the Invitation to Board Members.

MJ reported that three potential subscriber recruitment meetings had taken place. There are potentially up to 257 PPU's, MJ stated that he still believed that only 80 to 90 of these would be material to PHIN, however, this would need verification. FB asked how contact was prioritised or de-prioritised? FB wondered if there could be an enforcement issue if PHIN was seen to only target the larger providers whilst ignoring the smaller providers.

MJ replied that it was expected that amongst other reasons, some are cases recorded as private rather than non-entitled NHS care. The HES data will hopefully help facilitate this understanding further.

Consultant Engagement

NW questioned how would PHIN use the HES data when there remained some scepticism in the profession over the quality of its data. MJ stated that it was a known factor that the Consultant Activity Reporting would find data quality issues. It was known, for example, that Moorfields private activity was not showing up in HES.

CC noted that there could be a concern that data being collected for one purpose was being used for another. CC noted that the likelihood of dying in hospital was dependent on how ill you were on admission. Case mix adjustment would be highly important to Consultants.

CC also noted that within the private sector mortality was not likely to be such an issue. MJ noted that Case Reviews would determine this and that the mortality rate was indeed expected to be low. MJ reported that one group reviewed all unexpected deaths, regardless of how ill the patient had been.

NW wondered if deaths could be potentially under reported due to transfers? NW also asked how much of the HES data was actually used. Private cases may not be fully recorded as NHS activity follows the finances. MJ noted that the recording of activity had to be followed as otherwise this would be in breach of both the CMA and CQC regulations as data recording would be inadequate.

Overall, MJ stated that we had to acknowledge that the consultant data was not going to be perfect. That we would collect what there was and work with consultants through to 2017 to improve it. If at that point the data still was not of a suitable quality in spite of best efforts then the CMA may be accepting of where we are at. It would be a very different reaction if it was down to lack of effort and involvement.

NW said that it may not even be possible to achieve this within the timescales of the Five Year Plan as it had taken 15 years to get cardiac activity to an acceptable standard.

Website

The redevelopment progress is continuing. The Content Management Solutions are currently under discussion.

HES

MJ updated the Board on the progress to date and plans in place for obtaining a HES feed. Currently the action sits with PHIN, with MJ and JR set to review the draft application this week. We are unlikely to receive data before July.

Data Processing

MJ noted that there wasn't much to report this month other than we will be further reducing our reliance on external support.

Information Governance

There were no Information Governance Incidents to report.

5. Finance Update

Although no subscription payments were received in April, It was noted that two further Subscription Invoices had been paid before the date of the Board. Another was due to pay by 31 May. JR noted that three of the 'Big Five' had still not paid. 64% of the second half year subscriptions remained unpaid.

Costs remained in line with Budget with some potential savings identified. Capital Expenditure remained below budget due to project delays.

JR noted that the Subscription Payment Policy was on the Board Agenda for approval.

CC asked whether PHIN had any overdraft facility in place. JR replied that we did not as it was felt that we had insufficient assets to act as a guarantee. DG noted that he did not feel

an overdraft facility was the solution but rather getting people to pay what they owed on time was.

ACTION: JR to investigate overdraft options with HSBC for further discussion, in addition to chasing subscriptions.

JR advised that the date of fees becoming due was agreed as April 2015 for those organisations with prior engagement with PHIN and 1st November 2015 for those new organisations.

6. Governance

As noted in the CEO's report, Jayne Scott and Michael Hutchings had been appointed from the five candidates nominated by the CMA.

Subscription Payment Policy

MJ introduced the Subscription Payment Policy noting that the Board had requested that the Executive take a strong line against delayed subscription payments. FB raised a question concerning the fairness of retrospective invoicing (from 6 April 2015) for some providers. MJ explained that this was directly related to being the date on which PHIN assumed the IO responsibilities, and was on balance the fairest interpretation of when clause 21.4 became applicable. However, it was suggested that this would only be applied to those providers who were clearly known to be aware of the CMA process and involved with PHIN, but not subscribing, prior to April 2015. For new subscribers who were being contacted for the first time, we had agreed with the CMA that a future date would be set (1 November 2015) from which subscriptions would be invoiced and payable.

The Board approved the policy in principle but encouraged MJ to seek views from members. However, the Board emphasised that the establishment of this policy must be a matter for the Board alone, and that there should not be a formal consultation.

CMA enforcement of the remedies

The Board raised a question as to whether 'injunction' was the correct term to describe the CMA's available enforcement action, and asked the executive to clarify this.

7. AOB

There was no other business

8. Dates for Future Meetings

25th June

23rd July (updated Board time 9am to 10.50) General Meeting (11am to 1pm) followed by Lunch

1st October

29th October **Proposed AGM Date: 29th October (1pm)**

26th November