Health
South Eastern Sydney
Local Health District

MINUTES
SOUTH EASTERN SYDNEY LOCAL HEALTH DISTRICT
BOARD MEETING
3 APRIL 2013
16:00 – 18:00
BOARDROOM, LEVEL 1, ADMIN BLOCK
SYDNEY/SYDNEY EYE HOSPITAL

PART A.	**MEETING OPENING**	
	Item 1	**WELCOME**
	1.1	**Apologies** • Mr Robert Boyd-Boland
	1.2	**Members:** • The Hon. Morris Iemma (Chair) • A/Prof Peter Gonski (Deputy Chair) • Dr Harry Harinath • Ms Patricia Azarias • Dr Ingrid van Beek • Ms Deborah Cansdell • A/Prof Robert Farnsworth • Mrs Janet McDonald • Ms Kate Munnings • A/Prof Peter Smerdely • Ms Kristin Stubbins • Prof Jeanette Ward **In Attendance:** • Mr Terry Clout – Chief Executive • Dr Michael McGlynn – Executive Medical Director (present for items 1-8) • Ms Karen Foldi – Director of Finance (present for items 1-8) • Ms Kim Olesen – Director Nursing & Midwifery Services (present for items 1-8) • Prof James Colebatch – Chair Medical Staff Executive Council (present for items 1-8) **Secretariat:** • Ms Melissa Angelucci – Board Secretary
	Item 2	**DECLARATION OF PECUNIARY INTEREST, CONFLICT OF INTEREST AND DIRECTOR RELATED TRANSACTIONS** There were no potential conflicts of interests declared at the meeting on 3 April 2013.
	Item 3	**CONFIRMATION OF MINUTES**
	3.1	**Minutes of the SESLHD Board meeting held 6 March 2013** Minor typing errors were reported, however the Board endorsed the minutes

		of the SESLHD Board meeting held 6 March 2013 as an accurate record of proceedings. **Action** – Board Secretary to amend minor typing errors in previous minutes **Resolution 216** "That the Board approve the minutes of the SESLHD Board meeting held on 6 February 2013 as an accurate record of proceedings." **Moved:** J Ward **Seconded:** K Munnings **Carried**
	3.2	**Minutes from joint Board and St George Hospital Clinical Council meeting held 6 March 2013** Board endorsed the minutes of the joint Board and St George Hospital Clinical Council meeting held 6 March 2013 as an accurate record of proceedings. **Resolution 217** "That the Board approve the minutes (excluding items 9-12) of the joint Board and St George Hospital Clinical Council meeting held 6 March 2013 as an accurate record of proceedings. **Moved:** K Munnings **Seconded:** J Ward **Carried**
	Item 4 **4.1**	**ACTIONS ARISING** **Action Log** The Board noted the action log for information.
	Item 5 **5.1**	**PRESENTATION** **ABF Budget Allocation and Approval Process** The Chief Executive gave a presentation 'Budget ABF Program 2013/2014' for information. The purpose of the presentation was to Provide an overview of 2013/14 Budget Program – process & milestones and to seek the Boards input into the process. Outpatient Services was discussed. It was noted that it will be a poor outcome if the funding drives the model rather than the model driving the funding. However this will require the model to be affordable. It was noted that when the 'Outpatient model' gets to the Board, it will be at the Board's discretion to look at the principles, criteria and methodology and determine how it is implemented. There was discussion around whether standardisation occurs across the District and/or at a State/National level in relation to a situation where patients are shifted from outpatient to inpatient services e.g. endoscopy, as this could have a significant impact on budget and planning. It was noted that it would be a decision made locally as a principle. The Chief Executive explained the five milestones of the process, noting that the planned process is similar, yet more formalised and sophisticated, to the process used in recent years. The milestones are as follows; • Milestone 1: Timetable and Flow chart 2013/14 Budget Program

		• Milestone 2: Program Fractions, Draft Activity Targets & Draft Budget Allocation Principles & Methodology document • Milestone 4: Final Activity Targets signed off (dependant on MoH issue of Targets) • Milestone 3: Revised Budget Allocation Principles & Methodology document • Note: Preparation of Prepare Budget Allocation Tool will occur based on revised document • Milestone 5: Final SES LHD 2013/14 Budget (dependant on MoH issue of Budget) It was made clear that at each stage there was consultation with and input from the DET, Facility/Service Clinical Councils, the SESLHD Clinical and Quality Council and the Board. The Board indicated general agreement with the Budget Development process and timetable on the basis that the final process would come back to the May Board meeting for approval by the Board. **Action** – Board Secretary to send 'Budget ABF Program 2013/2014' presentation to Board members and attendees. **Action** – The Board to provide comments and feedback for improvements on the process outlined within the presentation. Feedback/comment to be provided to Board Secretary within two weeks (i.e. by 17 April 2013).
Part B	**CHAIR & CHIEF'S EXECUTIVE REPORTS**	
	Item 6 **6.1**	**CHAIR'S REPORT** **Council of the Chairs update** The Deputy Chairman provided a brief summary of the Council of Chairs Forum (8 March 2013) he attended. The Deputy Chairman advised there were four notable parts to the Forum. Including; 1) Mental Health Commission and interface with the Health System including an overview of service (by John Finely, NSW Mental Health Commissioner) 2) National Partnership funding : models trialled in SESLHD with outcomes and future directions (by The Chief Executive and The Deputy Chairman of the SESLHD Board) 3) State health Plan 2013-23: major issues facing the health care system, long term directions and actions (by Rohan Hammett, Deputy Director General, Strategy and Resources) 4) National Safety and Quality Health Service Standards:10 standards that cover the level of care patients should expect, protect from harm and improve quality.
	Item 7 **7.1** **7.1.1**	**CE's REPORT** **Organisational KPI Report – January 2013** **SESLHD Performance Status** The Board noted the attached correspondence from the Deputy Director General, System Purchasing and Performance Division at the Ministry of Health (MoH) which advised that SESLHD had been escalated to a Performance Level '2' under the NSW Health Performance Framework.

		The Board noted that this is predominantly due to the financial situation at the Prince of Wales Hospital but it is also a result of the District's NEST Performance (that is, the timeliness of category 1, 2, 3 elective surgeries and the proportion of these operations done within the benchmark). It was noted that much work has been done to improve the NEST figures and they have been improving, however the rate of improvement is not satisfactory. Each Clinical Council has provided a plan for improvement and provided timeline trajectories for improvement to meet targets. Since then, each hospital has been measured against both the target and their trajectory rates. It was noted that the St George Hospital (STGH) and the Prince of Wales Hospital (POWH) have not been meeting their committed trajectories and the Northern Sector and St George Clinical Councils are very aware of this issue and are working hard at getting back to target. It was noted that the NEST issue is also prominent at a state-wide level. In particular, the Chief Executive advised that he suspects that the 'ready for care' category may be being used by some LHDs/hospitals to enable higher rates of compliance with NEST targets. The Chief Executive noted that some LHDs (including SESLHD) NEST targets have a 'ready for care' rate of around 6% where as LHDs that are meeting NEST targets have a 'ready for care' rate of around 25%. The Chief Executive noted that this has been raised with the MoH. He also indicated that he would not place patients in the 'ready for care' category simply to achieve a better NEST result. The Chair questioned Off Stretcher Times between December 2012 and February 2013. It was noted that this is now called Transfer of Care. The Chief Executive and the district Director of Nursing and Midwifery advised that Westmead Hospital, Western Sydney LHD, Royal North Shore Hospital, POWH and to a lesser extend the Royal Prince Alfred Hospital have all experienced an unexpected influx in Emergency Department (ED) attendances recently. The POWH has a 7.2% increase in activity against target. The Board discussed why this may be the case. The Chief Executive advised that the District is doing what it can to identify the reason. He noted that, while efficiency is always a factor for improvement, the issue here is not solely one of efficiency (patient flow and staffing are working as expected). It was noted that the POWH is taking part in a Whole of Hospital Care Program with the MoH and is one of seven hospitals participating. It is anticipated that this improvement initiative will provide a further opportunity to improve in NEAT performance. The Board noted that this issue has been around for a long time and many attempts to map and address it have occurred. It was suggested that the issue requires a fundamental change in approach. Mental Health patients staying in ED for longer than 24hours was also raised by the Chair. The Chief Executive assured the Board that Murray Wright, SESLHD Director of Mental Health fully investigated each breach of this KPI.
	7.1.2	**Action** – The SESLHD Director of Mental Health Services to provide a report to the Board on actions, taken to investigate breaches of the KPI relating to Mental Health patients in ED for longer than 24 hours. **Northern Sector Clinical Council Update** It was noted that the Northern Sector Clinical Council members are aware

		that the their Sector's performance in respect of budget performance was the subject of the Extraordinary Board meeting held 25 March 2013 and that numerous discussion between the Chief Executive and the Northern Sector Clinical Council Chair have occurred relating to this matter. A letter from the Chief Executive to the Northern Sector Clinical Council Chair has been sent which essentially states that the Board considers that there should be a more comprehensive program and plan that will enable the Board and Chief Executive to have a greater level of confidence that the Northern Sector Clinical Council will be able to align cost with budget by June 30 2014. At this point the POWH is projecting $36.9m unfavourable at June 30 2013 and there is an understanding that this will be the fact even though it is not considered acceptable. Taking into consideration the transitional grant, this projection comes down to $23.4m unfavourable for POWH. This means a District projection of $9.6m unfavourable. It was noted that there are risks associated with the District projection because it is dependent upon the extent to which the strategies are realised and the remainder of the budget at POWH and more generally is managed. It was noted that the retirement of Andrew Bernard, Director of Operations, Northern Sector, takes affect as of Friday week. Mr Job Roberts, former General Manager of Prince Charles Hospital in Brisbane, is commencing on Monday 8 April 2013.
	7.2	**SESLHD Healthcare Services Plan** It was noted that the Report Card was not distributed with the papers. Therefore, it was decided to hold the item over to the May Board meeting. **Action –** Board Secretary to place 'SESLHD Healthcare Services Plan' on May Board agenda.
	7.3	**Population Health Report Card** The Board noted the Population Health Report Card is a baseline snapshot outlining what the directorate does at the present time. It was noted that SESLHD has significant depth in the provision of population health services. In particular SESLHD provides state-wide HIV services and other sexual health services through and HARP Unit, Kirkton Road Centre and Services, Albion Street Unit, Sexual Health Unit and SESLHD Homelessness services. SESLHD is performing very well against targets and benchmarks in these areas. (Chair left room to attend to other matters briefly, the Co-Chair managed meeting for five minutes. Chair resumed meeting at 5pm).
	7.4	**ACI Communication with LHDs** The Board noted the attached correspondence from the Agency of Clinical Innovation (ACI). It was noted that the SESLHD Clinical and Quality Council has agreed that the SESLHD Stream Directors will take the lead role in engaging with the appropriate groups within the ACI. Therefore the predominant representation and communication between SESLHD and the ACI is through the Stream Directors. It was also noted that the SESLHD Director of Nursing and Midwifery and the Medical Executive Director were the lead Executives for connecting with ACI from a governance perspective. The Board discussed the avenues that innovation is shared within SESLHD and ACIs role in this. It was noted that the ACI are not the innovators, rather

		they facilitate innovation. Noted that the Health Round Table is another vehicle used to foster innovation at a clinical/local level.
	7.5	**SLA with Justice Health** The Service Level Agreement between SESLHD and Justice Health was for approval. It was noted that this agreement is fairly straightforward and non-problematic. However there is space to possibly re-visit this agreement within 12 months as funding of correctional services is being revised. **Resolution 218** "That the SESLHD Board approve Service and Partnership Agreement - Justice & Forensic Mental Health Network and South Eastern Sydney Local Health District" **Moved:** K Munnings **Seconded:** J Ward **Carried**
Part C	**SUBCOMMITTEE REPORTS/COMPLIANCE ISSUES/PAPERS FOR INFORMATION**	
	Item 8	**SESLHN COMMITTEE REPORTS**
	8.1	**Clinical & Quality Council**
	8.1.1	**Clinical & Quality Council Minutes** The minutes of the March Clinical & Quality Council meeting were noted.
	8.2	**Finance & Performance Committee**
	8.2.1	**Finance & Performance Committee Minutes** The minutes of the March Finance and Performance meeting were noted.
	8.2.2	**SESLHD Financial Narrative** The Board discussed the District's variance to budget. It was noted that the projected end of year variance from budget will be $9.6m and this number includes an element of risk, i.e., it is not a worst case scenario figure and it relies on a certain level of effort from the POWH. A significant goods and services District overrun was noted to be at $18.8m, a more detailed analysis of this was requested. The District is seeking to identify what is controllable and what is not. It was noted that the Board needs to spend more time getting a better understanding of the clinical KPIs and developing a formalised process for determining which KPIs should be prioritised, for example, financial versus patient access. The Chief Executive advised that a process to assist the Board and executives consider the balance between the various KPIs was in development. It was noted that the Government is looking at a range of consolidated services across all government agencies which might be appropriate to market test. SESLHD has been nominated to pilot these endeavours. The Special Purposes Fund is reported at $1m unfavourably. It was noted that this is the result of interest rate falls and cash rates dropping. The MoH set the budget on the premise that we will continue to get the same rate on return for investment as achieved in previous years; however this has not

		been the case. The District is $1.5m short on revenue and expected donations. It was noted that there is a MoH imposed cap on capital expenditure of Special Purpose and Trust Funds of $7.7m per year. The Board agreed that this would discourage donations and noted that it would be supportive of removing the cap for locally funded capital expenditure. **Resolution 219** "That the SESLHD Board approves the SESLHD financial narrative report for the period ending February 2013." **Moved:** P Azarias **Seconded:** D Cansdell **Carried**
	8.3	**Audit & Risk Management Committee**
	8.3.1	**Audit & Risk Management Committee Minutes** There had not been an Audit & Risk Management Committee meeting since the last Board meeting.
	8.4	**Community Advisory Committee**
	8.4.1	**Community Advisory Committee Update** The Board noted for information the draft minutes of the Community Advisory Committee meeting held on 13 February 2013.
	8.5	**Sydney Metropolitan Aboriginal Health Partnerships Agreement**
	8.5.1	**Sydney Metropolitan Aboriginal Health Partnerships Agreement Update** There had not been a meeting of the Sydney Metropolitan Aboriginal Health Partnerships Agreement meeting since the last Board meeting.
	8.6	**Medical Staff Executive Council**
	8.6.1	**Medical Staff Executive Council Update** No update provided
	8.7	**RHW Transitional Sub Committee**
	8.7.1	**RHW Transitional Sub Committee Update** The minutes of the March RHW Transitional Sub Committee meeting were noted.

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PART D	**BOARD AMINISTRATION MATTERS (BOARD MEMBERS AND CE ONLY)**	
	Item 9	**BOARD ADMINISTRATIVE MATTERS**
	9.1	**Minute of Board Meeting held 6 March 2013 (items 9-12)** The Board endorsed the minutes (items 9-12) of the SESLHD Board meeting held 6 March 2013 as an accurate record of proceedings. **Resolution 220** "That the Board approve the minutes (items 9-12) of the SESLHD Board meeting held on 6 March 2013 as an accurate record of proceedings." **Moved:** K Stubbins **Seconded:** J Ward **Carried**
	9.2	**Minute of Extraordinary Board Meeting held 25 March 2013** The Board discussed a paragraph on page 200 of the minutes regarding the Chief Executive's comment that the penalty for the District overrunning the budget will be a loss of confidence of the Board's ability to govern/manage in the eyes of the MoH and the Minister. The Chair noted that the minutes should not be altered as it was agreed that they are an accurate record of the proceedings which occurred at the Extraordinary meeting, with the deletion of the word 'manage' from line 3, and with the words 'in his opinion' being added. **Resolution 221** "That the Board Secretary make agreed changes to paragraph 3 and the minutes be approved". **Moved:** K Stubbins **Seconded:** J Ward **Carried**
	9.2.1	**Review of facility/service Clinical Council charters** The Board noted that the Facility/Service Clinical Council Charters and the Charter of the SELHD Clinical and Quality Council will be reviewed in the second quarter of 2013.
	9.3	**Actions Arising** The Board noted the action log (relating to items 9-12) as at 6 March 2013, for information.
	9.4	**Instrument of appointment for the Deputy Chair** The SESLHD Board noted the instrument of appointment – Deputy Chair

		Position – Peter Gonski 2013 **Resolution 222** "The SESLHD Board notes the instrument of appointment – Deputy Chair Position – Peter Gonski 2013". **Moved:** H Harinath **Seconded:** P Azarias **Carried**
	9.5	**Board payment policy update** The Board noted that the Board payment policy update.
	9.6	**Revised Board meeting times** **Resolutions 223** "The SESLHD Board approved the revised meeting schedule for 2013" **Moved:** H Harinath **Seconded:** R Farnsworth **Carried**
	Item 10	**Chair's Report** Nil report.
	Item 11	**Chief Executive's Report** The Chief Executive brought the attention of the Board to the letters prepared for the Director General and the Northern Sector Clinical Council Chair relating to the actions arising from extraordinary Board meeting - 25 March 2013. It was noted that, at the MoH, the expected response is one of understanding and resolve that the issue must be dealt with in the subsequent financial year. Locally, at the Northern Sector Clinical Council, the expected response is less clear. It is known that the Northern Sector Clinical Council Chair is committed to working on the issues and accept the need for greater engagement by Clinical Staff and the Council as a whole regarding decision making. The Board discussed the Northern Sector Clinical Council's understanding of its role as advisory rather than decision making. There was considerable discussion regarding the fact that increased involvement in local facility/service decision making and acceptance of accountability by Clinicians was a significant outcome of the Garling Inquiry and that establishment of the SESLHD Clinical Councils were a response to the strong pleas by Clinicians to Justice Garling, during this Inquiry for greater involvement of clinicians in decision making at a local level. The Board made clear that the decision making role of the Northern Sector Clinical Council must be reinforced, however the Board asked that its message be conveyed at a face to face discussion with the Chief Executive and the Northern Sector Clinical Council. The Board also noted that the Northern Sector Clinical Council should be offered the full support of the Board and Chief Executive in resolving the challenges facing the Council between now and 30th July 2013. The Chief Executive agreed, noting that he been invited to attend a Northern Sector Clinical Council meeting to discuss the matter. It was also noted that the Clinical Councils are offered other support in the form of training/education which improves their skills to function as Council members. This training has been utilised by St George Council members. The Board noted that there must be a better understanding by the Clinical Councils of their relationship to the Board and it is the Board's responsibility to communicate this message.

		It was noted that the Northern Sector Clinical Council's Charter had not been revised to reflect its decision making responsibility and accountability to deliver on the annual Performance Agreement with the Chief Executive. This review is now set to commence. It was noted that this is also an opportunity to ask all Clinical Councils to review their charters. **Resolution 224** " Chief Executive to initiate review of charters of all Clinical Councils and Clinical and Quality Council and provide advice back to the Board in relation to revised charters" **Moved:** P Gonski **Seconded:** R Farnsworth **Carried**
	Item 12 **12.1** **12.1.1** **12.1.2**	**Board Sub-Committees** **Board Governance Committee** **Meeting schedule** The Board noted that the proposed dates will not be suitable and have been withdrawn at the request of Prof Gonski. New dates to be circulated. **Action** – Board Secretary to identify new dates for Board Governance Committee meetings and circulate to Board Governance Committee members and the Chief Executive.
Part E	**CORRESPONDANCE**	
	Item 13	**CORRESPONDENCE RECEIVED** The Board noted for information the correspondence received register, as updated on 6 March 2013.
Part F	**MEETING CLOSE**	
	Item 14	**BUSINESS WITHOUT NOTICE** The previous meeting between the Board and the St George Clinical Council was discussed. The Board was informed that the St George Clinical Council was dissatisfied with the meeting. Their dissatisfactions included • A lack of immediate feedback by the Board at the meeting • A belief that the Asset Plan discussed at the meeting was not agreed upon by the St George Clinical Council in the form that it was finally approved. It was noted that the Board felt that attendance at these meetings should include the members of the facility/service Clinical Councils rather than a much broader group of staff. It was noted that the Board needs to make clear the processes it follows regarding decision making, which will assist in managing the Clinical Council's expectations of the Board. The joint meetings do not have a Charter, it is said that the meetings are controlled by the Clinical Councils and therefore they set the agenda. However it was felt that the Board should also consider agenda items for these joint meetings. It was agreed that these matters would be discussed at the next meeting the Board Chair and the Chief Executive hold with the facility/service Clinical Council Co-Chairs. Prof Farnsworth provided an update on a recently held Federal Government funded consumer workshop which was run by consumer groups. It was noted

		that there are enormous challenges around health organisations communicating with community and getting the engagement they would like. The take home message of the workshop was that Medicare Locals are successful at engaging with consumers and the broader community. It was noted that SESLHD are engaging with the Medicare Locals for this reason and with the Medicare Locals and are undertaking joint planning. The role of social media and its role in the future engagement with consumers and the community was also discussed.
	Item 15	**NOTING OF CONFIDENTIAL ITEMS** Nil noted.

Meeting closed at: 6:30pm

Morris Jemma
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Name

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Signature

8/5/13
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Date