

Wednesday 1 July 2015 at 4:30 pm | Sutherland Hospital

## SESLHD Board Minutes

### Board Members:

- Mr Michael Still (Chair)
- Ms Patricia Azarias
- Ms Deborah Cansdell
- Mr Jonathan Doy
- A/Prof Robert Farnsworth
- A/Prof Peter Gonski
- Dr Harry Harinath
- Ms Kate Munnings
- Janet McDonald
- Ms Kristin Stubbins
- A/Prof Peter Smerdely
- Prof Jeanette Ward

### In Attendance:

- Mr Gerry Marr – Chief Executive
- Ms Karen Foldi – Director of Finance
- Mr Mark Shepherd – Director of Programs
- Dr James Mackie - Medical Executive Director
- Ms Kim Olesen – Director Nursing & Midwifery Services
- Dr Theresa Jacques – Chair Medical Staff Executive Council

### Apology

- Dr Debra Graves

### Secretariat:

- Ms Melissa Angelucci

## STANDING ITEMS

### 1.1. Patient story:

The Board noted the patient story provided in the papers. The Board agreed that videos or personally presented patient stories have more of an impact.

**Action** – Secretary to source more engaging patient stories for the Board.

### Minutes of Board meeting held 27 May 2015

The Board approved the Minutes of the SESLHD Board meeting held 27 May 2015 as an accurate record of proceedings.

*Resolution 293*

“That the Board approves the Minutes of the SESLHD Board meeting held on 27 May 2015 as an accurate record of proceedings.”

Moved: K Munnings    Seconded: P Azarias

**1.2. Minutes of Finance and Performance Committee meeting held 25 May 2015**

The Board noted the Minutes of the Finance and Performance Committee meeting held 25 April 2015.

**1.3. Minutes of Clinical and Quality Council meeting held 13 May 2015**

The Board noted the Minutes of the SESLHD Clinical and Quality Council meeting held 13 May 2015.

**1.4. Actions**

The Board noted the Action Log.

**1.5. Correspondence Register**

The Board noted the correspondence received since 20 May 2015.

**1.6. Teaching and Research**

This item was held over until the June meeting.

**FOCUS**

**2.1. Roadshow Presentation | Year in Review | Plan for 15/16**

The Chief Executive presented briefly on the presentation he is planning to present to staff at the upcoming Roadshow events. The following key points were noted;

- Over the past 12 months, the Chief Executive has been focusing on changing the narrative. A more positive and patient centred narrative now permeates the organisation.
- SESLHD has delivered on its commitment to focus on improving all of its non-financial Key Performance Indicators. Evidence of this is demonstrated in SESLHD’s improved performance in National Elective Surgery Target Category 3, National Emergency Access Target and Transfer of Care performance improvements. SESLHD has also improved its financial position, achieving \$14.9 million in expenditure savings through eliminating waste and duplication within the system. This work has been led by the Program Management Office.
- SESLHD is now focussing on Five Programs of Work to continue to drive its Journey to Excellence strategy. These Programs of Work are being achieved in the context of equity and community engagement. The Five Programs of Work include;
  - Integrated Care
  - Service Realignment
  - Building Capacity and Capability
  - Organisational Change
  - Savings Money Safely

The Chief Executive made the following key points with regard to the progress made by SESLHD over the past 12 months;

- Through the development of the Orbit software, SESLHD is has developed improved performance reporting
- The sector model has been dissolved and the District is now operating as a cohesive organisation
- Relationships between the District and the Facility/Service Clinical Councils has been improved and the working relationships are now very productive
- A Medical Engagement Framework has been developed and key actions are being addressed
- The Improvement and Innovation Hub has directly engaged over 800 staff as part of the Big Conversation. This data is being developed into an action plan
- An Emerging Leaders Program is being developed. This will provide a mechanism for succession planning and performance development of SESLHD’s most talented staff
- The Bronze Level component of the Improvement Education program is now available to all staff. Work is underway to have the Silver and Gold Level programs available within the next 12 months
- The Board’s \$3 million investment into innovation during 13/14 and 14/15 has been very successful. Nine of the 10 funded projects are now self-sustaining
- The target projection of < \$20 million deficit to budget has been achieved
- Service Line Management has commenced at St George Hospital. The key to Service Line Management is to empower and educate staff down the line.

The Board noted that the 14/15 year has been an active and successful year. The Board commended the Chief Executive and Executive Team in their efforts to change the narrative and improve both financial and non-financial performance.

**GENERAL BUSINESS**

**GOVERNANCE**

**3.1. SESLHD Community Partnerships Committee Update**

This meeting was held over to a future Board meeting.

**3.2. SESLHD Healthcare Quality Committee**

The Board noted the minutes provided from the pre-meeting of the SESLHD Healthcare Quality Committee.

**PERFORMANCE**

**4.1. SESLHD Key Performance Indicators**

The SESLHD Board noted the Key Performance Indicators.

**4.2. Finance and Performance Update**

Discussion held in Item 4.3.

**4.3. 2014/15 Budget**

The Chair of the Finance and Performance Committee made the following points in respect of

the 14/15 Service Level Agreement;

- The Ministry of Health has provided a due date of the 31 July 2015 to have the Service Level Agreement signed off by the Board.
- Before the Board signs off on the Service Level Agreement, it should have a detailed understanding of all components of the budget. Including any aspects the Board does not agree with and/or deems not within the Board's control.

**Action** - The Chair of the Finance and Performance Committee and the Director of Finance to develop a paper outlining any aspects of the 15/16 budget that the Board does not believe are within its control. To be provided at the August Board meeting.

**Action** – Director of Finance to write to the Ministry of Health to inform it that the SESLHD Board will be submitting its signed Service Level Agreement following its August 26 Board meeting. At the time the signed agreement is submitted, SESLHD will also provide its value improvement plans for 15/16 to the Ministry of Health.

The Board agreed it would be ready to sign the 15/16 Service Level Agreement at its August meeting.

The Director of Finance made the following points in respect of Schedule C from the 15/16 Service Level Agreement;

- SESLHD will be funded below the state price. This means that SESLHD has become more efficient over the past 12 months.
- SESLHD will not receive a transition grant during 15/16. This does not result in a smaller overall budget but means that the budget is provided in other budget lines.
- SESLHD received a \$76 million increase in total dollars as compared to the 14/15 budget.
- The revenue target for 15/16 is more achievable for SESLHD than the 14/15 revenue target.

The Board noted that some facilities have higher private patient conversion rates than others. It was suggested that facilities learn from one another to improve rates at facilities with lower performance.

The Board noted that the role of the Productivity and Improvement Board is to provide governance over the savings initiatives in order to achieve a breakeven position by July 2017.

**Action** – Report from Productivity Improvement Board to be provided to the Board in future.

Value Improvement Strategies are being validated by the Program Management Office and should all be validated over the next month.

The Director of Finance reported that preliminary projected results for 15/16 financial year will be provided at the July Board meeting.

#### **4.4. Cash Flow Analysis**

The Chair of the Finance and Performance Committee and the Director of Finance provided the following update in relation to additional cash assistance that SESLHD sought from the Ministry of Health during May 2015.

During May 2015 an unexpected cash deficit was reported to the Ministry of Health. This cash deficit was significantly higher than the reported overall financial deficit for the 14/15 financial

year. A detailed investigation into the matter identified issues which led to a significant disparity between the cash deficit and the actual deficit for 14/15. These issues include the way the cash budget was constructed by the Ministry of Health at the beginning of the 13/14 financial year and the large number of adjustments that were signed off at the end of the 13/14 financial year. The root cause of the matter was found to be inadequate communication between the Ministry of Health and SESLHD.

A meeting has occurred between The Chief Financial Officer at the Ministry of Health, the SESLHD Director of Finance and the SESLHD Chief Executive to discuss the issues found to have caused the cash deficit. The reasons for the cash deficit were acknowledged by the Ministry of Health and the additional cash assistance requested has now been received by SESLHD.

The process for calculating the cash budget in the future will be changed so as to avoid this matter reoccurring. The Director of Finance reported that she is confident that SESLHD will be able to manage and monitor its cash effectively into the future.

#### **4.5. SNAP Performance**

The Chief Executive reported that if SESLHD had not been successful in moving to the appropriate sub-acute funding, there would have been a \$23 million risk to SESLHD. Following a lot of work in this space, SESLHD has been successful in avoiding this risk.

### **STRATEGY**

#### **5.1. Update – Program Management Office**

The Board noted the PMO report provided in the agenda pack.

#### **5.2. Medical Engagement Workshop**

The Board noted the Medical Engagement Workshop paper. The workshop was noted to be very positive. The three key priorities of the doctors who attended the workshop included the need to improve autonomy for clinicians, improve the Human Resources service and improve technology. A work plan is being developed to address these priority areas.

#### **5.3. Integrated Care action plan**

To be held over to the July Board meeting

#### **5.4. Mental Health Recover College**

The update on the Mental Health Recovery College was noted by the Board.

#### **5.5. Peritonectomy Update**

The Board noted the brief provided in the meeting papers referring to the actual impact on the additional Peritonectomy surgeries at the St George Hospital. The Peritonectomy theatre time accounts for 6% of total Theatre time.

**5.6. Junior Doctors Taskforce – Revised Terms of reference**

The Board noted the updated Terms of Reference and noted that there was no female representation on the committee.

**CLOSE**

**Business without notice**

Christmas Close Down

Christmas close down periods were discussed. The Board noted that Christmas close down periods for longer than five days can have substantial clinical impacts on staffing and service reliability. The Board has raised this matter with the Ministry of Health in the past.

**Action** – Chief Executive to prepare a letter to the Deputy Secretary outlining SESLHD’s concerns in respect of extended public holidays and seeking this to be considered when planning for the 2015 holiday period.

Accreditation

Accreditation at the Prince of Wales and Sydney / Sydney Eye Hospitals was undertaken during June. A number of unmet criteria were identified at the facilities. Notably, SESLHD’s process for reviewing and managing policies was found to be ineffective and SESLHD’s governance for credentialing was found to be inadequate. SELHD now has 90 days to develop plans to appropriately address these criteria. The Chief Executive acknowledged that this is a corporate governance failure on behalf of the Executive Team and the matter is being viewed as an opportunity to improve.

**NOTING OF CONFIDENTIAL ITEMS**

Nil discussion

Date of next meeting:

29 July 2015

4-7pm – Aboriginal Medical Service, Redfern

Focus – Aboriginal Health

Meeting closed 7:05pm.



**Signature**

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*Michael Still*  
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**Name**

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29 July 2015  
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**Date**

