

Wednesday 28 October 2015 at 4:30 pm | Sydney Hospital

## SESLHD Board Minutes

**Board Members:**

- Mr Michael Still (Chair)
- Ms Patricia Azarias
- A/Prof Robert Farnsworth
- A/Prof Peter Gonski
- Dr Harry Harinath
- Janet McDonald
- A/Prof Peter Smerdely
- Prof Jeanette Ward
- Dr Debra Graves
- Ms Kate Munnings

**In Attendance:**

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

**Apology**

- Ms Deb Cansdell
- Mr Jonathan Doy
- Ms Kristin Stubbins (Advisor)

**Secretariat:**

- Ms Melissa Angelucci

### STANDING ITEMS

**1.1. Minutes of Board meeting held Wednesday 30 September 2015**

The Board resolved to approve the minutes of the SESLHD Board meeting held Wednesday 30 September 2015 as an accurate record of proceedings.

*Resolution 298*

“That the Board resolves to approve the Minutes of the SESLHD Board meeting held on Wednesday 30 September 2015 as an accurate record of proceedings.”

Moved: J McDonald    Seconded: P Azarias    Carried

**1.2. Minutes of Finance and Performance Committee**

The minutes of the September meeting of the Finance and Performance Committee were noted.

**1.3. Minutes of Health Care Quality Committee**

The minutes of the October meeting of the Health Care Quality Committee will be tabled at the December Board meeting.

**1.4. Actions**

The Board reviewed and updated the Action Log.

The following points were noted;

- The planned Board Risk Workshop was discussed. It would be advantageous for the workshop to be held once a Director of Internal Audit has been appointed, in 2016.
- The Board requested that the bullying action item remain on the Action Log as there is a matter that is still ongoing that will require an update.
- Regular updates on the proposed sale of Primrose House at Dolls Point will be provided at future Board meetings.
- The Director of Programs and Performance will table a paper at the next Board meeting on the issue regarding Prince of Wales Hospital Emergency Department Representations.
- The Chief Executive will bring a paper on policy on naming rights to a future Board meeting.
- The item on staff uniform policy to is to remain on the Action Log.

**1.5. Correspondence Register**

The Board noted the correspondence received to 20 October 2015.

**1.6. Teaching and Research**

Nil discussion held.

**FOCUS**

**2.1. Presentation from HealthShare**

Mr Daniel Hunter, Chief Executive of HealthShare NSW attended the Board meeting provide an overview of the functions of HealthShare. The following key points were noted;

- HealthShare has 6400 employees across NSW; 90% of which are in frontline roles.
- Operating units for SESLHD include linen services, EnableNSW, service centres, food and patient support services and warehousing and distribution,
- Under the new service centre pricing model, Health Agencies will be able to better understand the activities that are driving their overall charges for a service. For example, within payroll, volumes of normal pays, volumes of out-of-cycle payments, volumes of adjustments etc. and their associated charges will be more clearly visible. By reducing volumes of out-of-cycle pays, for example, a Health Agency may be able

to reduce its overall charges for payroll services.

- Into the future, HealthShare will be actioning the 2014-17 Strategic Plan, pursuing its reform agenda, looking into strategic commissioning and building a culture of continuous improvement.

## GENERAL BUSINESS

### GOVERNANCE

#### 3.1 Discussion on recent SESLHD matters of interest

This discussion was noted to be confidential.

#### 3.2. Schedule of Board Meetings for 2016

The Board agreed with the proposed schedule of Board meetings for 2016. The Board noted that the afternoon teas with staff should continue, however a new model or approach should be employed to ensure that the Board is able to engage with as many staff members as possible, from various disciplines and levels of the organisation.

**Action** – Board Secretary to determine new model for Board and staff engagement during 2016

### PERFORMANCE

#### 4.1 SESLHD Key Performance Indicators

Discussion was held as per Item 4.2 below.

#### 4.2 Finance and Performance Update

The Director of Finance reported on the financial position against the Service Level Agreement for the first quarter of financial year 2015/16.

- The year-to-date (YTD) result for September 2015 was summarised. The YTD result is in line with the planned full year position.
- The major expense categories currently over budget include Goods and Services and VMO costs. The new VMO payment process has been successful and VMOs are now being managed to their contracted hours. It was noted that the new VMO process may not be effective in all areas of the Prince of Wales Hospital. The Director of Programs and Performance agreed to investigate this issue.

**Action** – Director of Programs and Performance to investigate whether VMO contracted hours are being managed appropriately at the Prince of Wales Hospital.

- Regarding revenue performance, patient fee revenue is performing better than forecasted. This is due to the delay of some strategies from last year, which are now beginning to take effect. The Royal Hospital for Women is experiencing some difficulty with revenue, partially due to issues with parents not having family cover. There are a number of strategies in place to rectify this.
- The year-to-date financial position of each major facility was provided.
- The Value Improvement Plans targeted savings for the 2015/16 financial year is \$22.7 million. This has been calculated at a 2% target reduction of the prior year

actual. Year to date savings achieved is \$4.63 million.

As the models of care change within the hospital such as reducing length of stay and more patients being seen for day surgery, there is a deteriorating impact on revenue performance.

Procurement was discussed. PricewaterhouseCoopers produced a report for SESLHD on procurement earlier in 2015, however management has concerns with the veracity of the figures detailed in that report, and is therefore working to scope its own report. This work needs to be progressed over the next seven months, with the new Deputy Director of Finance leading this work. The planned gains in contracts and procurement will have a significant impact on SESLHD’s performance.

The Board questioned why SESLHD remains at its current performance rating. It was resolved to discuss this matter in detail at the December Board meeting

**Action** – Ministry of Health Performance Rating for SESLHD is to be added to the agenda for the Board meeting in December.

The Board was advised that SESLHD had a significant number of Expressions of Interest for the voluntary redundancy program. A careful review of each of these positions has been undertaken and many were considered inappropriate as the position was either clinical or patient-facing. A program of work is continuing to determine which positions will be processed as voluntary redundancies.

The Board questioned a recent push by the District to pay out annual leave in certain circumstances. Any leave in excess of six weeks is considered excess leave. There are a number of strategies in place to reduce SESLHD’s excessive annual leave including the pay-out of some leave for industrial awards which allow for additional annual leave above the standard four weeks per year. SESLHD has seen a reduction in excess annual leave during the first quarter.

It was noted that some Staff Specialists are unable to take their allocated leave due to service implications. The Board resolved to have this issue investigated further.

**Action** – Director of Finance to investigate excess annual leave policy implications on Staff Specialists.

**STRATEGY**

**5.1. Update – Program Management Office**

Discussion to be held at the Board meeting in December.

**5.2. Advice regarding bare below the elbows**

A letter offering advice on this topic was presented in the papers. The Board was advised that the ‘bare below the elbows’ policy is controversial across the world. There is a strong argument that there is not enough evidence to support the policy, and as such, many doctors are resistant to the policy. The Medical Executive Director noted that SESLHD has decided not to commit resources to this policy considering its limited evidence base.

The Board resolved to close this item and remove it from the Action Log.

**CLOSE**

**Business without notice**

No discussion held.

**NOTING OF CONFIDENTIAL ITEMS**

Nil.

**Date of next meeting:**

Friday 4 December 2015  
12pm – 3.30pm– Board Meeting  
Prince of Wales Hospital  
**Focus:** Review of Board Performance

Meeting closed 7:15pm



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**Signature**

Michael Still

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**Name**

4 December 2015

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**Date**