

Wednesday 29 June 2016 at 4.30pm | Royal Hospital for Women

## SESLHD Board Minutes

**Board Members:**

- Mr Michael Still (Chair)
- Ms Patricia Azarias
- Ms Deborah Cansdell
- A/Prof Robert Farnsworth
- A/Prof Peter Gonski
- Dr Debra Graves
- Dr Harry Harinath
- Janet McDonald
- 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 and Performance
- Ms Kim Olesen – Director of Nursing and Midwifery Services
- Dr James Mackie - Medical Executive Director
- Ms Ashleigh Kunze – Management Trainee (Observer)

**Apologies:**

- Mr Jonathan Doy
- Ms Kate Munnings
- Ms Kristin Stubbins (Advisor)
- Dr Theresa Jacques – Chair, Medical Staff Executive Council

**Secretariat:**

- Ms Nicole McGregor – Executive Officer to the Chief Executive

### STANDING ITEMS

**1.1. Minutes of the SESLHD Board meeting held Wednesday 25 May 2016**

*Resolution 304*

The Board resolved to defer approval of the minutes of the SESLHD Board meeting held Wednesday 25 May 2016 to the following Board meeting, due to amendments required to the minutes following discussion.

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

Nil minutes for noting this month.

### 1.3. Minutes of the Healthcare Quality Committee meeting held 23 May 2016

The minutes of the meeting of the Healthcare Quality Committee held on Monday 23 May 2016 were noted. The Chair of the Healthcare Quality Committee reminded the Board that progress on the online mandatory training courses that the Board agreed to undertake will be reviewed at the August 2016 meeting of the Healthcare Quality Committee.

### 1.4. Minutes of the Community Partnerships Committee meeting held 6 June 2016

The minutes of the meeting of the Finance and Performance Committee held on Monday 6 June 2016 were noted.

### 1.5. Actions

The Board reviewed and updated the Action Log.

### 1.6. Correspondence Register

The Board noted the correspondence received to Wednesday 22 June 2016.

### 1.7. Teaching and Research

The Board noted this item.

## FOCUS

### 2.1. Presentation and Patient Story – Royal Hospital for Women

**Invited guests:** Ms Vanessa Madunic, General Manager, Royal Hospital for Women

Ms Vanessa Madunic attended the start of the Board meeting to present on the work of the Royal Hospital for Women (RHW), including a patient story.

Ms Madunic presented a patient story video that has been developed in conjunction with the Royal Hospital for Women Foundation.

Ms Madunic's presentation on the RHW covered a brief background on the hospital, its achievements from the current financial year and plans for the coming year.

The following key points were noted:

- The vision for the RHW is to provide women, their babies and their families with excellent care in a responsive, collaborative environment that promotes best practice teaching, research and staff engagement.
- The RHW is a tertiary-level teaching hospital, and provides state-wide services, as well as providing care to the local area.
- For 2015/16 the RHW has an expense budget of \$93 million and a revenue budget of \$13 million, and is projecting a deficit full-year position.
- The RHW has been below activity targets, largely due to an infection in one unit that required closure of beds. The infection is now resolved, and hygiene and infection control measures have been heightened.
- Key achievements for the past year include:
  - o Two successful bids for grants under The Inspiring Ideas Challenge (TIIC), for a milk bank project and urogynaecology project.
  - o Successful accreditation under the National Standards.

- Established the Child Abuse Survivors Becoming Amazing Mums initiative.
- Employment of a mentored Aboriginal midwife.
- Key plans for the 2016/17 financial year include:
  - Celebrating 10 years of the Malabar midwifery service.
  - Streamlining neonatal services across the District.
  - Completing Phase 1 of the fertility and research centre.
- Ms Madunic also shared some learnings from her recent study tour, and how key lessons on safety and quality will be applied at the RHW.

The Board discussed with Ms Madunic the structure and reporting line for the RHW. Ms Madunic reports to the Director of Programs and Performance, however, maintains an open relationship with the Chief Executive and is supported by both. The Chief Executive maintains a presence at Clinical Council meetings and other key meetings and events.

The Board discussed the transfer of the gynaecology oncology clinic and chemotherapy to the Nelune Comprehensive Cancer Centre, and how this decision was made. The transfer is expected to commence in the 2016/17 financial year.

The Board discussed with Ms Madunic the relationship between the RHW and other hospital; the partnership between the RHW and Prince of Wales Hospital for breast cancer is a good example of hospitals working well together.

The Board thanked Ms Madunic for her presentation and for her dedication to leading the RHW.

## STANDING ITEMS

### 3.1 Board Chair Report

The Board Chair provided a verbal update to the Board. The Board Chair advised that he had attended his annual meeting with Minister for Health and her staff. The Minister is pleased with the improvements in performance that SESLHD has made, however, one concern raised was that median wait times for surgery are quite high. Overall, the meeting was a positive one.

### 3.2 Chief Executive Report

The Chief Executive provided a verbal update to the Board

The following key points were discussed:

#### Norfolk Island healthcare

- The priority for Norfolk Island healthcare remains to ensure a safe transition from 1 July 2016. In the next few months, the establishment of a multipurpose service (MPS) will be progressed.
- A significant amount of work has been undertaken to organise contracts, payroll and employment conditions for staff members.
- A budget has been negotiated with the Commonwealth for the hospital services, as well as mental health, sexual health, women's health and child protection services.
- An audit report has been prepared by SESLHD and PricewaterhouseCoopers with 58 recommendations that will begin to be addressed over the next three months.

#### Financial position and revenue

The Chief Executive and Director of Finance met with the Chief Financial Officer at the Ministry of Health to discuss revenue. A revenue report was completed by PricewaterhouseCoopers to provide an accurate picture of the District's revenue position and potential.

Delayed billing has been reviewed, with only a small amount being identified, which is being made a priority by local revenue teams to resolve by the end of the financial year.

Payroll and expenses for June are being tracked to minimise risk of a blowout at the end of the financial year, as was experienced in 2014/15.

#### Service Agreement

The Service Agreement with the Ministry of Health for 2016/17 has been received. The Finance and Performance Committee will analyse the report and bring a recommendation to the Board. Non-admitted activity appears to be a significant challenge in the Service Agreement. The Ministry of Health has requested Service Agreements be signed by 31 July 2016.

### **3.3 Finance and Performance Update**

The Director of Finance provided an update on the District's financial position year-to-date and results for May, as detailed in the Director of Finance Report provided.

There has been a significant deterioration in the financial results, with the largest impact being patient fee revenue. There has also been an adjustment for Department of Veterans' Affairs (DVA) revenue, which has impacted results.

Employee-related expenses were unfavourable for the month, for the first time in a number of months, and goods and services expenditure was also unfavourable.

Discussion was held on increased pathology charges. A new billing system has been rolled out by the pathology services, which may be impacting costs, but overall, more transparency is needed to understand the increase in pathology charges.

An increase in prosthetic charges is partially due to the need to complete overdue elective surgery cases.

The Board queried whether funding for the Prince of Wales Hospital hybrid theatres was received. The Director of Finance is looking into this matter.

### **3.4 Key Performance Indicators (KPIs)**

The Board noted the report provided in the meeting papers. An overview of KPI performance was provided.

The District continues to perform well for transfer of care (ToC). Emergency treatment performance (ETP) is just below target, year-to-date, however, it was noted that the District's ETP target will increase from 72% to 78% for 2016/17.

#### Elective surgery access performance

The District is on track to record zero overdue elective surgery patients on 30 June 2016. Strong leadership has been shown across the facilities to ensure this work is completed. Going forward, the Surgical Capacity Committee will work to ensure that elective surgery access performance (ESAP) is maintained over time.

### **3.5 Program Management Office (PMO) Report**

The Board noted the PMO Report provided in the meeting papers.

## NEW ITEMS

### 4.1 Service Rationalisation Project

The focus of the Board meeting was the Service Rationalisation Project, as presented by the Medical Executive Director.

The Medical Executive Director provided an overview of the methodology and structure of the Service Rationalisation Project. The Project Manager appointed to the project has been critical to driving progress. Much of this work is the responsibility of the Clinical Streams; the Streams are active and initiatives are reviewed by the Streams before work is undertaken.

Overall, there is a significant opportunity for reducing waste and variation across the District.

The Board discussed in detail the Service Rationalisation Projects presented, as listed in the paper provided.

The following key points on various projects were noted:

- The sensible test ordering of pathology (STOP) project started at Sutherland Hospital and has demonstrated significant savings. A target has been set for a 10% reduction in pathology costs by July 2017; at a saving of approximately \$3 million.
- Variation in length of stay for cardiothoracic surgery patients is being investigated. The Board discussed the difficulty in obtaining real-time data in this area and the challenge in resourcing initiatives at a local level.
- The discussion with Ambulance NSW at a Board meeting regarding advanced care planning has been taken on board, and work is underway to improve advanced care planning across the District.

The Board discussed the role of NSW Health pillar organisations in this type of work. Though the pillar organisations provide some guidelines, the Service Rationalisation Project has exposed issues that need to be addressed at a local level.

The Chief Executive advised that the next steps for Service Rationalisation will be to develop a program of 10 to 12 initiatives that will be actioned, and apply the same rigour through the Program Management Office as has been seen with the Value Improvement Plans (VIPs) to ensure that outcomes are tracked. General Managers and service managers will be engaged to drive the process forward, and new measures will be introduced to performance metrics.

There is also a need to address how resources around data are being used, and ensure that resources are aligned with the priority needs.

The Board expressed their support for the Service Rationalisation Project and for ensuring that this project is adequately resourced.

### 4.2 Equity Delivery Plan

The Board noted the paper provided on the Equity Delivery Plan. The Board resolved to invite the Director of Planning, Population Health and Equity to attend a future Board meeting to present on the Equity Delivery Plan. The presentation will focus on performance indicators and deliverables.

**Action:** Director of Planning, Population Health and Equity to be invited to a future Board meeting to present on the Equity Delivery Plan, and in particular, the performance indicators and deliverables.

It was noted that the Board is also seeking a better understanding of the delivery of services, and assurance of essential measures, such as hand hygiene. The Chief Executive resolved to address this matter with the Board.

### 4.3 Internal Audit Update

The Board noted the Internal Audit Update.

**4.4 Corporate Governance Secretariat Workshop**

The Board noted the brief provided by the Board Secretary on the Corporate Governance Secretariat Workshop.

**CLOSE**

**5. Business without notice**

Nil items raised.

**6. Noting of Confidential Items**

Parts of Item 3.2 were noted as confidential.

**7. Date of next meeting:**

Wednesday 27 July 2016

**4pm – 7pm**, Board Meeting, Sydney Hospital

**Presentation:**

Meeting closed at 7.07pm.



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**Signature**

Michael Still

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**Name**

27 July 2016

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**Date**