Health
NSW GOVERNMENT | South Eastern Sydney
Local Health District

Wednesday, 30 July at 4:30pm | Boardroom, St George Hospital

Minutes

Apologies:

- Ms Kristin Stubbins
- Ms Patricia Azarias

Members:

- Mr Michael Still (Chair)
- A/Prof Peter Gonski
- Mr Robert Boyd-Boland
- A/Prof Ingrid Van Beek
- Ms Kate Munnings
- A/Prof Robert Farnsworth
- Ms Deborah Cansdell
- Dr Harry Harinath
- Janet McDonald
- A/Prof Peter Smerdely
- Prof Jeanette Ward (via teleconference)

In Attendance:

- Mr Gerry Marr – Chief Executive
- Mr Michael McGlynn, Medical Executive Director
- Ms Kim Olesen – Director Nursing & Midwifery Services
- Ms Karen Foldi – Director of Finance
- Prof James Colebatch – Acting Chair Medical Staff Executive Council

Secretariat:

- Ms Melissa Angelucci– Board Secretary

Ms Kristin Stubbins did not attend this meeting due to a possible conflict of interest. Ms Stubbins' employer PricewaterhouseCoopers (PwC) Australia has been commissioned by SESLHD to undertake a body of work. Ms Stubbins will not be participating in any Board activities, including her role as the Chair of the Finance and Performance Committee, for the duration of the work.

STANDING ITEMS

PATIENT STORY

The SESLHD Board noted the patient story.

GENERAL BUSINESS

Minutes of Board meeting held 25 June 2014

The Board **approved** the minutes of the SESLHD Board meeting held 25 June 2014 as an

accurate record of proceedings.

Resolution 279

"That the Board approves the minutes of the SESLHD Board meeting held on 25 June 2014 as an accurate record of proceedings."

Moved: P Gonski   Seconded: R Boyd Boland

Minutes of Board meeting held 4 June 2014

The Board **approved** the minutes of the SESLHD Board meeting held 4 June 2014 as an accurate record of proceedings.

Resolution 280

"That the Board approves the minutes of the SESLHD Board meeting held on 4 June 2014 as an accurate record of proceedings."

Moved: P Gonski   Seconded: R Boyd Boland

Minutes of ARMC meeting held 2 June 2014

The Board noted the minutes of the SESLHD Finance and Performance Committee Meeting held 2 June 2014.

Minutes of CQC meeting held 14 June 2014

The Board noted the minutes of the Clinical and Quality Council meeting held 14 June 2014.

Actions

The Board noted the Action Log.

The Board noted that the strategy to increase the percentage of SESLHD's Aboriginal Workforce should be reviewed to maximise potential. A further report to be provided at the August Board meeting.

Action – Further report on the percentage of SESLHD's Aboriginal Workforce to be provided at the August Board meeting.

Correspondence Register

The Board noted the correspondence received since 20 July 2014

Teaching and Research

A/Prof Peter Gonski reported that a meeting with the Ministry of Health took place to promote the new research hubs. The key message from the meeting was that collaboration should be formed and research translation. Professor Terry Campbell has proposed that the Randwick hub change its name, possibly to the South Eastern Sydney Hub, as this will help to include the St George and Sutherland Hospitals in the Hub.

SESLHD is a significant player in both teaching and research and the Board agreed that it should continue to push collaboration within the District.

Health
NSW GOVERNMENT | South Eastern Sydney Local Health District

FOCUS

Review of Clinical and Quality Council and recommendations for governance

CLINICAL RISK

Review of Clinical and Quality Council and Recommendations for Governance

The Director of Clinical Governance attended the meeting to discuss the Review of the Clinical and Quality Council and Recommendations for Governance. The following key points were noted;

- Evidence strongly indicates that board leadership in quality care drives high quality care within organisations.
- The Local Health District Model by-laws suggest that Districts should establish a health care quality board sub-committee.
- The SELSHD Clinical and Quality Committee (CQC) acts as both an operational committee and a sub-committee of the Board. A working group has recently reviewed the role and function of the CQC.
- It is recommended that the two functions of the CQC be separated. That is, the CQC function becomes purely operational and strategic and a separate healthcare quality committee is established for board assurance and governance.

It is anticipated that a Board committee would meet quarterly; it would set the overall direction for quality and monitor progress. The CQC would be operational and would undertake work to review policies, ensure clinical consistency across the District etc.

Membership of the Board committee was discussed. It was agreed that a small group would be best. Membership may include Board representatives, the Medical Executive Director, the Director of Nursing, the Director of Allied Health, the Director of Clinical Governance and a Stream Director.

It was noted that the by-laws do not clearly state that Local Health Districts must have a separate quality committee, however the Board agreed it is best practice to form a committee.

The Board supported the recommendation to create a separate healthcare quality committee for board assurance and governance.

Resolution 281

"The establishment of a SESLHD health care quality board sub-committee."

Moved: J McDonald   Seconded: D Cansdell

Action - The Chief Executive, through the executive team to draft a quality strategy for the board's consideration at its September 2014 meeting. The quality strategy is to be focused on reducing mortality, reducing harm, reliable care and improving the patient experience.

Action – Director of Clinical Governance to work with P Smerdely and P Gonski to draft a charter for the health care quality board sub-committee. For discussion at the September Board meeting.

The process and governance around the Root Cause Analysis' (RCA) was discussed. Gerry Marr observed that most of RCAs recommend staff education but little else. George Rubin reassured the board that this was probably only when no specific root causes had been identified. Furthermore, it was noted that due to a perceived conflict of interest the RCA review process does routinely not involve the management team of the service where the incident has occurred until the final report is tabled for consideration, and that this may sometimes result in

Health
South Eastern Sydney
Local Health District

inappropriate recommendations being made. The RCA process will be examined as part of the Clinical Governance Review which is scheduled to occur.

GENERAL BUSINESS

GOVERNANCE

Corporate Governance Attestation

The Board noted that in future it would like to see evidence of compliance to the attestation. The Board agreed to sign the Corporate Governance Attestation.

PERFORMANCE

SESLHD KPI Report

The Board noted the SESLHD KPI Summary Report for June 2014.

2014/15 Service Agreement

The following key issues with the Service Level Agreement were noted;

The revenue target for 14/15 will be very challenging for SESLHD to achieve and may compromise SESLHDs overall position. For the 2013/14 financial year, SESLHD was $18.2 million unfavourable to budget in patient fees. Given this, an increase in expected patient fees revenue of 4.6%, as indicated in the Service Agreement, will compound this potential shortfall.

$12m worth on revenue target in the Service Agreement will be held centrally and will not be assigned to the sectors. This will enable the sectors to focus on achieving reductions in their expenses budget without being concerned about a difficult revenue target.

A report of SESLHD's revenue performance is currently being finalised. Significant opportunities for improved opportunities have been identified. Billing is a significant issue and will be reviewed. Salary Packaging is also being reviewed.

The Schedule C budget allocation does not accurately reflect all expenditure incurred by the service. This is particularly evident in the Mental Health budget.

It is anticipated that the new emergency department, at this stage, will have additional expenditure not adequately covered by its ABF allocation. This is expected to be a risk over the budget year.

The most significant difference between the 2014/15 budget and last year's 2013/14 budget is that the District will not be holding any funds centrally. That is, the entire budget will be allocated to the facilities. This will request of the sectors an achievable income gain of income approximately 2-3.5%. The Board noted that transparent process will be welcome.

Draft 13/14 financial statement (unaudited)

The draft financial statement (unaudited) was noted.

Prior Year Adjustment Summary 2013/14

The 13/14 financial position was discussed. It was noted that the deficit increased substantially in the final month of the year compared to what had been projected. The final position was $34.2m unfavourable to budget, which is 2.24% of the District expense budget. The increased deficit in the final month was due to a decision to bring forward to account, Prior Year Adjustments to the value of $17m.

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The Chief Executive recommended that these amounts be disclosed in order to create a clean slate for the future. The Ministry of Health was informed of this decision and has accepted it.

A detailed plan is being prepared which will set out the expected improvement in expenses during 2014/15 and for the two years thereafter. This plan will be presented at the August 2014 Board meeting and then provided to the Ministry of Health.

14/15 Financial Narrative

The 14/15 Financial Narrative was noted.

STRATEGY

Draft 14/15 Budget

As discussed under agenda item '14/15 Service Agreement'

Qlik View Presentation

The Director of Business Intelligence, A/Prof Dominic Dawson, attended the meeting to provide a presentation on the new Qlik View Software and The Health Round Table. The Board watched a demonstration of the Qlik View software and noted it to be user friendly and a platform for sharing and using data more meaningfully. The following key points were noted;

- Clinical and non-clinical staff at all levels will be able to use Qlik View to drill down and quickly/easily find data relevant to the performance of their team.
- There will be various levels of access to the system depending on position and level of authority. Clinical data that may be identifiable, will be password protected.
- The data will be real time or close to. This will enable staff to use the data during practice.
- The Qlik View tool is capable of pulling financial data. At this stage, the tool is patient focussed only.
- SESLHD is looking at how it can use The Health Round Table data and Qlik View together. This would make the Health Round Table data more dynamic and user friendly.
- As the SESLHD becomes more sophisticated with the software, the trending and forecasting capability of the District will be improved.

PricewaterhouseCoopers (PwC) Update

The Chief Executive noted that the PwC assignment is underway. The work has been very consultative and participative. The first Program Management Office Steering Committee meeting was held today. The Director of Operations, Southern Sector has been happy with the process.

The sector will be required to prepare revised savings plans, which will be managed through The Program Office. This will avoid double counting and ensure that a program approach is taken to achieve savings, for example, planning, design etc.

Action – Revised savings plans and the progress against last year's savings plans to be brought to the August 2014 Board meeting.

The Board questioned when clinical services planning would be addressed. The Chief Executive reported that a stream review is underway, following this, in year two; the streams will lead a review of low value procedures and work towards disinvestment.

The Chief Executive reported that some of the work generated by the Pillars is of low value to the District. This is being reviewed as part of the Improvement and Innovation Hub.

It is PwC's view that the District does not manage HealthShare well and that the contract

Health
South Eastern Sydney
Local Health District

should be managed more vigorously.

Chief Executive Update

As discussed in the PricewaterhouseCoopers (PwC) Update

St George, Sutherland and Prince of Wales infrastructure planning

The Chair noted that planning from Health Infrastructure for St George Hospital and Sutherland Hospital are underway. Details will be discussed at a future Board meeting.

CLOSE

BUSSINESS WITHOUT NOTICE

A social marketing campaign is being established called 'save your emergency department for a real emergency'. This will aim to reduce unnecessary increases in activity.

NOTING OF CONFIDENTIAL ITEMS

Nil discussion

Date of next meeting:

27 August 2014

4-7pm – Boardroom, The St George Hospital

Focus – Clinical Risk & Governance

Meeting closed 7:00pm.

MASALL

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Signature

Michael Still

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Name

27 August 14

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Date