

MINUTES

Present:

Professor Carol Pollock	Chair, Board
Ms Ann Brassil	Board Member
Ms Diane Flecknoe-Brown	Board Member
Dr Michele Franks	Board Member
Mr Anthony Hollis	Board Member
Mr Andrew Goodsall	Board Member
Ms Judith Hopwood	Board Member
Ms Betty Johnson AO	Board Member
Associate Professor Sue Kurrle	Board Member
Mr Don Marples	Board Member
Associate Professor Annette Schmiede	Board Member
Mr Peter Young	Board Member

In attendance:

Adj. Associate Professor Vicki Taylor	Chief Executive
Dr Andrew Montague	Director Operations
Mr Lee Gregory	Director Finance
Ms Maree Hynes	Director OESI
Ms Judith Hogan-Wright	Secretariat

Apologies:

Dr Adam Rehak	Chair Medical Staff Executive Council
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Board Discussion

The Board members met in closed session for 15 minutes prior to commencement of the meeting.

1. Presentation: Client Service Report

Ms Sally Bond, Director Financial Audit Service of the Audit Office of New South Wales discussed the tabled Client Service Report 2012/13. Items that were noted: page 1 of the report is unmodified and there were very few adjustments from the accounts initially submitted to those eventually signed off. This was in contrast to the 2011/12 financial statements and Ms Bond noted it was a testament to the work undertaken by NSLHD finance team that the financial statements were so greatly improved. The Audit Office management letter for 2012/13 will be tabled at the Audit & Risk Committee meeting scheduled for 22 November 2013. It was noted that the management items identified have reduced from 22 to 10 in 2012/13 again illustrating the improvement by NSLHD.

There are 15 business teams within the Audit Office responsible for auditing all NSW Government agencies with 4 business teams allocated for NSW Health. Of note was that the team that audits Health Infrastructure undertake testing for capital expenditure, capital commitments and Private, Public Partnership (PPP) and the team that audits HealthShare investigates the controls in place for expense relating to Visiting Medical Officers (VMO), fixed assets and payroll as well as the computer control environment for the systems operated by HealthShare on the LHDs behalf. In the past the Audit Office has identified control deficiencies within the District and at HealthShare and therefore have not relied on these controls for the audit. The control issues as they relate to the District are reported in the management letter.

The Audit Office has pushed for sharing of HealthShare audits with the Districts and this has been limited in the past but is noted that sharing of information is progressing. The Audit Office has encouraged HealthShare to report internal control issues to the Districts which resulted in for 2012/13 the provision to LHDs of an attestation on internal controls.

Questions were asked by the committee with the following comments from Ms Bond:

- The Audit Office conducts a substantive audit for all the LHD's and HealthShare.
- All deficiencies are reported in the management letter to individual LHD's.
- Audit Office liaises with the Internal Audit Team and is provided with the Internal Audit Team's reports.
- Audit Office issues an Independent Auditors report on financial statements which is provided to the LHD. The Statutory Audit Report is a unique Government sector report providing the results of the audit and any significant findings which are provided to the Treasurer, Minister of Health with a copy to the LHD.
- Formal sign-off of the Financial Statements – The Audit Office expectation is that following approval by the Audit Committee they would go to the Board for endorsement, however it was acknowledged the process has been lacking in clarity for LHDs.
- The 2013/14 Client Service Plan is usually expected by 31 March 2014 but with an anticipated early close on this date the plan will be available by the end of February 2014. Audit Office liaises with Health Infrastructure, NSW Ministry of Health and HealthShare to provide the most appropriate Client Service Plan for the LHD.
- Issues for 2014: Activity Based Funding model, PPPs and for the LHD to work with HealthShare to arrive at an appropriate service level.

The committee thanked Ms Bond for the information provided.

2. Patient Story

Presented by Andrew Montague

This is a follow up on a previously presented patient story.

The Director of Operations provided to the Board detailed information on a patient's complicated medical history and updated them on the progress of rehabilitation thus far.

Further progress is as follows: Significant discussions involving the Ministry of Health, Director of Integrated Care at NSW Ministry of Health, Royal Rehabilitation Centre and NSLHD and further conversations with ADHC through Mr Eugene McGarrell, Interim District Director Northern Sydney NSW Department of Family and Community Services (FACS) has resulted in a progress on the current situation.

NSLHD has brokered an increased funding package with ADHC (part of a trial pre implementation of the National Disability Insurance Scheme) and NSLHD is in the process of facilitating a meeting with Royal Rehab, MoH and NSLHD to assess what this funding will provide; once this has been confirmed we will be able to discuss this with the family of this patient.

3. Medical and Dental Appointments Advisory Committee (MDAAC)

The Chair welcomed Prof. Jonathan Morris (Chair of MDAAC) and Dr Roger Boyd who presented to the Board the processes associated with this advisory committee.

Prof. Morris thanked Dr Boyd (Director Medical Workforce) and Ms Barbara Jones (Manager, Medical Workforce) for their contribution to the committee and the flawless workings of this committee.

Terms of Reference were approved by the NSLHD Board in June 2011. MDAAC provides advice, makes recommendations to the CE on the proposed appointments of senior medical staff, dental officers and within this process also considers the privileges and the scope of practice applying to VMO's, staff specialists, clinical academics and dentists.

Composition of the committee: Chair appointed by the NSLHD Board. Currently is Prof. Morris who is the university representative and Head of the Sydney Medical School and Director of Kolling Institute of Medical Research, a Board member as determined by the NSLHD Board, one non-medical committee member, provision for the chairs of the Medical Staff Councils and for each of the 5 hospitals and the Chief Executive or nominee of the LHD and Director Medical Workforce for the District. Average attendance to these meetings is 9 out of 15 members. During the past 12 months from July 2012 to June 2013 a total of 140 new appointments have been considered by this committee: 59 new staff specialists, 6 post graduate fellows, 2 clinical academics, 48 visiting medical officers, 17 honorary medical officers, 3 dental officers, 1 visiting dental officer and 4 honorary dental officers. The paperwork, process and time involved in these recommendations are extensive and rigorous.

Items that would assist MDAAC are: improvements in the on-line application process, standardisation of scope of practice, more robust Position Descriptions and KPI's where applicable that would assist with performance reviews, focus on best practice and ability to work with other Districts.

The greatest challenge for MDAAC is the turnover of psychiatrists resulting in regular re-advertising of these positions. MDAAC is awaiting finalisation from the NSLHD of the upcoming Quinquennium medical appointments re-appointment methodology.

The Board recommended that the Chair MDAAC make known to the committee members the statistics of meeting attendance and possible change of composition of the committee to be more aligned to Network focus.

The Board asked MDAAC what would be the measurement of success of the Medical and Dental Appointments Advisory Committee process.

The MDAAC Chair stated that the most precious commodity for NSLHD is the workforce. Prof. Morris measured the success of this committee by who comes into the organisation to make a positive change that produces efficiencies, appropriate and safe care; people who make a positive impact on the culture of the organisation.

It was raised by Mr Hollis that the Enterprise Wide Risk Management process is encouraging committees to be introspective during their deliberations to say what are the risks in what we do and to rank them and to include them in their respective committee minutes.

4. Attendance / Apologies / Quorum / Conflict of Interest

Attendance and apologies were noted.
Conflict of interest: Nil

5. Confirmation of Minutes

The Board accepted the minutes of the meeting held on 22 October 2013 as a true and accurate record of that meeting with one amendment: 4.6 Academic Health Science Centre – Agreed Way Forward ... *farmers and biotechnical* should read *pharmaceutical and biotechnical*.

6. Ongoing Business (in conjunction with Action List)

6.1 Chief Executive Report

The report was delivered as a presentation.

The topics covered: Operations, Finance, Nursing & Midwifery, Mental Health, Drug & Alcohol, Clinical Governance, Workforce, Primary & Community Health, IM&T, North Shore Ryde Health Service, Research & Education and the NSLHD Planning Day. The items following were discussed at length.

Operations: eASY – electronic Antibiotic Stewardship System

- NSLHD is out to market this system to other LHD's as well as others
- Approached HealthShare to help fund marketing and further development
- Commenced the rollout at RNS and is fully functional at Northern Beaches hospitals.

Nursing & Midwifery: NHPPD (Nursing Hours Per Patient Day) tool implementation has commenced at RNS

- Ensures required staffing numbers based on occupancy on a shift-by shift basis
- During November it will be rolled out throughout the NSLHD.

Mental Health Drug & Alcohol

- Won a TMF award for the enterprise risk management and processes and IT platform (RiskIT) and this has been rolled out to whole of NSLHD.

Clinical Governance: Radiology

- NSLHD has experienced an increased reporting of radiology 'wrong site / wrong patient' over the last 12 months
- There are multiple factors contributing to same and action plan to address has been put in place.

Primary & Community Health: Planning Day

- NSLHD and Medicare Locals attended a half-day planning event to identify and prioritise a range of hospital avoidance strategies with plan to be included in the OESI strategies for 2014.

IM&T

- Update on Attachmate.

North Shore Ryde Health Service

- Received initial feedback from their ACHS EQUIP National accreditation.

NSLHD Planning Day

- A Network Charter will be developed in conjunction with Clinical Networks.

The Chief Executive advised the interim outcome of Accreditation: Mental Health Drug & Alcohol Services included 20 met with merits and about 6 recommendations and North Shore Ryde Health Service met with 12 merits.

Action: Congratulatory letters to be sent from the Board and CE to GM North Shore Ryde Health Service and Director, Mental Health Drug & Alcohol Services on accreditation achievements.

Action: The CE is to present a plan to the Board covering the objectives from the NSLHD Planning Day and a projection of the NSLHD in 2018.

The Board appreciated the format, information and delivery method of the CE report and requested this format continue.

6.2 Finance and Performance Report

The Board **NOTED** the Finance and Performance Report.

Director Finance presented the report covering finances to the end of October 2013 included an executive summary to identify the highlights of this report.

General Fund result showed an improvement to the end of October. Clearly at the end of first quarter results remain the challenge from now to financial year end. Year to Date Analysis sees unplanned activity continues to pressure the LHD's position. Associated with this, year to date growth for total separations is 6.6% and for acute over-night separations 4.9%. Again this is in addition to that recorded in 2012/13 of 4.8% for acute overnight separations.

What is particularly pronounced in October was the reduced length of stay (LOS). In October the LHD has recorded an increase in Emergency Department (ED) presentations of 752 on the prior month however the bed base has dropped in October despite the same proportion of patient being admitted from ED 32%. This appears to be due to the LHD's efforts to LOS.

The Whole of Hospital program which is explicitly linked to improved patient flow and a consequent reduction in LOS enables NSLHD to financially absorb in part the recent growth in activity. Growth in Emergency Presentations and most admissions that we have seen in this LHD is over and above that predicted in the Ministry of Health's models and generally above the State's average. As our activity goes up in-year income remains fixed which only leaves LOS, APAC uptake, Chronic Disease programs and hospital avoidance programs to counterbalance these cost pressures.

The gap between the actual results and the MOH targeted full-year projection has been reduced across September and October.

Inpatient volumes to target for August 2013 year to date is 266 NWAU and 1.4% above target. The estimated NWAU increase year on year to October is approximately an additional 800 due to unplanned demand.

Staff numbers were reduced by FTE 78.23 due to the OESI Labour Management Initiatives and the seasonal bed reductions now occurring.

NEAT Performance: October 2013 achieved 70%. NEST Performance: Projecting that we meet the target for NEST part 1, Categories 1, 2, 3 and plans are in place for those sites that have over dues to reach the target.

Summary of Performance for 2013/2014 October YTD was tabled.

Action: Director Finance to include monthly P&L in Finance and Performance Report.

Action: Director Finance to provide detailed analysis on Unplanned Activities; Workforce and How FTE is interpreted and analysed. Due February 2014

6.3 OESI / Recovery Plan

Director OESI presented an update on the OESI / Recovery Plan.

The Board **NOTED** the OESI Executive Report. The YTD savings are tracking favourable to budget and the size of the shortfall projected at year end continues to diminish.

The key area of concern is labour management (primarily at RNS hospital). There are still improvements to be gained in this area. The turnaround initiatives are now gaining

traction albeit slower than anticipated. Focus on the next 6-8 weeks will be on the items tracking red ie Pathology, Pharmacy and Non-Theatre Inventory Management expenses. Blood Products Management has improved with results visible from next month's report.

Our two key areas for targeting improvement in Labour Management: Introducing in the next month a ward by ward initial audit of nursing profiles to occupancy trends and this will coincide with Nurse Hours per Patient ratio; and targeting rostering practices and systems around planned and unplanned rostering and overtime expenses of Medical staff.

During the summer / Christmas lower activity periods an additional week of closure at sites and this is expected to provide a positive impact to OESI savings targets as these lower activity periods had not been included in the initial calculations of savings targets.

Revenue is tracking well above targets and this is expected to continue.

The Director OESI commented that this is the start of a long journey and month by month there are improvements.

The Board recognised the efforts of the OESI team and their achievements.

6.4 Kolling Foundation – Constitution

External legal advice is being sought.

Action: Director Finance will provide further update at next meeting.

6.5 Board Meeting 2014 – Proposed schedule

The Board agreed on the schedule for Board meetings.

Action: The secretariat to distribute the meeting schedule.

6.6 Complaints Handling Process - Update

Complaints are identified in the Quality Meetings and reported to the Board.

6.7 Quinquennium medical appointments progress & update on *A Framework for Engaging Physicians in Quality & Safety*

A planning meeting is scheduled for 10 December 2013.

Action: Updates will be sought and relayed to Committee by Director Operations.

7. Capital Planning Updates

7.1 Hornsby Ku-ring-gai Hospital

The Board **NOTED** the report.

7.2 Hornsby Mental Health

The Board **NOTED** the last report on this project.

7.3 Royal North Shore Developments / Master Plan

The Board **NOTED** the report.

7.4 Northern Beaches Redevelopment – Frenchs Forest update

The Board **NOTED** the report.

8.0. New Business

8.1 Executive Planning Day

Executive Planning Day was previously discussed. Refer to 6.1 Chief Executive report.

8.2 Accreditation - update

Accreditation has been completed with pleasing results. Refer to 6.1 Chief Executive report

8.3 Aboriginal Health Service Plan – for endorsement

The Board **ENDORSED** the Aboriginal Health Service Plan.

8.3 Fire Training

Fire Training will be arranged prior to a meeting in early 2014 to ensure Board members are compliant with mandatory training.

Action: Secretariat to arrange fire training in early 2014.

9. Standing Agenda Items

9.2 NSLHD Committee Minutes

9.2.1 Health Care Quality Committee

The endorsed minutes from the meeting held 12 September were **RATIFIED** by the Board. The draft minutes from the meeting held 10 October 2013 were **NOTED** by the Board.

9.2.2 Medical and Dental Appointments Advisory Committee (MADAAC)

The endorsed minutes from the meeting held 2 October were **RATIFIED** by the Board.

9.2.3 Finance and Performance Committee

The endorsed minutes from the meeting held 27 August were **RATIFIED** by the Board. The draft minutes from the meeting held 24 September 2013 were **NOTED** by the Board. The draft minutes from the meeting held 22 October 2013 were **NOTED** by the Board.

9.2.4 LHD Clinical Council

The endorsed minutes from the meeting held 5 August 2013 were **RATIFIED** by the Board. The endorsed minutes from the meeting held 2 September were **RATIFIED** by the Board. The draft minutes from the meeting held 14 October 2013 were **NOTED** by the Board.

9.2.5 Medical Staff Executive Council (MSEC)

Nil update. Next meeting 18 November 2013

9.2.6 Peak Community Participation Council (PCPC)

The endorsed minutes from the meeting held 28 August were **RATIFIED** by the Board.

9.2.7 NSLHD and Medicare Locals Consultative Council

The endorsed minutes from the meeting held 13 August were **RATIFIED** by the Board. The draft minutes from the meeting held 28 October 2013 were **NOTED** by the Board.

9.2.8 Capital Asset Planning Committee

The draft minutes from the meeting held 16 September 2013 were **NOTED** by the Board.

9.2.9 Integrated Risk Management Advisory Committee

The endorsed minutes from the meeting held 17 September were **RATIFIED** by the Board.

9.2.10 Audit and Risk Management Committee

The draft minutes from the meeting held 16 September 2013 were **NOTED** by the Board.

9.2.11 Education Sub-committee

The endorsed minutes from the meeting held 3 September were **RATIFIED** by the Board.

9.2.12 Research and Innovation Sub-committee

The endorsed minutes from the meeting held 4 June 2013 were **RATIFIED** by the Board.

The draft minutes from the meeting held 24 September 2013 were **NOTED** by the Board.

10. Correspondence

10.1 Letter of thanks to Carers Support Services

10.2 Letter of thanks to Head Child & Adolescent Mental Health

The above correspondence was tabled for the information of the Board Members.

Venue and time for next meeting

Tuesday 17 December 2013 at 4:15pm in the Executive Board Room, Building 51, Royal North Shore Hospital

Meeting Closed: 8:50pm

CERTIFIED A CORRECT RECORD

**By Professor Carol Pollock, Board Chair
On 19 December, 2013**