

## MINUTES

### Present:

Professor Carol Pollock	Chair, Board
Ms Ann Brassil	Board Member
Ms Diane Flecknoe-Brown	Board Member
Dr Michele Franks	Board Member
Mr Andrew Goodsall	Board Member
Mr Anthony Hollis	Board Member
Ms Judith Hopwood	Board Member
Ms Betty Johnson AO	Board Member
Mr Don Marples	Board Member
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
Dr Adam Rehak	Chair Medical Staff Executive Council
Ms Judith Hogan-Wright	Secretariat

### Apologies:

Professor Sue Kurrle	Board Member
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## 1. Presentation: Client Service Plan 2013-2014

Mr Chris Clayton, Director, Financial Audit Services presented an overview of the processes of the Audit Office.

The Client Service Plan for the year ending 30 June 2014 for the Audit of the Northern Sydney Local Health District was **noted** for the Board members' information.

The presentation was thorough and informative. Questions were received and answered by Mr Clayton and they are as follows:

Further information was sought on the unapproved timesheets listed as a key focus area of Audit Office. Mr Clayton explained that should a system change occur that affects an approved timesheet, it would automatically revert to an unapproved timesheet. This is a change process, and it does not reflect that the timesheet was unapproved. The Finance Director added that should an employee incur two unapproved timesheets, these are flagged and acted upon which has resulted in greater compliance. This issue has been identified within the OESI scope of works.

Confirmation was received that the Audit and Risk Management Committee was consulted and had an opportunity to consider the scope of the Client Service Plan.

The audit timetable, the process of approvals and sign-off was raised. The audit timetable and process of approvals is a matter to be agreed between the LHD Executive and the Audit Office, subject to any constraints imposed by the Ministry of Health (MoH). In respect of sign-off of the financial report, the Auditor-General is required to obtain a statement under s45F of the Public Finance and Audit Act 1983 stating whether the financial report exhibits a true and fair view of the

financial position and financial performance of the LHD. The onus is upon the Audit Office to obtain the appropriate s45F Public Finance and Audit Act 1983 sign-off, acknowledging that s45A (1A and s45A (3) (b) (i) may require sign-off by the LHD Board rather than the Chief Executive.

The Chair thanked Mr Clayton for the presentation.

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## **2. Patient Story**

Presented by Adj. Associate Professor Vicki Taylor.

The Board **noted** the presentation and is committed to learning from actual patient experience and to maintain a focus on continually improving patient safety and delivery of care.

The Chief Executive outlined the communication loop for correspondence received by a government department or official. The correspondence is sent to MoH and they in turn reply and provide a copy of the original correspondence to the Chief Executive NSLHD. This correspondence is disseminated to the General Manager of that particular site with a covering letter from the Chief Executive. In summary this feedback, wherever possible, is then distributed to the staff that have had direct contact with the patient and their families.

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## **3. Attendance / Apologies / Quorum / Conflict of Interest**

Attendance and apologies were noted.

Conflict of interest: Nil

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## **4. Confirmation of Minutes**

The Chair advised that the minutes would be reviewed and would take into account members' comments. The Chair advised that the minutes would be circulated out of session and sought the Board's comments.

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## **5. Ongoing Business (in conjunction with Action List)**

### **5.1 Volunteering**

Documentation was tabled re interactions between the Chairperson of the Pink Ladies and the Board. The number of volunteers within Royal North Shore Hospital (RNSH) was tabled. The Pink Ladies are pleased that a Board representative was asked to discuss and investigate their concerns.

The Chair and Chief Executive noted the information provided, and advised that there would be a coordinated discussion covering the issues noted. The relevant Board member advised that she will maintain contact with the Pink Ladies.

### **5.2 Master Planning for RNS**

Adjunct Associate Professor Annette Schmiede, as Chair of the Capital Asset Planning Committee, presented an overview of the proposed redevelopment of the RNS Hospital campus.

The Master Plan provides a guideline to inform the future development of the RNSH Campus. The recommendations have been considered by RNS Hospital Master Plan Executive Working Group to ensure service delivery can be achieved in the short, medium and long term.

Professor Schmiede outlined the challenges in the implementation of the Master plan i.e. the topography of the site, the people flow to and through the campus, the location of services to align with the patient model of care and the decamping and relocation of staff and services whilst redevelopment is undertaken.

The above plan has taken into consideration the development of the Academic Health Science Centre and the Integrated Care models.

The Chair thanked Professor Schmiede for the information provided and awaits redevelopment options for the Board's consideration for the RNS campus.

### **5.3 Activity Based Management (ABM) Portal Presentation**

Ms Sandra Thompson, Senior Analyst, Clinical Costing presented an on-line dynamic demonstration.

The Ministry of Health (MoH) has released a new business intelligence tool, the ABM Portal, to provide information required to assist executives, clinicians, managers and health care staff in this process and achieve the strategic and operational objectives of their organisation.

The ABM Portal is designed to:

- drive innovative decision making
- provide transparent patient cost and activity information
- help executives, clinicians and managers understand cost data reports
- identify variance in cost and length of stay and assisting in determining the reasons for the variance
- assist in managing resource allocation inefficiencies and financial pressure points
- identify patients that regularly visit a facility, to examine their history, treatment and costs
- enable cost data analysis and dissemination of information to all stakeholders.

This powerful tool provided by the MoH enables bench marking against other LHDs and data evidence to investigate other LHD's methods of efficient and effective patient care. The investigation can drill down to Service Related Group (SRG) or Diagnosis Related Group (DRG) through to an individual patient.

The demonstration showed the costs incurred with patient care within NSLHD or individual site or clinician; whether it is DRG / SRG or individual patient; comparison with an affiliated hospital; comparison to state average; individual / multiple admissions; and the average cost per NWAU. The data provided is updated on a 6 monthly basis.

The Chief Executive advised that the proposal is to develop a set of reports to be distributed to relevant stakeholders.

The Chair thanked Ms Thompson for the demonstration and the benefits that this portal will provide to NSLHD.

### **5.4 NSLHD Restructure**

The Chief Executive pre-empted the presentation covering agenda items 5.4, 5.5, 5.6, 5.7 & 5.8 and advised that the information provided will include input and commentary from the Director Finance and the Director OESI and following are the items identified under the specific topics.

Planning, Performance & Innovation and Finance & Corporate Governance were covered in the presentation.

## 5.5 Resourcing for Major Projects

The Director Finance presented Additional Resourcing Requirements for Major Projects from Quarter 4 FY 2013 through to FY 2016. These slides were held over from the previous meeting due to time constraints.

The Board supported the Chief Executive for the sourcing of resources to undertake the Change Management Strategy. The Chief Executive will provide to the Board a plan for the resources necessary to undertake these transformational changes.

**Action:** Chief Executive to prepare an implementation plan for the additional resources to undertake the Change Management Strategy.

## 5.6 Chief Executive Summary and Presentation

The Chief Executive provided to the Board a presentation and commentary on the Clinical Networks review and an update on Integrated Care.

The Clinical Network review will be assisted by 2 business managers for a period of 6 months.

The Chief Executive advised that once the Integrated Care Steering Committee is formed more structured information and reports will be provided to the Committee.

The Chief Executive advised that the VMoney initiative has been rolled out and training has commenced with 68 consultants from RNS and Ryde Hospitals. This initiative has been well received and is reflected in the high number of participants and the training session.

## 5.7 Finance and Performance Report

The Director Finance presented slide 4 of the presentation covering Opportunity Analysis and noted that those items coloured blue - Prior Year Adjustments, OESI Timing Slippage, Activity Above Funded Levels and Unidentified are within the level of control of the NSLHD. Those that are indicated in red - Continuing Residual Deficit represent funding policy issues relating to the provision of state-wide services within NSLHD and the subsequent inadequate funding of these services.

The Director OESI outlined the cost savings projection of these items indicated in blue for Year 2 totalling \$10.8m. These initiatives will require support from the Board for this opportunity is to be achieved.

The Chair Medical Staff Executive Council thanked the Executive Team for the consultation and communication session with the surgical staff on the proposed changes. The Chief Executive responded that the Executive Team were delighted with the positive comments received from the surgical team.

The Director Finance presented slide 5 of the presentation covering Revised Targets – Immediate Strategies for Quarter 4 of this current financial year (FY) with the RNS, Acute and Post-Acute Care (APAC) and Hornsby/Ku-ring-gai noted with amended positive targets.

The Board congratulated the Executive Team on their achievements and the long term efficiency strategies presented.

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

The Director Finance directed the Board's attention to the Finance and Performance Report and the following are items by exception:

Page 5: Ministry of Health (MoH) NWAU figure for this month is reported at 3.2% above target but the NSLHD is reporting 3.6% due to the timing of the two reports with MoH

reporting earlier than NSLHD. Due to the timing of these reports NSLHD's coding completion levels are therefore higher than MoH's reporting.

Page 7: NSLHD will be drawing down on additional cash assistance and therefore next month's report will flag a spike in the cash assistance reporting and graph.

### **5.8 OESI Executive Report**

The Director OESI presented slide 2 of the presentation covering goals for the financial years 2013/2014, 2014/2015 and 2015/2016 and the built-in capability to respond to activity demand within the available funding for each of the financial year periods.

The MoH sought assurance that NSLHD is tracking to the projected targets year to date and slide 3, Target Accuracy was developed indicating labour, revenue and turnaround actuals to target. The MoH was pleased with the information provided relating to activity funding negotiations around the state-wide service gaps against cost.

The Board **noted** the OESI Executive Report.

### **5.9 Joint Fundraising Foundation**

The Chair advised that the document is not ready for presentation to the Board until all details are finalised and reviewed by the Kolling Foundation legal counsel.

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## **6. Capital Planning Updates**

### **6.1 Hornsby Ku-ring-gai Hospital**

The Board **noted** the report.

### **6.2 Royal North Shore Developments / Master Plan**

The Board **noted** the report.

Further information was sought regarding the proposed retail arrangements for the Clinical Services Building (CSB). This was clarified in discussions covering the exclusive rights under Public Private Partnership (PPP) arrangements.

### **6.3 Northern Beaches Redevelopment – Frenchs Forest update**

The Board **noted** the report.

The Chief Executive added that from this month till the end of this calendar year will be very demanding for those involved in the PPP process. The CE stressed the importance of probity during the PPP process to all involved.

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## **7. New Business**

### **Assignment of Common Seal**

#### **7.1 NSLHD deed for Oxygenator and Tubing Packs**

#### **7.2 Graythwaite Rehabilitation Centre (GRC)**

Subdivision Adjustment Ryde Hospital

The above documents were **noted** by the Board

**Action:** The secretariat to provide a summary page of the assignment of the common seal when next documents are tabled for the Board's notification.

## 8. Standing Agenda Items

### 8.2 NSLHD Committee Minutes

#### 8.1.1 Health Care Quality Committee

The endorsed minutes from the meeting held 13 February 2014 were **noted** by the Board.

#### 8.1.2 Medical and Dental Appointments Advisory Committee (MDAAC)

The endorsed minutes from the meeting held 5 February 2014 were **noted** by the Board.

#### 8.1.3 Finance and Performance Committee

The draft minutes from the meeting held 25 February 2014 were **noted** by the Board.

#### 8.1.4 LHD Clinical Council

The draft minutes from the meeting held 3 March 2014 were **noted** by the Board.

#### 8.1.5 Medical Staff Executive Council (MSEC)

Nil update. Next meeting 19 May 2014.

#### 8.1.6 Peak Community Participation Council (PCPC)

Nil update. Next meeting 2 April 2014.

#### 8.1.7 NSLHD and Medicare Locals Consultative Council

Nil update. Next meeting 8 April 2014.

#### 8.2.8 Major Capital Asset Planning Committee

Nil update. Next meeting 21 March 2014.

#### 8.2.9 Integrated Risk Management Advisory Committee

Nil update. February meeting cancelled.

#### 8.2.10 Audit and Risk Management Committee

Nil update. Next meeting 12 March 2014.

#### 8.2.11 Education Sub-committee

The endorsed minutes from the meeting held 4 December 2013 were **noted** by the Board.

#### 8.2.12 Research and Innovation Sub-committee

Nil update. Next meeting 18 March 2014.

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## 9. Correspondence

### 9.1 Complaint – Smoking on premises

The Chair advised that a reply has been sent on behalf of the Board and NSLHD.

**Action:** The secretariat to distribute the response to the Board members.

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## Venue and time for next meeting

Board Meeting: Tuesday 6 May 2014 at 3:00pm – Board meeting  
2:00pm tour of Graythwaite, 2:30pm Staff Discussion  
Ryde Mental Health, Meeting Room 1, 39-41 Fourth Avenue  
Eastwood

**Meeting Closed: 7:15pm**

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**CERTIFIED A CORRECT RECORD**

**By Professor Carol Pollock, Board Chair  
On 10 June 2014**