

NSLHD ADDITIONAL BOARD MEETING

THURSDAY 16 MAY, 2013 AT 5.00PM

EXECUTIVE UNIT BOARDROOM, BUILDING 51, RNSH



Health

Northern Sydney
Local Health District

MINUTES

1. Present:

Professor Carol Pollock	Chair, Board
Ms Betty Johnson AO	Board Member
Mr Michael Still	Board Member
Associate Professor Annette Schmiede	Board Member
Ms Diane Flecknoe-Brown	Board Member
Ms Ann Brassil	Board Member
Mr Peter Young	Board Member
Mr Anthony Hollis	Board Member
Dr Michele Franks	Board Member
Ms Judith Hopwood	Board Member (via telephone)
Associate Professor Sue Kurrle	Board Member (via telephone)

Invitees:

Adj Assoc Professor Vicki Taylor	Chief Executive
Mr Lee Gregory	Director Finance
Dr Adam Rehak	Chair Medical Staff Executive Council
Dr Andrew Montague	Director Operations
Clinical Professor Greg Fulcher	Chair Clinical Council
Clinical Assoc. Prof. Danny Stiel	Clinical Director, Division Medicine NSRHS
Ms Maree Hynes	OESI Program Director

In attendance:

Ms Carol Parker	A/Secretariat
Ms Meredith Richards	Secretariat

Apologies:

Conflict of Interest

Nil

2. Current Financial Position

NSLHD Financial Result April 2013

The Chair provided the Board with an overview of why and how the Ministry of Health (MoH) downgraded the District's performance monitoring to a Level 3. The Director Finance will provide budgetary information on the year to date results and year end projects. The Board was convened for this meeting to understand how the District arrived at this financial situation in such a short period of time; what strategies are in place at present and further strategies to be put in place to improve the situation. The Board Chair is scheduled to discuss the financial result with the Director General tomorrow (Friday 17th May).

The Board is required to endorse a financial recovery plan demonstrating how the District will monitor and improve performance. Once finalised the MoH will review, approve and monitor the progress of the Recovery Plan with the LHD Board and Executive.

Dr Adam Rehak, Chair, Medical Staff Executive Council, Clinical Professor Greg Fulcher, Chair Clinical Council and Clinical Professor Danny Stiel, Clinical Director Medicine, NSRHS were in attendance.

The Chair, Finance and Performance Committee advised the Board that there had been a decline in performance since February 2013. Detailed information has been slow to be provided due to the lack of systems and structure. The current result requires the LHD to make decisions about what actions must be taken immediately. A number of actions have been implemented, and there is a requirement for further actions to be included in the financial recovery plan following further analysis.

The Chief Executive outlined how the performance reports are tracked by the MoH. A zero performance ranking indicates you are tracking well. As the performance deteriorates the Ministry have rating scales based on performance, not financial performance alone. The District has been performing well and has been on zero for longer than 18 months. The Ministry advised that with our March result it was likely the District would be moving to Level one, but with the finalisation of the April result it was fast tracked to level three.

The Director Finance outlined the year to date result to April 2013. The Board noted the over-run of the Net Cost of Service year to date, including the in-month result. The year-end projection over-run was also noted and discussed, and is due to the significantly higher costs recorded across March and April 2013 at RNS.

The consistent advice to the Board and MoH has been that the major issues for the financial result in 2012/13 are unplanned/ emergency demand, and the commissioning of the new Royal North Shore (RNS) hospital and increased FTE at RNSH.

The predominant problem across March and April has been the significant increases in FTE from the operation of the new hospital, additional beds opened post the holiday periods and seasonal demand. Further analysis will be provided at the Board meeting on Tuesday 21 May 2013.

The Director Finance advised that a key system limitation is that staffing data is not provided until 5 days after the end of the month as there is no central system that monitors FTE on a day to day basis.

3. Operational Efficiencies Service Integration (OESI)

Ms Maree Hynes (Program Director) presented information on the OESI Program. The program includes the implementation of a sustainability plan which is broken into three streams involving cost efficiency; service delivery, and performance management.

At this stage the program has identified \$28.6M of savings over the 3 year period, of which there is \$20M savings in the first year.

The OESI Steering Committee comprises the Chief Executive, Director Operations and Director Finance. The OESI Working Committee comprises key executives of the LHD – from those two key working groups, the project will be implemented within Health Services who will have project leads assigned to every initiative. KPI reporting is currently on a monthly basis and reports back into the Finance sub-Committee.

The Service delivery component will provide engagement with the Clinical Council with the Clinical Council providing clinical expertise in this process. There is an opportunity to reduce variations in the care provided to consumers, and benefits will start to be realised. There should also be resultant improvements in length of stay which will contribute to the work of the Whole of Hospital Program.

4. Actions from this meeting

Board members are to provide their top three priorities which they perceive as having immediate results. These priorities to be provided to the Chief Executive by midday Monday 20 May for discussion at Tuesday's Board meeting.

Clinicians were requested to discuss with their staff the initiatives from the program, being mindful of confidentiality. The Board expressed their appreciation to the medical staff for contributing to the process for improvement and for being in attendance at tonight's meeting.

The Board was advised that the agenda may be changed for Tuesday's meeting, however, the probity discussion will still occur.

The expected outcome of Tuesday's meeting is; Broad agreement on the areas of focus for inclusion in the Recovery Plan.

The Recovery Plan is to be discussed at the Board meeting on Tuesday 21 May to be held at Hornsby Ku-ring-gai Hospital.

Meeting Closed: 6:15pm

CERTIFIED A CORRECT RECORD

**By Professor Carol Pollock, Board Chair
On 27 May 2013**