



**MINUTES
ILLAWARRA SHOALHAVEN LOCAL HEALTH DISTRICT
BOARD MEETING**

Date: Monday 5 August 2013

4.00pm – 6.00pm

**Venue: Conference Rooms 1 and 2, Level 8, Block C
Wollongong Hospital**

ITEM 1: Attendance of members

Clinical Professor Denis King, Ms Sue Baker-Finch, Ms Marisa Mastroianni, Dr William Pratt, Professor Kathy Eagar, Ms Jill Boehm, Associate Professor Rod McMahon, Mr Roger Downs, Professor Gerard Sutton, Mr Geoff O'Donnell, Clinical Professor Jan Potter, Mr Paul Knight

Apologies

Nil.

In Attendance

Mrs Susan Browbank, Mr Henry Kornacki, Mrs Rosemary Croke
(secretariat)

ITEM 2: Declaration of Pecuniary Interest, Conflict of Interest

There were no other conflicts of interest, gifts, or benefits declared.

It was noted all Board members have a conflict of interest, although to varying degrees, in relation to item 7.5. Ms Sue Baker-Finch would make comment on the Memorandum of Understanding between ISLHD and the Illawarra Health and Medical Research Institute as she is the principal author of the document, and then leave while discussion took place.

Mr Roger Downs volunteered to remove himself from discussion related to this issue as he is a partner in the company that drafted the Memorandum of Understanding.

ITEM 3: Confirmation of Minutes of meeting held 1 July 2013

The minutes were accepted as a true and correct record.

ITEM 4: Action List

Action list received and noted by the Board.

4.1 2013-2014 Service Agreement – revenue target increase

The Board was informed the District has written to the Ministry of Health (MoH) regarding the 2013-2014 revenue target represents a significant challenge to the District in meeting end of year budget compliance. No response has been received to date.

The Board was informed the Local Government Area has a private insurance take up rate of approximately 20%. This figure indicates a slight decrease. The District bases this percentage on the number of patients who declare they have private health insurance when presenting. The current percentage of privately insured patients who elect to use private health insurance is approximately 80%.

4.2 2013-2014 Service Agreement – risk assessment

Report received and noted by the Board.

The Director of Finance provided the Board with a synopsis of the report. An increase in revenue target of \$5.3m represents a challenge to the District. To achieve the target, the District will be required to increase the privately insured take up rate to 85%. A further labour cap of \$3.2m in 2013-2014 places a further imposition on the District. In 2012-2013 the District met the target of \$4.1m by reducing employee related expenditure, and will look to further reduce employee related costs during 2013-2014 to attain end of year budget compliance. The Board's attention was drawn to the fact that the cumulative target of \$7.3m over the two year period equates to 97 FTEs.

The efficiency savings target for 2013-2014 is \$7.5m. The Director of Finance informed the Board strategies for cost avoidance have been developed, and along with direct savings, the director is projecting budget compliance at the end of the year in relation to this efficiency savings target.

The District however cannot become complacent as 2013-2014 will again be a challenging year.

The Board noted the MoH and ISLHD have signed off on the District's 2013-2014 budget allocation. It is anticipated hospital/ service budgets will be published by 8 August 2013. The Board was informed previous funding arrangements for various independent programmes have been superseded by ABF. The consequence of this being that services deemed a priority may remain and be funded from existing resources. This approach provides incentives to be proactive and investigate alternative models of care.

The District is examining a variety of options in order to increase capacity across the region. The Chief Executive has met with local external health providers, and negotiations are ongoing.

4.3 Shoalhaven District Memorial Hospital budget recovery strategy

Report received and noted by the Board.

The Chief Executive informed the Board a range of alternative strategies have been developed and although further analysis and consultation is required, it is believed savings of approximately \$1.8m can be achieved. The strategies have been provided to the operations team accountable for managing the budget recovery process, along with a request for the team to provide feedback on the feasibility of implementing the strategies.

There are additional strategies not yet quantified that will require auditing by the Director Southern Operations, Planning and Performance on her return from annual leave. Once measured and calculated, the strategies will be provided to the operations team for acceptance or rejection. A rejection will necessitate the team developing an alternative strategy.

The Board discussed the need to include a reference to VMO out of determination payments when referring to SDMH's budget deficit.

ACTION ITEM: Future reports to the Board regarding this issue to include a reference to VMO over award payments.

The Board will be provided with a progress report on this issue at 2 September 2013 meeting.

The Board was provided with an update on the recruitment campaign for the position of General Manager, SDMH. While the campaign continues, the Chief Executive will look to appoint to the position on a temporary basis.

RESOLUTION (2013/15):

The Board resolved to support the proposals as outlined in the report on the proviso a detailed submission providing final figures, timeframes, and accountable officers is provided to the September 2013 meeting.

4.4 Implementation of new safety engineered sharps devices at Wollongong Hospital

Report received and noted by the Board.

The Board noted all needle stick injuries are reported through the OH&S service and Staff Health. Regular reports regarding injury

rates are tabled at each site OH&S committee and any issues are escalated to the District Infection Control Committee. Minutes of the District Infection Control Committee meetings are included in the business papers of the Board Health Care Quality Committee.

4.5 Clinical policies for inclusion in the Illawarra Clinical Council meeting business papers

Report received and noted by the Board.

ITEM 5: Reports

5.1 Chief Executive

Report received and noted by the Board.

5.2 Capital Works

Report received and noted by the Board.

5.3 Extreme and High Risk and Opportunities

Report received and noted by the Board.

5.4 Health Care Quality – meeting held 24 July 2013

Minutes received and noted by the Board.

5.5 Planning Committee – executive summary - meeting held 1 July 2013

Executive summary received and noted by the Board.

5.6 Aboriginal Health – executive summary - meeting held 8 July 2013

Executive summary received and noted by the Board.

5.7 Audit and Risk Management Committee – meeting held 18 July 2013

Minutes received and noted by the Board.

5.8 Media and Community Engagement Activity – June 2013 and July 2013

Report received and noted by the Board.

5.9 Shoalhaven Clinical Council–meeting held 15 July 2013

Minutes received and noted by the Board.

5.10 Illawarra Clinical Council – meeting held 17 July 2013

Minutes received and noted by the Board.

5.11 Medical and Dental Advisory Appointment Committee (MDAAC) – executive summary - meeting held 27 May 2013

Executive summary received and noted by the Board.

ITEM 6: Business Arising:

6.1 Refer to Confidential Minute

Board members are referred to the Confidential Minute for further information related to this item.

6.2 Bulli Hospital kiosk

Report received and noted by the Board.

The Board discussed the need to take action on this issue as risks related to the deteriorating state of the kiosk facility and equipment were highlighted in December 2012. The Board noted the retail service at Bulli Hospital may have limited commercial viability however members are keen for the District to test this assumption in the market place. The Chief Executive stated consultation with staff, and carers will take place in the first instance.

ACTION ITEM: The Chief Executive to consult with staff and carers and report back at 2 September 2013 Board meeting.

RESOLUTION (2013/16):

The Board resolved to endorse the proposal that the opportunity to tender the retail outlet at Bulli Hospital be progressed.

ITEM 7: New Business:

7.1 Draft Internal Audit Bureau (IAB) Audit Review of Workplace Health and Safety

Report received and noted by the Board.

The Board noted the report is in draft status, with a number of issues requiring further discussion and review by the IAB and ISLHD. The District has provided the IAB with feedback and is expecting to participate in further discussion prior to signing off on the report. It is anticipated the final report will be available in approximately two months.

This review can be viewed as stage one in the development of a five year workplace health and safety strategic plan. The Board was informed the District will require the assistance of an external

source in the development of such a plan. The Chief Executive is anticipating a strategic plan would be in place by the end of the year.

The Board was informed Wollongong Hospital has been selected as a trial site for the jointly funded Early Intervention Project (EIP). This research project is funded by the Treasury Managed Fund, Ministry of Health, and Employers Mutual Limited to reduce the length of time staff are off work after experiencing soft tissue injuries. The two year project commenced on 1 July 2013.

7.2 Attestation Statement

Members were referred to page 5 of the statement with particular reference to the monthly reports received by the Board Finance and Performance Committee. The Board was informed the business papers of this committee will include information pertaining to the District's balance sheet, liquidity issues, and SP&T from August 2013.

The Board noted a review of the Delegations Manual will occur shortly at which time the delegations of all financial and administrative authorities will be reviewed.

Comment was made on the inconsistent detail provided in the statement in relation to Board committees. This is exemplified by exclusion of the Health Care Quality Committee membership.

Members referenced page 4 and noted the statement detailing the Board approves, and the Chief Executive ensures compliance with the NSW Health Accounts and Audit Determination, and the annual MoH budget allocation advice. As the Chief Executive is the certifying officer, members requested the statement be amended to remove any reference to the Board as certifying the statement.

ACTION ITEM: Reference to the Board to be removed in this instance.

Feedback provided by the Board was noted with the necessary changes highlighted for action.

RESOLUTION (2013/17):

The Board resolved to endorse the draft Corporate Governance Attestation Statement: Illawarra Shoalhaven Local Health District 2012-2013, subject to the above detailed changes being made.

7.3 Bulli Primary Health Care Centre update

Report received and noted by the Board.

The Board was informed the District has not received a complaint from a member of the community that their health had been

compromised by the closure of the centre between 10.00pm and 7.00am.

The Chief Executive informed the Board of a pilot “Extended Care Paramedics” programme to commence shortly. The pilot will involve paramedics attending homes and residential care facilities to provide first line care to patients, and thereby avoiding possible hospital admissions. The programme will be evaluated at the completion of the pilot, and if found to be successful, the District would seek to establish the programme on an ongoing basis.

7.4 New Clinical Risk – Neurosciences Unit, Wollongong Hospital

Report received and noted by the Board.

The Board was informed this risk was tabled at the Health Care Quality Committee meeting held on 24 July 2013, and progressed for reporting to the Board.

The Chief Executive is satisfied with the remedial action taken to date, and has nominated the Director of Clinical Governance to oversee the action plan, and performance management issues related to this matter. The director will receive weekly progress reports from the Wollongong Hospital management team.

Ongoing reporting of this issue will occur through the Health Care Quality Committee.

7.5 Draft Memorandum of Understanding (MoU) between the ISLHD and Illawarra Health and Medical Research Institute (IHMRI)

Ms Sue Baker-Finch provided the Board with background information related to the establishment of IHMRI. The initial IHMRI model qualified for government funding by complying with the requirements of independent research institutes at the time. The government has now strengthened the necessary funding requirements hence the need to establish the independence of IHMRI as an entity quite separate from the UoW and ISLHD.

The Chair drew the Board’s attention to two issues. The first related to the need for IHMRI to comply with the revised government funding requirements for independent research institutes or risk the loss of substantial government funding. The second issue related to a directional change for IHMRI from one of driving research to one of providing a direction for research. To satisfy the latter premise, IHMRI has drafted a set of priorities for research via a research plan that has received positive feedback from the MoH.

At this point in discussion, members Sue Baker-Finch and Roger Downs left the meeting.

The Chief Executive reiterated the District's commitment to the establishment of the ISLHD research programme, the development of the NSW Health Research Hub, and to funding the Illawarra Population Health Information Platform.

The Board noted the draft MoU imposes no financial obligation on either party, and if agreed however, would recognise IHMRI for purposes of accessing health research infrastructure funding.

The Board was informed there are matters for further negotiation between the parties prior to the MoU being signed. Of particular concern to the Board is Clause 7.

The Board discussed proposed future changes to government funding of independent research institutes as the concentration of funding will be focused on hospital research.

The Chair informed the Board transition back funding has been applied to IHMRI in order to provide the institute with sufficient finances to develop a structure that will qualify for a bid for funding in the next round in two or three years.

RESOLUTION (2013/18):

The Board resolved to note current and ongoing negotiations between ISLHD and IHMRI in establishing a Memorandum of Understanding.

The Board questioned ownership of the organisation. It was noted IHMRI is a not for profit company limited by guarantee.

Ms Sue Baker-Finch and Mr Roger Downs returned to the meeting.

ITEM 8: Confidential Items:

8.1 Confidential Item One – Chair Report

Board members are referred to the Confidential Minute for further information related to this item.

8.2 Confidential Item Two

Board members are referred to the Confidential Minute for further information related to this item.

ITEM 9: Information

9.1 NSW Health 2013-2014 Performance Framework and Funding Guidelines

Framework and guidelines received and noted by the Board.

ITEM 10: Business Without Notice

10.1 Budgetary Compliance Targets for 2012-2013

The Chair commended the District's financial position as at 30 June 2013, and confirmed the result as extremely pleasing. The number of Districts across the state achieving and maintaining level zero on the performance framework of the Ministry is very low. The Chief Executive will pass the commendation on to her executive team.

10.2 Auditor General's Performance Audit on Visiting Medical Officers (VMOs) and Staff Specialists

The Board's attention was drawn to correspondence received from the MoH regarding the scrutiny and auditing of VMO claims, and the need for LHDs to describe activities performed by staff specialists in their performance agreements.

The MoH has requested LHDs conduct audits on a range of issues including, but not limited to, item numbers for Fee for Service VMOs for normal delivery and complicated delivery, as defined in the Medicare Benefit Schedule. The MoH has requested Districts prepare reports to progress the development of consistent guidelines and procedures for verifying VMO claims for payment, and to assist LHDs to detect inconsistent VMO claims for payment or anomalies.

The District's audit will be conducted in conjunction with a local review of the Rural Doctors Settlement Package, Item Number 1066 – complex deliveries. The review will be overseen by the District Director of Clinical Services and assisted by SDMH Director of Clinical Services.

10.3 Leave of Absence

The Chair informed members of his absence for 2 September 2013 meeting. The meeting will be chaired by his deputy, Ms Sue Baker-Finch.

Meeting closed at: 6.30pm

Next meeting: Monday 2 September 2013
4.00pm – 6.00pm
Conference Rooms 1 & 2
Level 8, Block C
Wollongong Hospital

CERTIFIED A CORRECT RECORD

**Ms Sue Baker-Finch
2 September 2013**

**Amended:
Denis King
1 December 2014**

TRIM Ref: DT13/44518