



MINUTES
ILLAWARRA SHOALHAVEN LOCAL HEALTH DISTRICT
BOARD MEETING

Date: Monday 3 February 2014
4.00pm – 6.00pm

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

ITEM 1: Presentations

1.1 HealthShare NSW

The Chair welcomed the HealthShare NSW team to the meeting. Mr Michael Walsh, Chief Executive, HealthShare introduced team members; Mr Simon Geraghty, Chief Technical Officer, and Ms Vera Fiala, Director Customer Services and Corporate Governance.

The Chief Executive provided the Board with information on current service provision, and HealthShare's goal "to increase transparency, facilitate value for money assessment and benchmarking, improve risk sharing or incentives for driving efficiencies". Members were informed HealthShare currently supports information technology services via eHealth, however, the state government's blue print is to separate the entities.

The Chief Technical Officer spoke to an overhead presentation titled Business Continuity Planning, Disaster Recovery Planning for HealthShare. The slides informed members of various issues currently on the shared service agenda.

Members were also informed mitigation strategies initiated over the past two years included a spend of \$19.6m on building infrastructure resilience, and \$21m on the eMR platform. Over the next three to five years eHealth will be migrating to two new Whole of Government Data Centres with one centre to be located at Unanderra.

HealthShare currently hosts 551 information technology applications. The service will be visiting LHDs in the coming months to review LHD application inventories, including identification of the LHD's top 20 local applications, to perform a business impact assessment, and to align local business continuity plans with local disaster recovery plans and HealthShare disaster recovery plans.

Board members had the opportunity to ask questions related to the presentation.

In response to the questions posed, members were informed of the benefits achieved from the aggregated volume and purchasing power of HealthShare, with LHDs the beneficiaries of the contracted prices.

The HealthShare team has identified there needs to be improved communication channels between the service and LHDs. The ability to convey achieved efficiencies is imperative to customer service.

Members noted the ISLHD and SESLHD still share information technology services.

The HealthShare NSW team departed the meeting at 4.45pm.

1.2 Shoalhaven District Memorial Hospital (SDMH) Budget Strategy

The Director Operations Planning and Performance, and General Manager, SDMH delivered a SDMH Budget Strategy update to the Board.

Members noted the District is projecting a \$1.6m deficit against a \$1.3m target at SDMH for 2013-2014. The facility is anticipating \$920,760 in net cost of service savings this financial year. Figures provided indicate substantial savings have been made and sustained over the past three years.

The nine projects established as a result of the Francis Report are progressing at varying stages, with the local executive team expecting the projects to realise cost benefits. Work on workforce efficiency and unfunded activity continues and it is anticipated further savings in 2013-2014 will be achieved. The Director Operations Planning and Performance is looking to the strategies implemented, and those yet to reach maturity reducing the annual deficit at the facility, and achieving a satisfactory net cost of service result in 2014-2015.

The General Manager SDMH spoke of cost drivers that can influence regional hospital activity and financial performance, including the tyranny of distance, diseconomies of scale, and in the case of SDMH, over Award payments.

The Board congratulated the Director Operations Planning and Performance, and the SDMH Executive Team on the work undertaken in achieving the very encouraging result.

The monitoring and review of the SDMH budget recovery strategy 2013-2014 will take place through the District's routine monthly financial reporting schedules.

ITEM 2: Meeting Opening

2.1 Attendance of members

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

Apologies:

Clinical Professor Jan Potter, Dr William Pratt, Ms Maris Mastroianni

In Attendance

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

2.2 Declaration of Pecuniary Interest, Conflict of Interest

The Chair requested Ms Baker-Finch, Mr O'Donnell, and Professor Eagar leave the forum during agenda item 6.3 discussions. The Chair also requested Mr Downs' interest in the same item be noted, however he would not be required to leave the meeting.

While members noted the Board Chair, Chief Executive, and Director Finance are ISLHD representatives on the IHMRI Board, there is no conflict of interest as they will be participating in the deliberations of item 6.3 on behalf of the ISLHD.

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

2.3 Confirmation of Minutes of meeting held 2 December 2013

ACTION ITEM: The words "in principle" to be included in Resolution (2013/29).

The minutes were then accepted as a true and correct record.

2.4 Action List

That members note the progress/completion of actions.

2.4.1 Capital management

Report received and recommendation noted by the Board.

The Board was informed the District's Capital Management Plan details the current replacement value of major plant and equipment to be in the vicinity of \$70m. The plan informs that not all the plant and equipment will require replacement in the next ten years. Members noted the reports indicated the District should have sufficient funds to meet its capital

replacement programme over the next ten years. This is prefaced on the District maintaining its current favourable financial situation, and retention of the ISLHD Locally Funded Initiatives (LFI) capital cap.

An additional source of funding for replacement of radiotherapy equipment is provided through the Commonwealth Health Programme Grant. The funding comes via payment for each instance of use of the linear accelerators.

Members noted current equipment leases held by the District are valued at \$5.9m with a buyout figure of \$0.54m for leases able to be finalised in 2013-2014. This represents an annual saving in lease payments of \$0.47m.

Factors influencing the purchase versus lease option include the role of depreciation, and the District's LFI capital cap. The District is currently favouring the purchase option due to the strong cash at bank situation.

Members were informed the District will be staging the purchase of plant and equipment for the new build as this strategy supports a calculated replacement programme.

2.4.2 Organ and tissue donation activities in 2013

Report received and recommendation noted by the Board.

Members were informed the number of potential donors identified in 2013 has increased, however the number of potential donor requests that advanced to become actual donors reduced in 2013 when compared to 2012.

The District is committed to improving the rates of donation and increase clinician and community awareness of organ and tissue donation.

ITEM 3: Report

3.1 Board Chair

Report received and recommendation noted by the Board.

3.2 Chief Executive

3.1.1 Balanced Scorecard 2013-2014 – month and YTD December 2013

Report received and recommendation noted by the Board

Members were issued with copies of an amended Balanced Scorecard as the NEST YTD results provided in the business papers were not accurate.

Members noted the cost per NWAU data is YTD results only.

3.1.2 Finance Report for period ending 31 December 2013

Report received and recommendation noted by the Board.

3.1.3 Activity Report for period ending 30 November 2013

Report received and recommendation noted by the Board.

ITEM 4: Business Arising:

4.1 Board self-evaluation 2013 Evaluation of Board sub committees 2013

Report received and noted by the Board.

The Board self-evaluation 2013 stand out items that require attention relate to the Board agenda being ordered with sufficient time to discuss the most complex and critical issues, and the need for members to be well informed about the deliberations of each Board committee.

Members discussed options to ensure the Board has sufficient time to discuss the most complex and critical issues. Options included the separation of complex and non-complex issues, ensuring only one presentation at a Board meeting, and extending the length of time allocated for meetings.

ACTION ITEM: Members recommended only one presentation to the Board be scheduled prior to the Board meeting. The presentation will take place prior to the meeting commencing at 3.30pm.

The order and context of Board business papers was raised and discussed. The current construct of the papers provides a legend to each agenda item which describes the action required by the Board. Members recommended a glossary be provided to ensure understanding of purpose in the language used. The Chief Executive sought the advice and support of the Board in relation to this recommendation.

ACTION ITEM: That agreed terminology and format be provided.

The need for the Board business papers to be published in a timely manner was noted.

Discussion took place on the need for Chairs of committees to review committee charters to determine their appropriateness and currency of the terms of reference.

ACTION ITEM: Need to ensure Board committee terms of references are appropriate and current.

The evaluation of Board sub-committees 2013 report detailed the issue of greatest concern is the assurance of effective communication between the committees and the Board.

There was discussion regarding the three options provided as a means of improving communication.

RESOLUTION (2014/01):

The Board endorsed Option One as the preferred option.

ACTION ITEM: The Chair and Chief Executive to meet to discuss committee membership for 2014, and report back to the next meeting.

Members noted Board committee papers are made available on the Board website, and that members are always welcome to attend Board committee meetings.

4.2 Review of NSW Health Model By-Laws

Report received and recommendation noted by the Board.

Members noted receipt of four responses with comments from three considered. General issues raised by respondents included lobbying for devolution, and separation of authority and accountability. These issues will be considered when drafting the Board's response to the Ministry.

The Chair drew member's attention to Part 9 – Medical and dental appoints advisory committee (MDAAC) of the Model By-Laws. The Chair indicated the need for Board representation on the interview committee of MDAAC. Members noted referee reports are to include a current manager's reference check.

The Chair informed members he will work with the Chief Executive in preparing the Board's draft response due for submission to the Ministry by 31 March 2014. The draft response will be tabled at the 3 March 2014 Board meeting for endorsement prior to submission by the due date. The Chair will also table the Board's draft response at the Council of Chairs meeting scheduled to be held on Friday 21 March 2014.

ACTION ITEM: It was agreed the aforementioned inclusions be incorporated into the Board's response to the Ministry.

4.3 Development of the 2014-2015 Service Agreement

Report received and recommendation noted by the Board.

2014-2015 Service Agreement negotiations between LHDs and the Ministry have commenced. The information before the Board is the preliminary work undertaken thus far in the development of the Ministry of Health and LHD agreements.

The Chief Executive informed members population growth is the Ministry's primary determinant in shaping LHD funding allocations, and that the growth is weighted by a needs index. Activity targets are critical to ongoing negotiation.

A funding source for the Ministry to date has been the Commonwealth's contribution to national partnership agreements. Continuation of these agreements was discussed.

4.4 2014-2015 Service Agreement negotiations

Report received and recommendation noted by the Board.

It is anticipated negotiations will be finalised by the end of April 2014. This being the case, the draft agreement will be presented to the Board in May, prior to sign off by the District and Ministry in June 2014.

4.5 Food Services project update

Report received and recommendation noted by the Board.

ITEM 5: New Business:

5.1 Collaboration with South West Sydney LHD for the provision of low volume complex cancer surgery

Report received and recommendation noted by the Board.

The District was approached by Sydney South West Local Health District (SWSLHD) to submit a joint submission to the Cancer Institute to establish one of only a few centres for complex low volume pancreatectomy and oesophagectomy surgery for cancer across the state.

Members were informed the collaboration will assist the District develop a service for complex procedures over the next three to five years as SWSLHD has provided an undertaking to come to the Illawarra to work with, and train our clinicians.

The Board congratulated the collaborative team for their work in negotiating, and developing the submission to the Cancer Institute.

5.2 Proposal to “Test the Market” for a private operator to manage excess capacity within the new Illawarra Elective Surgical Centre

Report received and recommendation noted by the Board, however not endorsed.

ACTION ITEM: Proposal to be resubmitted to the Board closer to the commissioning of the Illawarra Elective Surgical Centre.

5.3 Draft ISLHD Research Strategy Plan 2014-2017

Report received and recommendation noted by the Board, however not endorsed.

Members recommended the name of the plan be changed to more appropriately align the name with the contents.

ACTION ITEM: Board recommended the plan be known as the “ISLHD Research Operational Plan 2014-2017”.

5.4 National Quality Standard Assessment and Rating Report – Hillview Child Care Centre

Report received and recommendation noted by the Board.

ITEM 6: Confidential Items:

6.1 Confidential Item One

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

6.2 Confidential Item Two

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

6.3 Confidential Item Three

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

6.4 Confidential Item Four

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

ITEM 7: Information

7.1 Finance and Performance Committee – draft minutes of meeting held 29 November 2013

Draft minutes received and recommendation noted by the Board.

7.2 Health Care Quality Committee – draft minutes of meeting held 27 November 2013

Draft minutes received and recommendation noted by the Board.

Members discussed the recording of factual information in light of the sensitive nature of issues raised and discussed at this forum.

7.3 Planning Committee – draft minutes of meeting held 2 December 2013

Draft minutes received and recommendation noted by the Board.

7.3 Media and Community Engagement Activity – November 2013 and December 2013

Report received and recommendation noted by the Board.

7.4 Illawarra Clinical Council – draft minutes of meeting held 11 December 2013

Draft minutes received and recommendation noted by the Board.

ITEM 8: Notifications regarding Upcoming Events

8.1 Mental Health Staff Forum – Team One Presentation

Notification received and recommendation noted by the Board.

ITEM 9: Date and venue of next meeting

Information received and noted by the Board.

ITEM 10 Business Without Notice

10.1 NSW Health Policy Directive – PD2014_001

Report received and recommendation noted by the Board.

Members noted the policy directive mandates all VMO appointments to Wollongong Hospital will be offered at sessional rates.

The Chief Executive is seeking the Board's endorsement of the District's proposal for a timed implementation of the policy directive. It is proposed current VMO contracts at Wollongong Hospital remain in place until the next quinquennium in June 2017 at which time only sessional contracts will be offered. Any new candidates

for appointment to Wollongong Hospital between 10 January 2014 (the effective date of the policy directive) and June 2017 be offered a sessional contract.

RESOLUTION (2014/02):

The Board endorsed the proposal for the timed implementation of the policy directive at Wollongong Hospital.

10.2 Confidential Item Five

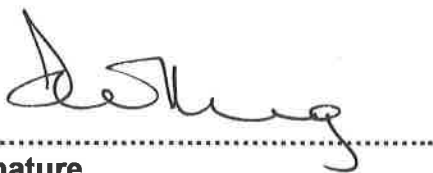
Board members are referred to the Confidential Minute for further information related to this item.

Meeting closed at 7.35pm.

Next meeting: Monday 3 March 2014
4.00pm – 6.00pm
Conference Rooms
Level 8, Block C
Wollongong Hospital

CERTIFIED A CORRECT RECORD

Clinical Professor Denis King



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Signature

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Date

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