SOUTHERN DISTRICT HEALTH BOARD

HOSPITAL ADVISORY COMMITTEE

Thursday, 26 September 2019

Commencing at 9.00am

Board Room, Community Services Building,
Southland Hospital Campus, Invercargill

A G E N D A

Lead Director: Patrick Ng, Executive Director Specialist Services

Item

1. **Public Forum**
2. **Apologies**
3. **Interests Register**
4. **Minutes of Previous Meeting**
5. **Matters Arising/Action Sheet**
6. **Specialist Services Monitoring and Performance Reports**
   - 6.1 Executive Director Specialist Services Report
   - 6.2 Key Performance Indicators
   - 6.3 Financial Performance Summary
7. **Resolution to Exclude Public**

Southern DHB Values			
Kind *Manaakitanga*	Open *Pono*	Positive *Whaiwhakaaro*	Community *Whanaungatanga*

No apologies for the Hospital Advisory Committee meeting had been received at the time of publishing the agenda.

SOUTHERN DISTRICT HEALTH BOARD

Title:	**INTERESTS REGISTERS**
Report to:	Hospital Advisory Committee
Date of Meeting:	26 September 2019

Summary:

Commissioner, Committee and Executive Team members are required to declare any potential conflicts (pecuniary or non-pecuniary) and agree how these will be managed. A member who makes a disclosure must not take part in any decision relating to their declared interest.

Interests declarations, and how they are to be managed, are required to be recorded in the minutes and separate interests register (s36, Schedule 3, NZ Public Health and Disability Act 2000).

Changes to Interests Registers over the last month:

- Susie Johnstone - Sister is Ultrasonographer for Pacific Radiology

Specific implications for consideration (financial/workforce/risk/legal etc):

Financial:	n/a
Workforce:	n/a
Other:	

Prepared by:

Jeanette Kloosterman
Board Secretary

Date: 13/09/2019

RECOMMENDATION:

1. That the Interests Registers be received and noted.

SOUTHERN DISTRICT HEALTH BOARD
INTERESTS REGISTER
COMMISSIONER TEAM

Member	Date of Entry	Interest Disclosed	Nature of Potential Interest with Southern DHB	Management Approach
Kathy GRANT	25.06.2015	Chair, Otago Polytechnic	Southern DHB has agreements with Otago Polytechnic for clinical placements and clinical lecturer cover.	
(Commissioner)	25.06.2015	Deputy Chair, Dunedin City Holdings Limited	Nil	
	25.06.2015	Trustee of numerous private trusts	Nil	
	25.06.2015	Deputy Chair, Dunedin City Treasury Limited	Nil	
	18.09.2016	Food Safety Specialists Ltd	Nil. Co-trustee in client trusts - no pecuniary interest.	
	18.09.2016	Director, Warrington Estate Ltd	Nil - no pecuniary interest; provide legal services to the company.	
	18.09.2016	Tall Poppy Ideas Ltd	Nil. Co-trustee in client trusts - no pecuniary interest.	
	18.09.2016	Rangiora Lineside Ltd	Nil. Co-trustee in client trusts - no pecuniary interest.	
	18.09.2016	Otaki Three Limited	Nil. Co-trustee in client trusts - no pecuniary interest.	
	21.09.2018	Deputy Chair, Dunedin Stadium Property Ltd (from 1 July 2018, updated 24/04/2019)		
	01.09.2019	Establishment Board member of NZ Institute of Skills and Technology		
		Spouse:		
	25.06.2015	Consultant, Gallaway Cook Allan	Nil	
	25.06.2015	Chair, Slinkskins Limited	Nil	
	25.06.2015	Director, South Link Health Services Limited	A SLH entity, Southern Clinical Network, has applied for PHO status.	Step aside from decision-making (refer Commissioner's meeting minutes 02.09.2015).
	25.06.2015	Board Member, Warbirds Over Wanaka Community Trust	Nil	
	25.06.2015	Director, Warbirds Over Wanaka Limited	Nil	
	25.06.2015	Director, Warbirds Over Wanaka International Airshows Limited	Nil	
	25.06.2015	Board Member, Leslie Groves Home & Hospital	Leslie Groves has a contract with Southern DHB for aged care services.	
	25.06.2015	Chair Dunedin Diocesan Trust Board	Nil (Updated 16 April 2018)	
	25.06.2015	Trustee of numerous private trusts	Nil	
	25.06.2015 (updated 22.04.2016 and 29.06.2019)	Past President, Otago Racing Club Inc.	Nil	
Jean O'Callaghan (Deputy Commissioner)	13.05.2019	Employee of Geneva Health	Provides care in the community; supports one long term client but has no financial or management input.	
	13.05.2019	St John Volunteer, Lakes District Hospital	Nil	Taking six months' leave.

SOUTHERN DISTRICT HEALTH BOARD
INTERESTS REGISTER
COMMISSIONER TEAM

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David Perez (Deputy Commissioner)	13.05.2019	Director, Mercy Hospital, Dunedin	SDHB holds contracts with Mercy Hospital.	Step aside from decision making.
	13.05.2019	Fellow, Royal Australasian College of Physicians		
	13.05.2019	Trustee for several private trusts		
Richard THOMSON (Deputy Commissioner)	13.12.2001	Managing Director, Thomson & Cessford Ltd	Thomson & Cessford Ltd is the company name for the Acquisitions Retail Chain. Southern DHB staff occasionally purchase goods for their departments from it.	
	13.12.2002	Chairperson and Trustee, Hawksbury Community Living Trust (24.06.2019 Acting CEO)	Hawksbury Trust runs residential homes for intellectually disabled adults in Otago and Canterbury. It does not have contracts with Southern DHB.	
	24.06.2019	Chair, Hawkesbury Property Trust	Owns the properties that Hawkesbury Trust residents live in.	
	23.09.2003	Trustee, HealthCare Otago Charitable Trust	Health Care Otago Charitable Trust regularly receives grant applications from staff and departments of Southern DHB, as well as other community organisations.	
	05.02.2015	One immediate family member is an employee of Dunedin Hospital (Anaesthetic Technician)		
	07.10.2015	Southern Partnership Group	The Southern Partnership Group will have governance oversight of the Dunedin Hospital rebuild and its	
	24.07.2018	Son's partner works for Southern DHB, Ophthalmology Service.		

SOUTHERN DISTRICT HEALTH BOARD
INTERESTS REGISTER
ADVISORY COMMITTEE MEMBERS

Committee Member	Date of Entry	Interest Disclosed	Nature of Potential Interest with Southern DHB	Management Approach
Susie JOHNSTONE	21.08.2015	Independent Chair, Audit & Risk Committee, Dunedin City Council	Nil	
(Consultant, Finance Audit & Risk Committee)	21.08.2015	Advisor to a number of primary health provider clients in rural Otago	All of the primary health provider clients in rural Otago are likely to have a contract through Southern DHB and/or the WellSouth Primary Care Network.	
	18.01.2016	Audit and Risk Committee member, Office of the Auditor-General	Audit NZ, the DHB's auditor, is a business unit of the Office of the Auditor General.	
	16.09.2016	Director, Shand Thomson Ltd	Nil	
	16.09.2016	Director, Harrison Nominees Ltd	Nil. Co-trustee in client trusts - no pecuniary interest.	
	16.09.2016	Director, Abacus ST companies.	Nil. Co-trustee in client trusts - no pecuniary interest.	
	16.09.2016	Director, Shand Thomson Nominees Ltd	Nil. Co-trustee in client trusts - no pecuniary interest.	
	16.09.2016	Director, Johnstone Afforestation Co Ltd	Nil. Co-trustee in client trusts - no pecuniary interest.	
	16.09.2016	Director, Shand Thomson Nominees (2005) Ltd	Nil. Co-trustee in client trusts - no pecuniary interest.	
	16.09.2016	Director, McCrostie Nominees Ltd	Nil. Co-trustee in client trusts - no pecuniary interest.	
	28.05.2018	Clutha Community Health Company Co Ltd	Client of Shand Thomson. Two retired Shand Thomson partners are on the board, one is a long standing Chair.	
	23.07.2018	Trustee, Clutha Community Foundation (appointed June 2018)		
		Spouse is Consultant / Advisor to:		
	21.08.2015	Tuapeka Community Health Co Ltd & Tuapeka Health Incorporated	Tuapeka Community Health Co Ltd & Tuapeka Health Incorporated have a contract with Southern DHB.	
	21.08.2015	Wyndham & Districts Community Rest Home Inc	Wyndham & Districts Community Rest Home Inc has a contract with Southern DHB.	
	21.08.2015	Roxburgh District Medical Services Trust	Roxburgh District Medical Services Trust has a contract with Southern DHB.	
	21.08.2015	A number of primary health care providers in rural Otago	All of the primary health provider clients in rural Otago are likely to have a contract through Southern DHB and/or the WellSouth Primary Care Network.	
	26.09.2016	Director, Abacus ST companies.	Nil. Co-trustee in client trusts - no pecuniary interest.	
		Daughter:		
	21.08.2015	Junior Doctor, Nelson Marlborough DHB	(Updated 25.01.2019)	
		Son:		
	29.04.2019	Employee of Deloitte	Deloitte are the internal auditors of SDHB	
		Sister:		
	06.09.2019	Ultrasonographer, Pacific Radiology	Occasionally does relief work for Southern DHB.	
Donna MATAHAERE-ATARIKI	27.02.2014	Trustee WellSouth	Possible conflict with PHO contract funding.	
(IGC Member)	27.02.2014	Trustee Whare Hauora Board	Possible conflict with SDHB contract funding.	
	27.02.2014	Council Member, University of Otago	Possible conflict between SDHB and University of Otago.	
	27.02.2014	Chair, Ōtākou Rūnanga	Nil	
	17.06.2014	Gambling Commissioner	Nil	
	05.09.2016	Board Member and Shareholder, Arai Te Uru Whare Hauora Limited	Nil - charitable entity.	
	21.03.2018	Board Member, Otākou Health Limited	Registered Charity not contracting in Health.	
	05.09.2016	Southern DHB, Iwi Governance Committee	Possible conflict with SDHB contract funding.	
	09.02.2017	Director and Shareholder, VIII(8) Limited	Nil	
	21.03.2018	Chair, NGO Council	Nil	
	07.06.2018	Chairperson, Te Rūnanga o Otākou Incorporated	Registered Charity - not contracting in Health.	
	07.06.2018	Director, Te Rūnanga Otākou Ltd	Nil does not contract in health.	Update to nature of interest 2 July 2018
	07.06.2018	Trustee, Kaupapa Taiao	Registered Charity - not contracting in Health.	

SOUTHERN DISTRICT HEALTH BOARD
INTERESTS REGISTER
ADVISORY COMMITTEE MEMBERS

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	02.07.2018	Otakou Health Ltd - Shareholder of Te Kaika and its subsidiaries Mataora Health and Forbury Cnr Medical Centres	Possible conflict with SDHB contract funding.	Interest advised 2 July 2018
Odele STEHLIN	01.11.2010	Waihopai Rūnaka General Manager	Possible conflict with contract funding.	
Waihōpai Rūnaka – Chair IGC	01.11.2010	Waihopai Rūnaka Social Services Manager	Possible conflict with contract funding.	
	01.11.2010	WellSouth Iwi Governance Group	Nil	
	01.11.2010	Recognised Whānau Ora site	Nil	
	24.05.2016	Healthy Families Leadership Group member	Nil	
	23.02.2017	Te Rūnanga alternative representative for Waihopai Rūnaka on Ngai Tahu.	Nil	
	09.06.2017	Director, Waihopai Runaka Holdings Ltd	Possible conflict with contract funding.	
	07.06.2018	Director of Waihopai Hauora.	Possible conflict with contract funding.	
Sumaria BEATON	27.04.2017	Southland Warm Homes Trust	Nil	
IGC - Awarua Rūnaka	09.06.2017	Director and Shareholder, Sumaria Consultancy Ltd	Nil	
	09.06.2017	Director and Shareholder, Monkey Magic 8 Ltd	Nil	
	07.06.2018	Treasurer, Community Energy Network Incorporated	Nil	
Taare BRADSHAW	17.03.2017	Director, Murihiku Holdings Ltd	Nil	
IGC - Hokonui Rūnaka	07.06.2018	Trustee, Hokonui Rūnanga Health & Social Services Trust	Possible conflict with contract funding.	
	07.06.2018	Vice Chairman, Hokonui Rūnanga Incorporated	Possible conflict with contract funding.	
Victoria BRYANT	06.05.2015	Member - College of Primary Nursing (NZNO)	Nil	
IGC - Puketeraki Rūnaka	06.05.2015	Member - Te Rūnanga o Ōtākou	Nil	
	06.05.2015	Member Kati Huirapa Rūnaka ki Puketeraki	Nil	
	06.05.2015	President Fire in Ice Outrigger Canoe Club	Nil	
	24.05.2017	Member, South Island Alliance - Raising Healthy Kids	Nil	
	06.03.2018	SDHB, Te Punaka Oraka, Public Health Nursing, Charge Nurse Manager	Nil	
	06.03.2018	Member of the New Zealand Nurses Organisation	Possible conflict when negotiations are taking place.	
	06.03.2018	Member of the Public Service Association (PSA)	Possible conflict when negotiations are taking place.	
Justine CAMP	31.01.2017	Research Fellow - Dunedin School of Medicine - Better Start National Science Challenge	Nil	
IGC - Moeraki Rūnaka		Member - University of Otago (UoO) Treaty of Waitangi Committee and UoO Ngai Tahu Research Consultation Committee	Nil	
		Member - Dunedin City Council - Creative Partnership Dunedin	Nil	
		Moana Moko - Māori Art Gallery/Ta Moko Studio - looking at Whānau Ora funding and other funding in health setting	Possible conflict with funding in health setting.	
Terry NICHOLAS	06.05.2015	Treasurer, Hokonui Rūnanga Inc.	Nil	
IGC - Hokonui Rūnaka	06.05.2015	Member, TRoNT Audit and Risk Committee	Nil	
	06.05.2015	Director, Te Waipounamu Māori Cultural Heritage Centre	Nil	
	06.05.2015	Trustee, Hokonui Rūnanga Health & Social Services Trust	Possible conflict when contracts with Southern DHB come up for renewal.	
	06.05.2015	Trustee, Ancillary Claim Trust	Nil	
	06.05.2015	Director, Hokonui Rūnanga Research and Development Ltd	Nil	
	06.05.2015	Director, Rangimanuka Ltd	Nil	
	06.05.2015	Member, Te Here Komiti	Nil	
	06.05.2015	Member, Arahua Holdings Ltd	Nil	
	06.05.2015	Member, Liquid Media Patents Ltd	Nil	
	06.05.2015	Member, Liquid Media Operations Ltd	Nil	
	09.06.2017	Director, Murihiku Holdings Ltd	Nil	
	09.06.2017	Director and Shareholder, Real McCoy Owner Ltd	Nil	
	09.06.2017	Director and Shareholder, Real McCoy Operator Ltd	Nil	
Ann WAKEFIELD	03.10.2012	Executive member of Ōraka Aparima Rūnaka Inc.	Nil	
IGC - Ōraka Aparima Rūnaka	09.02.2011	Member of Māori Advisory Committee, Southern Cross	Nil	

SOUTHERN DISTRICT HEALTH BOARD
INTERESTS REGISTER
ADVISORY COMMITTEE MEMBERS

Committee Member	Date of Entry	Interest Disclosed	Nature of Potential Interest with Southern DHB	Management Approach
	03.10.2012	Te Rūnanga representative for Ōraka-Aparima Rūnaka Inc. on Ngai Tahu.	Nil	

SOUTHERN DISTRICT HEALTH BOARD
INTERESTS REGISTER
EXECUTIVE LEADERSHIP TEAM

Management of staff conflicts of interest is covered by SDHB's Conflict of Interest Policy and Guidelines.

Employee Name	Date of Entry	Interest Disclosed	Nature of Potential Interest with Southern District Health Board
Kaye CHEETHAM	08.07.2019	Ministry of Health Appointed Member of the Occupational Therapy Board	
Mike COLLINS	15.09.2016	Wife, NICU Nurse	
	01.07.2019	Capable NZ Assessor	Asked from time to time to assess students, bachelor and masters students final presentation for Capable NZ.
Matapura ELLISON	12.02.2018	Director, Otākou Health Ltd	Possible conflict when contracts with Southern DHB come up for renewal.
	12.02.2018	Deputy Kaiwhakahaere, Te Rūnanga o Ngai Tahu	Nil
	12.02.2018	Chairperson, Kati Huirapa Rūnaka ki Puketeraki (Note: Kāti Huirapa Rūnaka ki Puketeraki Inc owns Pūketeraki Ltd - 100% share).	Nil.
	12.02.2018	Otago Museum Māori Advisory Committee	Nil
	12.02.2018	Trustee, Section 20, BLK 12 Church & Hall Trust	Nil
	12.02.2018	Trustee, Waikouaiti Maori Foreshore Reserve Trust	Nil
	29.05.2018	Director & Shareholder (jointly held) - Arai Te Uru Whare Hauora Ltd	Possible conflict when contracts with Southern DHB come up for renewal.
Chris FLEMING	25.09.2016	Lead Chief Executive for Health of Older People, both nationally and for the South Island	
	25.09.2016	Chair, South Island Alliance Leadership Team	
	25.09.2016	Lead Chief Executive South Island Palliative Care Workstream	

SOUTHERN DISTRICT HEALTH BOARD
INTERESTS REGISTER
EXECUTIVE LEADERSHIP TEAM

Employee Name	Date of Entry	Interest Disclosed	Nature of Potential Interest with Southern District Health Board
	25.09.2016	Deputy Chair, InterRAI NZ	
	10.02.2017	Director, South Island Shared Service Agency	Shelf company owned by South Island DHBs
	10.02.2017	Director & Shareholder, Carlisle Hobson Properties Ltd	Nil
	26.10.2017	Nephew, Tax Advisor, Treasury	
	18.12.2017	Ex-officio Member, Southern Partnership Group	
	30.01.2018	CostPro (costing tool)	Developer is a personal friend.
	30.01.2018	Francis Group	Sister is a consultant with the Francis Group.
Lisa GESTRO	06.06.2018	Lead GM National Travel and Accommodation Programme	This group works on behalf of all DHBs nationally and may not align with SDHB on occasions.
	04.04.2019	NASO Governance Group Member	This group works on behalf of all DHBs nationally and may not align with SDHB on occasions.
	04.04.2019	Lead GM Perinatal Pathology	This group works on behalf of all DHBs nationally and may not align with SDHB on occasions.
Nigel MILLAR	04.07.2016	Member of South Island IS Alliance group	This group works on behalf of all the SI DHBs and may not align with the SDHB on occasions.
	04.07.2016	Fellow of the Royal Australasian College of Physicians	Obligations to the College may conflict on occasion where the college for example reviews training in services.
	04.07.2016	Fellow of the Royal Australasian College of Medical Administrators	Obligations to the College may conflict on occasion where the college for example reviews training in services.
	04.07.2016	NZ InterRAI Fellow	InterRAI supplies the protocols for aged care assessment in SDHB via a licence with the MoH.
	04.07.2016	Son - employed by Orion Health	Orion Health supplies Health Connect South.
	04.07.2016	Clinical Lead for HQSC Atlas of Healthcare variation	HQSC conclusions or content in the Atlas may adversely affect the SDHB.

SOUTHERN DISTRICT HEALTH BOARD
INTERESTS REGISTER
EXECUTIVE LEADERSHIP TEAM

Employee Name	Date of Entry	Interest Disclosed	Nature of Potential Interest with Southern District Health Board
	29.05.2018	Council Member of Otago Medical Research Foundation Incorporated	
Nicola MUTCH		Deputy Chair, Dunedin Fringe Trust	Nil
	02.04.2019	Husband - Registrar and Secretary to the Council, Vice-Chancellor's Advisory Group, University of Otago	Possible conflict relating to matters of policies, partnership or governance with the University of Otago.
	07.08.2019	Father, Mayoral candidate for Waitaki District	
Patrick NG	17.11.2017	Member, SI IS SLA	Nil
	17.11.2017	Wife works for key technology supplier CCL	Nil
	18.12.2017	Daughter, medical student at Auckland University and undertaking Otago research project over summer 2017/18.	
Julie RICKMAN	31.10.2017	Director, JER Limited	Nil, own consulting company
	31.10.2017	Director, Joyce & Mervyn Leach Trust Trustee Company Limited	Nil, Trustee
	31.10.2017	Trustee, The Julie Rickman Trust	Nil, own trust
	31.10.2017	Trustee, M R & S L Burnell Trust	Nil, sister's family trust
	23.10.2018	Shareholder and Director, Barr Burgess & Stewart Limited	Accounting services
		Specified contractor for JER Limited in respect of:	
	31.10.2017	H G Leach Company Limited to termination	Nil, Quarry and Contracting.
Gilbert TAURUA	05.12.2018	Prostate Cancer Outcomes Registry (New Zealand) - Steering Committee	Nil
	05.04.2019	South Island HepC Steering Group	Nil
	03.05.2019	Member of WellSouth's Senior Management Team	Reports to Chief Executives of SDHB and WellSouth.

SOUTHERN DISTRICT HEALTH BOARD
INTERESTS REGISTER
EXECUTIVE LEADERSHIP TEAM

Employee Name	Date of Entry	Interest Disclosed	Nature of Potential Interest with Southern District Health Board
Gail THOMSON	19.10.2018	Member Chartered Management Institute UK	Nil
Jane WILSON	16.08.2017	Member of New Zealand Nurses Organisation (NZNO)	No perceived conflict. Member for the purposes of indemnity cover.
	16.08.2017	Member of College of Nurses Aotearoa (NZ) Inc.	Professional membership.
	16.08.2017	Husband - Consultant Radiologist employed fulltime by Southern DHB and currently Clinical Leader Radiology, Otago site.	Possible conflict with any negotiations regarding new or existing radiology service contracts. Possible conflict between Southern DHB and SMO employment issues.
	16.08.2017	Member National Lead Directors of Nursing and Nurse Executives of New Zealand.	Nil

Southern District Health Board

Minutes of the Hospital Advisory Committee Meeting held on Wednesday, 31 July 2019, commencing at 9.00 am in the Board Room, Wakari Hospital Campus, Dunedin

Present:	Mrs Kathy Grant	Commissioner
	Mrs Jean O'Callaghan	Deputy Commissioner
	Dr David Perez	Deputy Commissioner
	Mr Richard Thomson	Deputy Commissioner
	Ms Odele Stehlin	Committee Member (by videoconference)
In Attendance:	Mr Patrick Ng	Executive Director Specialist Services
	Mrs Lisa Gestro	Executive Director Strategy, Primary & Community and Acting CEO
	Dr Tim Mackay	Deputy Chief Medical Officer (by videoconference from 11.00 am)
	Dr Nicola Mutch	Executive Director Communications
	Mr Gilbert Taurua	Chief Māori Health Strategy & Improvement Officer (by videoconference)
	Mrs Jane Wilson	Chief Nursing & Midwifery Officer
	Ms Jeanette Kloosterman	Board Secretary

1.0 APOLOGIES

Apologies were received from Mr Chris Fleming, Chief Executive Officer, and Dr Nigel Millar, Chief Medical Officer.

2.0 PUBLIC FORUM

The Commissioner welcomed Ms Jen Wilson, PSA Organiser, and members of the public to the forum.

Ms Wilson introduced the PSA allied health and clerical delegates from Waitaki, Dunstan and Clutha Hospitals who had accompanied her to make submissions in relation to funding pay rises for clerical and allied health staff in rural hospitals.

Ms Wilson outlined the concerns PSA members had about relativity with their DHB counterparts. They understood that DHB nurses and allied health staff had received significant pay increases in 2018 and funding had been received from the Ministry of Health for that, however that funding was not extended to cover staff in SDHB's rural hospitals.

The PSA delegates summarised the status of their collective agreement bargaining and expressed their concerns about recruitment and retention of staff in rural hospitals.

In response, the Commissioner commented that Southern DHB valued its relationship with the rural hospitals and saw that relationship as one of partnership. She advised that the model in Southern was different to other parts of the country where rural hospitals were, for the most part, owned and operated by the DHB, which created complexity. The DHB had pressed this matter with both the Ministry

and Minister of Health but the indications were that additional funding was unlikely to be received to pass on to the rural hospitals for staff pay increases.

The Executive Director Strategy, Primary and Community (EDSP&C) reiterated the efforts that had been made nationally to have the effect of this on Southern recognised and advised that during contract negotiations with SDHB's rural partners the issue of pay parity was viewed as a shared problem. It was hoped those negotiations would be concluded in the next few weeks.

The value of the work undertaken by staff in the rural hospitals and the inequity created by the ownership and management model within the Southern district were acknowledged.

3.0 PRESENTATION - ENVIRONMENTAL SUSTAINABILITY AND GREEN DEVELOPMENT

Dr Matthew Jenks, Consultant Anaesthetist, was welcomed to the meeting and presented Southern DHB's Carbon Footprint Assessment 2016/17 and Carbon Emissions Reduction Plan 2030 (tab 2).

During his presentation, Dr Jenkins highlighted the following points.

- Climate change was an important issue for population health and the biggest global health threat of the 21st century. The latest Intergovernmental Panel on Climate Change (IPCC) report stated that, to avoid the worst impacts of global warming. CO_2 emissions needed to drop by 45% by 2030 and zero by 2050.
- The health sector was a significant contributor to global warming.
- SDHB's total carbon footprint was equivalent to 28,240 tonnes of carbon dioxide, primarily from coal (58.6%), medical gases (12.6%), electricity (9.1%), staff flights (5.9%), and DHB vehicles (3.5%).
- SDHB was using three times more nitrous oxide than other DHBs.
- The Minister of Health in his 2018 letter of expectations stated that we, "commit to individually and collectively make efforts to reduce carbon emissions and, where appropriate, promote the adoption of CEMARS (Certified Emissions Measurement and Reduction Scheme) (or other carbon neutral scheme)."
- Other DHBs had used CEMARS to reduce their emissions, eg Canterbury DHB had reduced their footprint by 20% over three years, primarily by swapping coal for woodchip; Counties Manukau DHB had reduced their footprint by 21% over five years and achieved direct savings of $500k as a result, Auckland DHB had achieved a 16% reduction over three years.
- SDHB had the opportunity to reduce its carbon footprint by 80% by 2030. The cornerstone to achieving this was eliminating the use of coal at Dunedin and Southland Hospitals. Other key things that could be done were:
  - aligning use of N_20 with other DHBs
  - using electricity more efficiently
  - progressively electrifying the vehicle fleet
  - delivering care closer to patients through telemedicine, and
  - reducing waste to landfill
- Dr Jenks encouraged the appointment of a Sustainability Officer to co-ordinate this work.

The Executive Director People, Culture and Technology (EDPC&T) joined the meeting at 10.00 am.

Dr Jenks was thanked for his paper and presentation, then answered questions from the Commissioner Team.

The EDPC&T and Dr Jenks left the meeting at 10.10 am.

4.0 DECLARATION OF INTERESTS

The Interests Registers were circulated with the agenda (tab 2) and received.

5.0 PREVIOUS MINUTES

***Recommendation**:*

"That the minutes of the meeting held on 29 May 2019 be approved and adopted as a true and correct record."

Agreed

6.0 MATTERS ARISING/REVIEW OF ACTION SHEET

The Committee received the action sheet (tab 4).

The Executive Director Specialist Services (EDSS) reported that:

- A paper had been drafted on Wakari Mental Health facilities but was on hold pending further guidance from the CEO;
- A constructive workshop had been held with SDHB's PSA colleagues regarding the clerical and administration transformation initiative;
- Feedback from patients on outbound calling to complete 'impact on quality of life' assessments had been positive.

7.0 PROVIDER ARM MONITORING AND PERFORMANCE REPORTS

Executive Director Specialist Services' Report (tab 7.1)

The Executive Director Specialist Services (EDSS)' monthly report was taken as read and the EDSS highlighted the following successes for the 2018-19 year.

- *Elective Delivery* - The hospital surgery target had been exceeded by 140 caseweights, which meant that 100% of elective revenue had been received.
- *Elective Service Performance Indicator (ESPI) Delivery* - Services under recovery were starting to make some good gains. The ENT service now had zero breaches for July 2019.
- *Radiology Accreditation* - The IANZ review team had recommended that the Radiology Service be granted accreditation.
- *Catheter Laboratory Implementation* - The Cath Lab had been replaced on time.
- *Capital Expenditure* - Services had spent 89% of their capital.

ESPI Recovery

The EDSS reported that:

- General Surgery, Dunedin had 200 ESPI breaches but were now down to 60;
- Urology had 90 breaches and were down to 20, which would be cleared in the next couple of weeks;
- Ear, Nose and Throat (ENT) were now fully recovered;
- Orthopaedics, Southland were down from 380 to 260;
- Further planning was being undertaken to get better results in Orthopaedics, Otago;
- Following the Resident Doctors' Association (RDA) strike, the Medicine, Women's and Children's services had breached ESPI compliance and would be included in the recovery plan.

Other Issues and Challenges

The EDSS reported that:

- The Emergency Departments had experienced winter challenges. To address capacity constraints in Dunedin, staff had been working on a 'fit to sit' initiative.
- Overall, July 2019 caseweights were on target and about 140 more than last year.
- The elective production plan had been submitted to the Ministry of Health and final guidance was expected from them. If the plan was accepted, it would close the revenue gap.
- In June there were 100 more patients on the radiation oncology waitlist than had been anticipated. The backlog had now been reduced to 32 and the wait times were now close to the indicated timeframes for each of the oncology priorities.
- SDHB's radiology performance was about average nationally but an effort would be made to lift performance closer to Ministry targets.

The EDSS then took questions.

The Commissioner Team requested a report back on the establishment of a virtual ward for diagnostics.

Financial Performance Summary (tab 7.3)

The EDSS presented the June 2019 financial report for Specialist Services and explained the variances.

The Commissioner requested that the Financial Budget Phasing vs Production Plan CWD Phasing graph be made clearer.

***Recommendation**:*

"That the reports be noted."

Agreed

CONFIDENTIAL SESSION

At 10.45 am it was resolved that the Hospital Advisory Committee move into committee to consider the agenda items listed below.

General subject:	*Reason for passing this resolution:*	*Grounds for passing the resolution:*
1. Previous Public Excluded Meeting Minutes	As set out in previous agenda.	As set out in previous agenda.
2. Dunedin Hospital Redevelopment	To allow activities and negotiations (including commercial negotiations) to be carried on without prejudice or disadvantage.	Sections 9(2)(i) and 9(2)(j) of the OIA.

Confirmed as a true and correct record:

Commissioner: _____

Date: _____

Southern District Health Board
HOSPITAL ADVISORY COMMITTEE
ACTION SHEET

As at 31 July 2019

DATE	SUBJECT	ACTION REQUIRED	BY	STATUS	EXPECTED COMPLETION DATE
Nov 2018	**Mental Health** (Minute item 5.0)	Consultation on the discussion paper on MH facilities to be widened.	EDSS	A paper on the mental health facilities at Wakari hospital was completed recently. The level of investment required to bring the facilities up to contemporary practice standards is significant and we are working through the most appropriate next steps.	To be determined
Jan 2019	**Clerical and Administration Transformation** (Minute item 5.0)	Progress reports to be provided.	EDSS	With other competing priorities this initiative is yet to get underway fully. The next phase is the workshop scheduled for 24, 25 July. A second workshop is scheduled for 20 September. An update will be provided for the November HAC meeting.	~~July 2019~~ ~~September 2019~~ November 2019
July 2019	**Radiology** (Minute item 7.0)	Report to be provided on the establishment of a virtual ward for diagnostics.	EDSS	The virtual ward has been in place since 18 June 2019. Radiology has put aside 2 one hour sessions of capacity per week (on Tuesdays and Thursdays) for this. Capacity was	

DATE	SUBJECT	ACTION REQUIRED	BY	STATUS	EXPECTED COMPLETION DATE
				'provided' from time previously dedicated to inpatient scanning. However to date we have received one referral. Un-utilised capacity is filled by inpatient and acute scanning. There is a meeting to discuss improving utilisation.	
July 2019	**Financial Report** (Minute item 7.0)	Financial Budget Phasing vs Production Plan CWD Phasing graph to be simplified and made clearer.	EDSS	This graph has been updated as requested.	Complete

SOUTHERN DISTRICT HEALTH BOARD

Title:	**Executive Director of Specialist Services Report**		
Report to:	Hospital Advisory Committee		
Date of Meeting:	26 September 2019		
Summary: Considered in these papers are: ▪ August 2019 DHB activity.			
Specific implications for consideration (financial/workforce/risk/legal etc):			
Financial:	Yes		
Workforce:	Yes		
Other:	No		
Document previously submitted to:	Not applicable, report only provided for the Hospital Advisory agenda.	**Date:**	
Approved by:		**Date:**	
Prepared by: Executive Director of Specialist Services **Date:** 09/09/2019		**Presented by:** Patrick Ng Executive Director of Specialist Services	
RECOMMENDATION: **That the Hospital Advisory Committee receive the report.**			

Executive Director of Specialist Services (EDSS) Report – August 2019

Recommendation

That the Hospital Advisory Committee notes this report.

1. Operational Overview Highlights

Radiation Oncology

The radiation oncology first specialist appointment wait list has been managed down to normally indicated volumes. However, there are a number of sabbaticals occurring between now and the end of the year and we are engaging with out of district clinicians to continue to assist us by running clinics for us to continue to keep the wait list at this level.

Linear Accelerator Implementation

A project plan has been agreed to, which will allow us to complete the commissioning of the first Elekta linear accelerator machine by the end of the calendar year (i.e. in December). The machine is approximately 70% commissioned currently and the remaining programme will allow us to complete commissioning of the remaining 30%. The programme involves the Canterbury DHB Chief Physicist (who has expertise on this particular brand of machine) coming to Dunedin and working with our physics team. The remaining commissioning tasks will be divided between the CDHB Physicist and our own physicists and completed from Friday to Monday (to minimise the downtime required on the machine) our several weekends.

We are developing a case in order to request funding support from the Ministry which will accelerate our ability to get the two Elektra machines commissioned. Subject to the completion of commissioning of the first machine we believe we can have the second machine fully commissioned within 8 months of the first machine being fully commissioned. The second machine would essentially use the first machine as a template.

Emergency Departments Dunedin and Southland

Dunedin

The Dunedin emergency department has been reporting extreme pressure during July and August, which has been very challenging to work through. We have recently been able to acquire a full data set with every ED presentation going back to 2016.

Unfortunately the data set is only complete up until mid-August. However, we have completed some high level analysis on the data set to help us understand some of the pressure our teams are facing.

The overall number of cases treated in the ED appears to be relatively static when compared to last year. Presentations were higher this year than last year, but when those who did not wait are separated out, it appears that approximately 6,100 cases were treated in the ED over the period from 1 July until mid-August in both this year (2019-20) and last year (2018-19). Based on the available data over this 6 week timeframe, 495 patients did not wait for to be seen this year compared to 231 last year, which is a fairly significant increase. This is of concern, as patients may have elected not to wait but then subsequently deteriorated.

The next point of interest is that the amount of time spent in the ED appears to have gone up significantly when this 6 week period is compared to prior years. For this year, the average time spent in ED (prior to admission or discharge) is 4.3 hours. This compares to 3.4 hours in the prior year. We need to do more work to validate this and the reasons for it, but this is quite a significant change.

The acuity appears to have increased as well. There has been increased numbers for each triage category except the lowest (triage category 5) which has reduced when compared to last year.

The number of walk-in patients has been static year on year, whilst the number of patients arriving by ambulance has increased. This also seems to suggest a higher level of acuity is being treated in the ED than last year.

Dunedin ED Arrival by Ambulance

ArrivalMethod	AMBULAN
Arrival Mth	

ED Arrival Count	Year				
Week	2016	2017	2018	2019	Grand Total
Grand Total	1,741	1,559	1,423	1,574	6,297
		-182	-136	151	
		-10%	-9%	11%	

Dunedin ED Walk Ins

ArrivalMethod	WALKIN
Arrival Mth	

ED Arrival Count	Year				
Week	2016	2017	2018	2019	Grand Total
Grand Total	4,323	4,377	4,611	4,595	17,906
		54	234	-16	
		1%	5%	0%	

Dunedin ED All Other

ArrivalMethod	(Multiple Items)
Arrival Mth	

ED Arrival Count	Year				
Week	2016	2017	2018	2019	Grand Total
Grand Total	550	491	292	436	1,769
		-59	-199	144	
		-11%	-41%	49%	

Break down of 2019:

Ambulance:	94
Other:	290
Police:	41
Transfer:	1
Mental Health:	0
All Other:	10
	436

The admission numbers have also increased, from 1,662 for this period in the prior year to 1,766 for this period in the current year. This in turn has placed increasing demand on inpatient beds and the hospital more generally and is reflected in the feedback we have had about how much pressure this has placed across the hospital system. As well as cancelling elective lists to focus on our acute caseload (as occurs regularly at this time of year), we have also had a number of occasions during August where we had to cancel elective cases despite the acute volumes being low because of insufficient inpatient beds.

This does not happen very often at the Dunedin hospital and appears to be symptomatic of the overall demands on the hospital.

In the case of the ED in Dunedin we will make a case in the coming weeks which incorporates the relocation of the inpatient medical assessment unit so that it is proximate to the ED with an overall case for Generalism.

Southland

Southland have reported very similar pressures to those of the ED in Dunedin. Unfortunately we did not have the data set for Southland at the time we constructed the HAC report (we do now) and we will provide analysis and commentary in the next HAC report. Southland are keen to develop a case for an inpatient medical assessment unit (IMAU) to effectively expand the ED in Southland. Patient presentations in Southland are very high relative to national averages and relative to Dunedin. An overall assessment of Southland ED needs to be made, in partnership with the PHO and other key stakeholders which combines reducing unnecessary ED presentations with expanded ED facilities.

Elective Delivery

The provider (hospital target) was exceeded by circa 50 case weights at the end of August. This is a deterioration as we were 100 case weights ahead of plan on a year to date basis at the end of July. The deterioration reflected the high acute volumes during the month, planned engagement activity and the bed block that was experienced towards the end of the month.

As noted in last months' report, we finalised the elective delivery plan (now called the planned care plan) with the Ministry. We systematically worked through the required target and the translation of this into a plan, in partnership with the Ministry and have been advised by our Ministry contact that we are the first DHB to have their full plan signed off. The team then developed the phasing of the plan during August (as required by the Ministry, but also required to monitor our delivery) and we have been managing our performance carefully to align to the plan.

Conversion of Anaesthetic Procedure Room to a Minor Operating Theatre

Pre-concept design drawings have been completed for converting the anaesthetic procedure room into a minor operating theatre with theatre quality air and sufficient PACU (post-anaesthetic care unit) recovery space. Aside from creating more internal hospital theatre capacity (which will allow us to complete more elective work), the theatre is required as day surgical theatre 2 is not suitable for general anaesthetic cases. The pre-concept design has been quantity surveyor assessed and comes in within the budget put aside for this initiative during capital planning. We plan to make the case for this initiative for the October Commissioner meeting with the intention of getting this initiative underway as soon as possible.

Elective Service Performance Indicator (ESPI) Delivery

We are managing to hold steady on ESPI's for the services under recovery and are planning the next stage actions from which we hope to get further improvements. As noted in earlier reports, we have implemented the Ministry of Health's first specialist appointment prioritisation tool in several services and this is assisting us match the appointments we can offer in our clinics with what we are accepting.

Nationally our overall ESPI performance has moved from being one of the worst performers to now being close to average. However, we are hoping to systematically lift our performance over the next 12 months so that we are closer to being in the top quartile. Our initial focus has been on the surgical services (which had the highest wait lists). However, following on from the RDA strikes earlier in the year we now have a number of breaches in some of the medicine, women and children services. We have therefore extended our recovery programme to include performance in those services. In a similar manner to the work we have done in the surgical services, we need to start the process by reporting actual performance on a weekly basis, meeting with the GM and Service Managers, getting underneath what is driving performance and then determining a series of initiatives (including giving consideration to the implementation of the prioritisation tool) to systematically lift overall performance.

General Surgery in Southland was not one of the services in the initial recovery plan but has subsequently seen a higher number of ESPI breaches. We have organised a specific workshop in mid-October to review the reasons for breaches and to develop a systematic recovery programme (in a similar manner to how we have treated a number of the other services).

Generalism

At a recent Executive Leadership Team meeting a decision was made to progress forward with a case for change to implement Generalism in Dunedin, and to combine this with an overall case to relocate the medical assessment unit to be proximate to the ED. This will become a focus over the coming months.

HEALTH TARGETS

Indicator	Last Quarter – MOH	Current Quarter To Date Estimate	Actions if falling short of target
Shorter Stays in Emergency Department – Target 95%	90%	84%	Continuing to look at patient flow through the Emergency Department and also across the whole hospital. This has been a key area of focus for the

			'valuing patient time' initiative.
Colonoscopy Urgent – 85% **Colonoscopy Non Urgent – 70%** **Colonoscopy Surveillance – 70%**	86% 82% 70%	88% 81% 67%	Surveillance scoping represents high volumes and variable demand. Additional weekend lists are being undertaken to keep within target.
Coronary Angiograms **95%**		98.5%	
Radiology **Diagnostic indicator CT, 95% of patients referred for elective CT have report distributed within 42 days**	April 2019 64.9% May 2019 64.3% June 2019 64.5%	July 2019 64.3% August 2019 64% (Estimate)	CT performance has held steady. It is anticipated that should the current situation be maintained (i.e. number of exams completed continue to exceed requests) an improvement will be seen in performance in the next 1-2 months.
Radiology **Diagnostic indicator MRI, 85% of patients referred for elective MRI have report distributed within 42 days**	April 2019 54.9% May 2019 48% June 2019 50.1%	July 2019 52.3% August 2019 57% (Estimate)	Dunedin weekend sessions now appear to be keeping ahead of demand and some progress is being made. Southland to recommence additional sessions.
Faster Cancer Treatment (FCT) – Target 90% of patients referred with a high suspicion of cancer and triaged as urgent receive their first definitive	Q4 - 78.1%	78.1%	There has been a deterioration in our performance over the previous three quarters. A systematic review is being undertaken to understand and correct data errors that have been identified. Data capture for the Faster Cancer Health target is complex and involves staff from all over the organisation. It appears that there have been

cancer treatment within 62 days of the date of receipt of referral (as of July 2017).			errors in our data which means that our performance looks worse than it is. This review work and corrections should be completed at the end of the first quarter (end September) and available from the MoH early November. It is estimated that the data errors account for at least 8% an 8% deterioration in the result.

Planned Care Interventions Inpatient Surgical Discharges - Annual target 12,588	**2,074** Actual YTD vs **2,210** Plan YTD, as at August 2019

Refer to page 8 - Caseweight and discharge volumes graph.

Patrick Ng, Executive Director of Specialist Services

Southern District Health Board
Piki Te Ora

Hospital Advisory Committee KPI Summary - Discharges and CWD Volumes

Planned Care Interventions Inpatient Surgical Discharges - August 2019

Planned Care Interventions Inpatient Surgical Discharges - Southern DHB population

	August 2019				Year to Date				Annual
	Actual	Plan	Variance	Var %	Actual	Plan	Variance	Var %	Plan
SDHB population treated in-house	795	934	(139)	(15%)	1,706	1,778	(72)	(4%)	10,197
SDHB population treated by other DHBs	47	47	0	%	74	94	(20)	(21%)	565
SDHB population outsourced	81	115	(34)	(30%)	188	230	(42)	(18%)	1,150
SURGICAL ELECTIVE DISCHARGES	**923**	**1,096**	**(173)**	**(16%)**	**1,968**	**2,103**	**(134)**	**(6%)**	**11,912**
Surgical Discharges from a Non-Surgical PUC	56	65	(9)	(14%)	106	107	(1)	(1%)	675
TOTAL DISCHARGES	**979**	**1,161**	**(182)**	**(16%)**	**2,074**	**2,210**	**(136)**	**(6%)**	**12,588**

Planned Care Interventions Inpatient Surgical CWD Volumes - August 2019

Planned Care Interventions Inpatient Surgical CWD Volumes - Southern DHB population

	August 2019				Year to Date				Annual
	Actual	Plan	Variance	Var %	Actual	Plan	Variance	Var %	Plan
SDHB population treated in-house	1,243	1,269	(26)	(2%)	2,465	2,416	48	2%	13,854
SDHB population treated by other DHBs	76	76	0	%	111	152	(41)	(27%)	912
SDHB population outsourced	114	158	(43)	(28%)	275	315	(40)	(13%)	1,576
SURGICAL ELECTIVE DISCHARGES	**1,434**	**1,503**	**(69)**	**(5%)**	**2,851**	**2,883**	**(33)**	**(1%)**	**16,342**
Surgical Discharges from a Non-Surgical PUC	175	157	18	12%	322	265	57	21%	1,792
TOTAL CWD VOLUMES	**1,609**	**1,660**	**(51)**	**(3%)**	**3,173**	**3,148**	**24**	**1%**	**18,134**

(1) Actual IDF Outflow volumes for the current month are not available, and have been reported based on the planned numbers.
(2) The Planned Volumes have been agreed in total with the Ministry of Health, with the draft phasing by month of the targets to be confirmed.

Southern DHB
Hospital Advisory Committee - KPIs August 2019 Data

Patient Safety and Experience - Hospital Health Check					
	Prior year	Actual	Plan / Target	Variance 'v Plan /Target	Trend/rating
3 - Improved access to Elective Surgical Services monthly (population based) Discharges Health Target	1,204	979	1,049	-70 (-6.6%)	
3a - Improved access to elective surgical services ytd (population based) Discharges Health Target	2,287	2,074	2,210	-136 (-6.2%)	

Patient Safety and Experience - Performance Report					
Monthly	Prior year	Actual	Plan / Target	Variance 'v Plan /Target	Trend/ rating
Faster Cancer treatment; 90% of patients to receive their first cancer treatment within 62 days of being referred with a high suspicion of cancer seen within 2 weeks *Reported quarterly in arrears	73.9%	85.7%	90.0%	-4.3%	
11 - Reduced stay in ED	88.0%	77.5%	95.0%	-17.5%	
15 - Acute Readmission Rates (Note 1)	11.5%	12.4%	9.9%	-2.5%	

Cost/Productivity - Hospital Health Check					
Monthly	Prior year	Actual	Plan / Target	Variance 'v Plan /Target	Trend/rating
1 - Waits >4 months for FSA (ESPI 2)	745	902	0	-902	
2 - Treatment >4 months from commitment to treat (ESPI 5)	412	674	0	-674	
% of accepted referrals for CT scans receiving procedures within 42 days	84.9%	66.4%	95.0%	-28.6%	
% of accepted referrals for MRI scans receiving procedures within 42 days	40.6%	55.5%	90.0%	-34.5%	
% accepted referrals for Coronary Angiography within 90 days	90.0%	98.5%	95.0%	3.5%	
4a - All Elective caseweights versus contract (monthly provider arm delivered) (Note 4)	2,227	1,793	1,837	-44 (-2.4%)	
4b - All Elective caseweights versus contract (ytd provider arm delivered) (Note 4)	4,033	3,514	3,416	98 (2.9%)	
7a - Acute caseweights versus contract (monthly provider arm delivered) (Note 4)	3,023	2,827	2,909	-82 (-2.8%)	
7b - Acute caseweights versus contract (ytd provider arm delivered) (Note 4)	5,984	5,814	5,608	206 (3.7%)	

Key -

- Meeting target or plan
- Underperforming against target or plan but within thresholds or underperforming but delivering against agreed recovery plan
- Underperforming and exception report required with recovery plan

Note 1 Awaiting new definition from Ministry

Note 2 DOSA rates excludes Cardiac/Cardiology

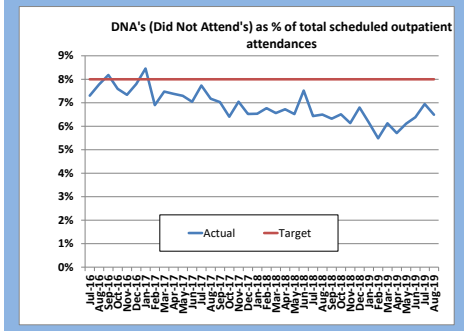
Note 3 Using SDHB historic definition not the one reported on by the MoH

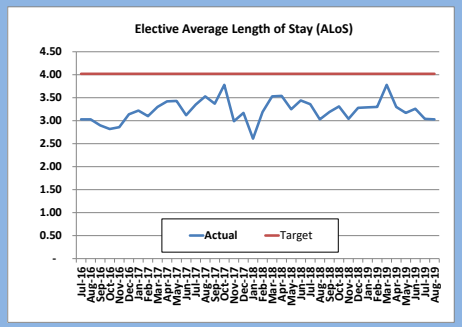
P = Pending

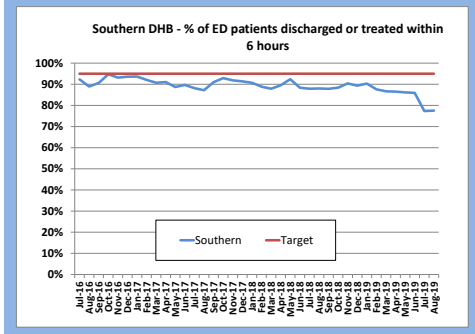
Cost/Productivity - Performance Report					
Monthly	Prior year	Actual	Plan / Target	Variance 'v Plan /Target	Trend/ rating
5 - Reduction in DNA rates	6.5%	6.5%	8.0%	1.5%	
9 - ALoS (elective) (Note 3)	3.03	3.03	4.02	0.99 (24.6%)	
ALoS (Acute inpatient) (Note 3)	3.90	3.95	4.25	0.3 (7.1%)	
DOSA (Note 2)	92.9%	94.4%	95.0%	-0.6%	

Southern DHB
Hospital Advisory Committee - Performance Report August 2019 Data

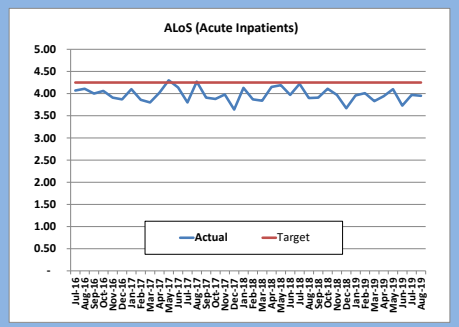
Elective Care

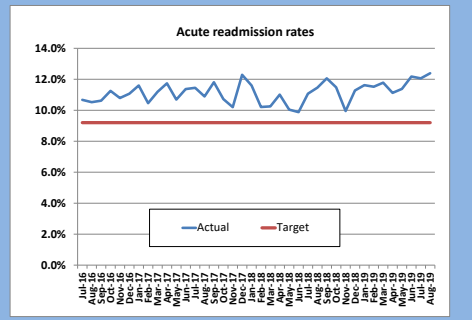






Acute Care

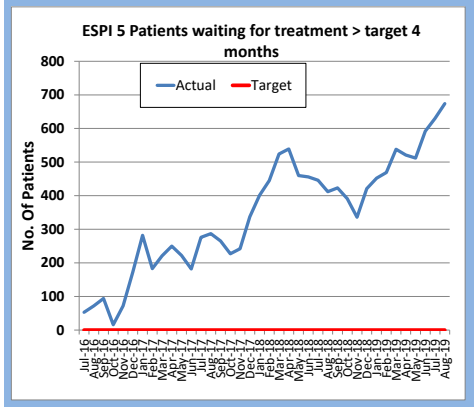


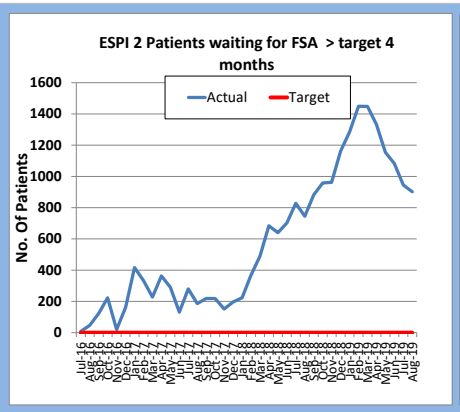


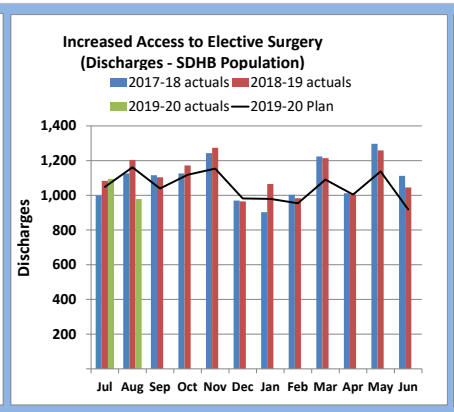
Southern DHB

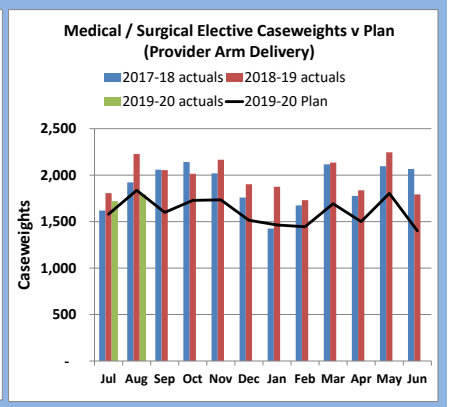
Hospital Advisory Committee - Healthcheck Report August 2019 Data

Elective Care

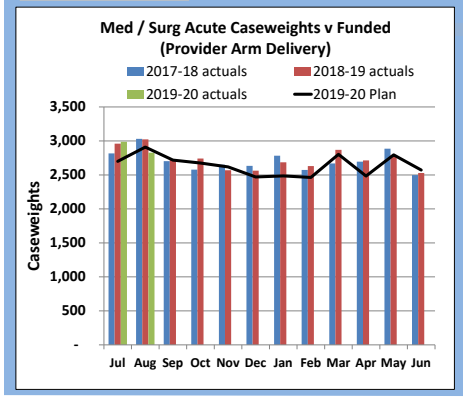








Acute Care



SOUTHERN DISTRICT HEALTH BOARD

Title:	**FINANCIAL REPORT**		
Report to:	Hospital Advisory Committee		
Date of Meeting:	26 September 2019		
SUMMARY: The issues considered in this paper are: ▪ August 2019 financial position.			
SPECIFIC IMPLICATIONS FOR CONSIDERATION (FINANCIAL/WORKFORCE/RISK/LEGAL ETC.):			
FINANCIAL:	As set out in report		
WORKFORCE:	No specific implications		
OTHER:	N/A		
DOCUMENT PREVIOUSLY SUBMITTED TO:	Not applicable, report submitted directly to Hospital Advisory Committee.	**DATE:**	
APPROVED BY CHIEF EXECUTIVE OFFICER:		**DATE:**	
PREPARED BY: Grant Paris Management Account – Clinical Analysis **DATE:** 16/09/2019		**PRESENTED BY:** Patrick Ng Executive Director of Specialist Services	
RECOMMENDATION: **That the Hospital Advisory Committee note the report.**			

SOUTHERN DHB FINANCIAL REPORT – Commissioners Summary for HAC

Financial Report for: **August 2019**
Report Prepared by: **Grant Paris**
Management Accountant
Date: **12 September 2019**

Overview

Results Summary for Specialist Services

Specialist Services encompasses the delivery of services across Mental Health, Surgical and Radiology, Medicine, Women's and Children's and Operations at SDHB at Dunedin, Wakari and Invercargill Hospitals. It excludes support services such as Building and Property, Information Technology, Finance and SDHB Management.

Month				Year To Date		
Actual $000	Budget $000	Variance $000		Actual $000	Budget $000	Variance $000
53,064	53,159	(95)	Revenue	106,290	106,382	(92)
27,367	26,891	(476)	Less Personnel Costs	54,709	54,109	(600)
20,036	19,808	(228)	Less Other Costs	40,203	39,322	(881)
5,661	**6,460**	**(799)**	**Net Surplus / (Deficit)**	**11,378**	**12,951**	**(1,573)**

For August 2019 the Specialist Services had a surplus of $5.6m, which is $0.8m unfavourable to budget. Year to date, Specialist Services surplus is $11.4m which is $1.6m unfavourable to budget.

August 2019 Result

The year to date 'production plan' target of 2,969 case weights was over achieved by approximately 85 case weights, which helped offset the impact of inter district flows(IDF) on the 'population view' target. The production plan reflects our delivery of surgery in our own facilities (including outsourcing and outplacement) both for our own population and also for other populations, which are IDF inflows.

The population target was over achieved by approximately 24 case weights against a year to date plan of 3,148 case weights). This target includes the delivery of surgery to our population by other DHBs (IDF outflows).

The production plan was 32 case weights unfavourable for the month of August. The population target was 51 case weights unfavourable in August.

Planned Care Interventions Inpatient Surgical CWD Volumes - Southern DHB Summary

	August 2019				Year to Date				Annual
	Actual	Plan	Variance	Var %	Actual	Plan	Variance	Var %	Plan
SDHB Service Provider	1,541	1,573	(32)	(2%)	3,055	2,969	85	3%	17,047
Less IDF Inflows	63	44	19	43%	124	82	42	51%	482
Plus IDF Outflows*	131	131	0	%	242	261	(19)	(7%)	1,569
Total Population View	**1,609**	**1,660**	**(51)**	**(3%)**	**3,173**	**3,148**	**24**	**1%**	**18,134**

(1) Actual IDF Outflow volumes for the current month are not available, and have been reported based on the planned numbers.

Statement of Financial Performance

Monthly					Year to date			
Actuals $000s	Budget $000s	Variance $000s	Variance FTE		Actuals $000s	Budget $000s	Variance $000s	Variance FTE
				REVENUE				
				Government & Crown Agency Sourced				
8,947	8,828	119		MoH Revenue	17,854	17,600	254	
43	43	0		IDF Revenue	85	85	0	
614	780	(166)		Other Government	1,318	1,575	(257)	
9,604	**9,651**	**(47)**		**Total Government & Crown**	**19,257**	**19,261**	**(4)**	
				Non Government & Crown Agency Revenue				
130	167	(37)		Patient related	394	440	(46)	
185	195	(10)		Other Income	349	391	(42)	
315	**362**	**(47)**		**Total Non Government**	**743**	**831**	**(88)**	
43,145	43,145	0		Internal Revenue	86,290	86,290	0	
53,064	**53,159**	**(95)**		**TOTAL REVENUE**	**106,290**	**106,382**	**(92)**	
				EXPENSES				
				Workforce				
				Senior Medical Officers (SMO's)				
6,426	6,530	104	3	Direct	13,177	13,388	211	15
374	392	18		Indirect	759	784	25	
351	261	(90)		Outsourced	780	510	(270)	
7,151	**7,183**	**32**	**3**	**Total SMO's**	**14,717**	**14,682**	**(35)**	**15**
				Registrars / House Officers (RMOs)				
3,771	3,620	(151)	(7)	Direct	7,643	7,491	(152)	(1)
177	252	75		Indirect	452	503	51	
39	30	(9)		Outsourced	63	58	(5)	
3,988	**3,901**	**(87)**	**(7)**	**Total RMOs**	**8,158**	**8,053**	**(105)**	**(1)**
11,139	**11,084**	**(55)**	**(3)**	**Total Medical costs (incl outsourcing)**	**22,875**	**22,735**	**(140)**	**14**
				Nursing				
11,388	11,234	(154)	(74)	Direct	22,050	22,035	(15)	(39)
26	1	(25)		Indirect	35	2	(33)	
3	6	3		Outsourced	6	11	5	
11,416	**11,241**	**(175)**	**(74)**	**Total Nursing**	**22,091**	**22,048**	**(43)**	**(39)**
				Allied Health				
2,704	2,581	(123)	(10)	Direct	5,493	5,281	(212)	(3)
71	37	(34)		Indirect	142	74	(68)	
40	20	(20)		Outsourced	68	41	(27)	
2,815	**2,638**	**(177)**	**(10)**	**Total Allied Health**	**5,703**	**5,395**	**(308)**	**(3)**
				Support				
167	164	(3)	2	Direct	334	339	5	2
2	1	(1)		Indirect	2	2	0	
0	0	0		Outsourced	0	0	0	
168	**165**	**(3)**	**2**	**Total Support**	**337**	**342**	**5**	**2**
				Management / Admin				
1,819	1,741	(78)	(19)	Direct	3,680	3,544	(136)	(18)
6	18	12		Indirect	14	35	21	
4	5	1		Outsourced	10	11	1	
1,829	**1,764**	**(65)**	**(19)**	**Total Management / Admin**	**3,704**	**3,590**	**(114)**	**(18)**
27,367	**26,891**	**(476)**	**(105)**	**Total Workforce Expenses**	**54,709**	**54,109**	**(600)**	**(44)**
3,006	2,983	(23)		**Outsourced Clinical Services**	6,178	5,860	(318)	
0	0	0		**Outsourced Corporate / Governance Services**	0	0	0	
0	0	0		**Outsourced Funder Services**	0	0	0	
7,066	6,855	(211)		**Clinical Supplies**	14,112	13,603	(509)	
1,130	1,044	(86)		**Infrastructure & Non-Clinical Supplies**	2,219	2,105	(114)	
				Provider Payments				
8,054	8,107	53		Mental Health	16,085	16,127	42	
				Non Operating Expenses				
812	820	8		Depreciation	1,611	1,627	16	
0	0	0		Capital charge	0	0	0	
0	0	0		Interest	0	0	0	
20,036	**19,808**	**(228)**		**Total Non Personnel Expenses**	**40,203**	**39,322**	**(881)**	
47,403	**46,699**	**(704)**		**TOTAL EXPENSES**	**94,912**	**93,431**	**(1,481)**	
5,661	**6,460**	**(799)**		**Net Surplus / (Deficit)**	**11,378**	**12,951**	**(1,573)**	

Revenue

Ministry of Health (MoH) Revenue

MoH revenue is $0.1m favourable to budget for the month and $0.25m favourable year to date. The main contributors are detailed below:

Category	Source	Monthly Variance $000s	Year-end Variance $000s	Comment
MoH Revenue				
Personal Health-side contracts	Bowel Screening	71	81	Additional contracted revenue partially offset by cost.
Public Health	Cervical Screening / Colposcopy	11	10	Yearend volumes lower than budgeted.
Disability Support Services	Fee for Service Beds	44	128	Mental Health usage of fee for service beds.
Clinical Training		(27)	1	Reconciliation of eligible personnel to amounts billed.
Other		20	34	
Total		**119**	**254**	

Other Government Revenue.

Other Government revenue was $0.16m unfavourable in August driven by Orthopaedic ACC revenue being $0.12m less than budget. Year to date revenue is $0.3m unfavourable to budget also driven by lower than budgeted Orthopaedic ACC revenue.

It appears that the Surgical GM and BA were too optimistic about what ACC revenue could be delivered in Dunedin when the budget was constructed. However, a workshop has been run to determine opportunities to maximise ACC billing and a programme of work is underway to increase billing as much as possible, focused on two opportunities – increasing ACC surgery and maximising ACC claiming. It should also be noted that Southland has a high number of tourist related ACC cases relative to the rest of the country and we believe that bulk funding of ACC disadvantages us. We will review what can be done in this regard.

Haemophiliac rebate revenue is $0.19m favourable year to date which is offset by cost.

Patient related revenue.

Patient related revenue is close to budget both monthly and year to date (ytd). This revenue line which includes non-resident revenue is unpredictable and therefore will be subject to timing differences on a monthly basis.

Workforce Costs

Workforce costs (personnel plus outsourcing) were $0.48m unfavourable to budget in August and $0.6m unfavourable year to date. Operationally FTE were 105 unfavourable to budget in August and 44 full time equivalent (FTE) unfavourable for the year.

The main driver for the unfavourable workforce variance are direct costs which are $0.45m over budget.

FTE

This has been driven by FTE, the majority of this in Nursing as below.

Staff Type	Actual FTE Aug19	Budget FTE Aug19	Monthly Variance	Actual FTE YTD Aug19	Budget FTE YTD Aug19	YTD Variance
SMO	245	248	3	237	252	15
RMO	320	314	(7)	316	316	(1)
Nursing	1,492	1,419	(74)	1,481	1,442	(39)
Allied	394	384	(10)	388	384	(3)
Support	36	37	2	36	37	2
Mgmt / Admin	350	331	(19)	348	330	(18)
Grand Total	**2,837**	**2,732**	**(105)**	**2,805**	**2,760**	**(45)**

A review of total FTE below shows this variance to be due to two key factors;

- An increase in actual FTE by 64 and;
- A decrease in budgeted FTE from July by 57.

Staff Type	Actual FTE Jun19	Actual FTE Jul19	Actual FTE Aug19	Actual FTE Movement from Prior month	Budget FTE Jun19	Budget FTE Jul19	Budget FTE Aug19	Budget FTE Movement from Prior month
SMO	247	229	245	(15)	244	255	248	8
RMO	322	313	320	(7)	321	318	314	4
Nursing	1,541	1,469	1,492	(24)	1,456	1,465	1,419	46
Allied	397	382	394	(12)	391	385	384	1
Support	36	36	36	0	37	37	37	(0)
Mgmt / Admin	351	345	350	(5)	335	329	331	(2)
Grand Total	**2,895**	**2,773**	**2,837**	**(64)**	**2,785**	**2,789**	**2,732**	**57**

The increase in actual FTE was caused by:

1. **Annual Leave not taken to levels budgeted**

   This amounted to 87FTE across all staff types in August, 55 being non Nursing FTE. For these staff types, if staff are not on annual leave as planned, they will be working therefore increasing costs and FTE over budget. SDHB budgets for all staff to take 100% of their annual leave balances.

Staff Type	Actual FTE Aug19	Budget FTE Aug19	Monthly Variance	Actual FTE YTD Aug19	Budget FTE YTD Aug19	YTD Variance
SMO	15	31	16	22	29	7
RMO	25	43	18	26	41	15
Nursing	121	153	32	131	158	27
Allied	19	30	11	25	29	4
Support	3	3	0	3	3	0
Mgmt / Admin	19	28	9	22	29	7
Grand Total	**202**	**289**	**87**	**230**	**290**	**61**

2. **Occupancy / Acuity**

   Continued high occupancy and acuity in the hospital has maintained high levels of Nursing FTE throughout August.

   Excluding Mental Health, patient watches which require one on one care and are generally not budgeted, utilised 4,100 hours (approx. 25FTE) in August. This has driven the high level of Health Care Assistants which were 37FTE unfavourable to budget. This data is recorded in Trendcare, our Nursing acuity tool.

The decrease in budgeted FTE from July to August was due to:

3. **YTD FTE budget corrections**

   A reduction in the year to date budgeted FTE from July to August, mainly impacting Nursing and to a lesser extent SMO's. The majority of this decrease was in Mental Health and reflects the full loading of the savings target for mental health.

4. **Expenditure Management Plans**

   The valuing patient time initiative had no FTE associated with it in July. This has been budgeted from August onwards with FTE reductions of 22 Nursing FTE per month and has now been loaded in nursing direct costs.

Non FTE Personnel Cost drivers

A review of other payroll areas highlights the following points of note:

5. **Budgeted rates**

   With the exception of nursing which has been impacted by a higher number of Health Care Assistants being employed during the month (thereby decreasing the average rate paid compared to budget), a review of actual pay rates verses those budgeted shows a high correlation between the two.

6. **Allowances**

   Allowances which have previously been an area of risk, especially SMO's are on budget both monthly and ytd.

Further work is required to fully reconcile the FTE movements for each workforce from month to month and to fully account for the non-FTE driven adjustments in each of the workforces. Further information will be supplied at the HAC meeting.

Outsourced Clinical Services costs

Outsourced services were on budget for the month and $0.32m unfavourable year to date.

There were major offsetting variances as follows;

- Unfavourable variances for additional outsourced Radiology reads ($0.14m unfavourable monthly and $0.24m unfavourable ytd) plus Vascular assessments driven by increased volumes and prices ($0.10m unfavourable for the month and $0.07m ytd), offset by:

- Favourable variances due to lower than budgeted General Surgery outsourcing ($0.17m favourable for the month and $0.12m ytd).

Elective outsourcing was scaled back to catch up the year to date overspend from July. Work is underway to rate limit the vascular contract so that only the budgeted value is spent on a monthly basis (i.e. not spending in excess of the available budget).

Clinical Supplies (excluding depreciation)

Clinical supplies were unfavourable to budget by $0.21m in August and $0.51m year to date.

Some of the unfavourable variances shown below were impact by 2 months expenditure management plans budgeted in August. The allocation of these was approved subsequent to the July result being published so the adjustment for both months was made in August.

The monthly unfavourable variance is driven by:

- $0.18m - Treatment disposables was unfavourable, the main drivers being Blood costs (due to haemophiliac products, offset by rebate received), staples, renal fluids (unfavourable for the month but under budget ytd), patient consumables and IV supplies. (the last three of these had 2 months savings reallocated as described above)

  YTD treatment disposables are $0.34m unfavourable to budget.

- $0.26m unfavourable Implants and Prostheses – Implant costs are directly related to patient activity. Expenditure on:
  - screws nails and plates $0.07m,
  - shunts and stents $0.08m,
  - hip prostheses costs $0.05m,
  - knee prostheses costs $0.07m and
  - cardiac implants $0.06m all unfavourable for the month.

  There was a partial offset favourable variance in spinal plates and screws and other implants of $0.07m.

These were offset partially by the following favourable monthly variances

- $0.08m - Instruments and equipment were favourable due to a one off adjustment to a service contract that had been over accrued. Year to date instruments and equipment are $0.02m favourable however we forecast this to be unfavourable going forward with higher than budgeted spends mainly in minor purchases.

- $0.12m – Pharmaceuticals were favourable for the month driven by an underspend in the Oncology service.

- $0.05m favourable – Other Clinical Supplies were favourable with lower Air Ambulance missions in the month $0.03m favourable. Year to date missions are higher than budget by $0.08m.

Infrastructure and Non-Clinical

These costs were $0.09m unfavourable to budget in the month and $0.11m unfavourable year to date.

The largest variance in August of $0.06m was driven by patient meals. Patient meals are accrued on the same volumes as prior year at the updated cost as the invoice isn't received when accounts are prepared. This does however reflect the high occupancy experienced in the hospital in August.

Provider Payments

These costs were $0.08m favourable for the month and $0.04m favourable year to date.

Non-Operating Expenses

These costs are close to budget made up of depreciation charges for clinical equipment and other equipment.

Closed Session:

RESOLUTION:
That the Hospital Advisory Committee move into committee to consider the agenda items listed below.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 34, Schedule 4 of the NZ Public Health and Disability Act (NZPHDA) 2000 for the passing of this resolution are as follows:

General subject:	*Reason for passing this resolution:*	*Grounds for passing the resolution:*
1. Previous Public Excluded Meeting Minutes	As set out in previous agenda.	As set out in previous agenda.
2. Dunedin Hospital Redevelopment	To allow activities and negotiations (including commercial negotiations) to be carried on without prejudice or disadvantage.	Sections 9(2)(i) and 9(2)(j) of the OIA.
3. Building Projects	To allow activities and negotiations (including commercial negotiations) to be carried on without prejudice or disadvantage.	Sections 9(2)(i) and 9(2)(j) of the OIA.