

## AGENDA

### HOSPITAL ADVISORY COMMITTEE

### ORDINARY MEETING

### OPEN

**Thursday 8 December 2011  
10am**

**Corporate Meeting Room 1  
Taranaki Base Hospital  
David Street  
New Plymouth**



# HOSPITAL ADVISORY COMMITTEE

## MEETING AGENDA

Thursday 8 December 2011  
10 am

Corporate Meeting Room 1 Base Hospital  
David Street  
New Plymouth

1. **Declaration to Open Meeting**
2. **Apologies** - Alison Rumball
3. **Conflicts of Interest**
4. **Public Comment**
5. **Minutes**
  - 5.1 Minutes of meeting held 10 November 2011 Pages 1 - 6  
*Resolution*  
*That the Hospital Advisory Committee resolve to accept the minutes of the meeting held 10 November as a true and correct record.*
6. **Arising From Minutes**
7. **Chairman's Report**
8. **Management Reports**
  - 8.1 General Manager Hospital Services and attachments. Pages 7 - 26  
*Resolution*  
*That the Hospital Advisory Committee note and receive the report and attachments.*
9. **Other Business**
10. **Next Meeting**  
9 February 2012 in New Plymouth



## **HOSPITAL ADVISORY COMMITTEE**

### **MINUTES – PUBLIC - unconfirmed**

**Tuesday 6 October 2011**

**9.45am**

**Corporate Meeting Room 1**

**Base Hospital**

**David Street**

**New Plymouth**

#### **Present:**

Ella Borrows (Chair), Kura Denness, Karen Eagles, Flora Gilkison, Pauline Lockett, Alison Rumball, Colleen Tuuta (Board Members), Peter Moeahu (Co opted member), Mary Bourke and Peter Catt (ex-officio)

#### **In Attendance:**

Tony Foulkes (Chief Executive), George Thomas (General Manager Finance & Corporate Services), Rosemary Clements (General Manager Hospital and Specialist Services), John Doran, Chief Medical Advisor), Kerry-Ann Adlam (Director of Nursing), Katherine Fraser-Chapple (Management Accountant), Sue Carrington (Communications Advisor), Ramon Tito (Kaumatua), Jenny McLennan, (PA to Chief Executive),

Mike Burr – Customer Services/Privacy Officers

Susan Stewart - Customer Services/Privacy Officers

#### **684.0 Declaration to Open Meeting**

The meeting was declared open at 9.45am with a Karakia.

#### **685.0 Apologies**

##### Resolution

*That the apology from Brian Jeffares and Alex Ballantyne be received.*

*Catt/Rumball*

*Carried*

#### **686.0 Conflict of Interest**

The Register was circulated for signing with members asked to advise of any new interests to declare.

### **687.0 Public Comment**

Ms Moira Paterson was attending the meeting on behalf of the Multiple Sclerosis Group and interested Neurological Groups.

Ms Paterson addressed the committee about the groups concerns regarding the quality and availability of neurological services provided within the region including the time patients are having to wait for a neurological appointment. Ms Paterson advised that the group would like to see a neurological nurse/coordinator position established.

Mrs Borrowes thanked Ms Paterson for her comments and invited members to comment.

Mr Moeahu questioned whether there was any provision within the current budget for the support that had been requested.

Mrs Clements advised that historically funding had been provided for visiting neurological services and that while there was currently no holistic service support was available through the employment of a private neurologist and a locum Physician.

Ms Tuuta joined the meeting and apologised for lateness.

### **688.0 Presentation**

The Manager Quality and Risk advised that Customer Services practices and protocols had been established in accordance with the Health & Disability Act and the Code of Patient Rights. Taranaki DHB Patient Satisfaction Surveys, which covered both in and out patients had high satisfaction results of 91%.

Mr Mike Burr and Ms Susan Stewart – Customer Services/Privacy Officers were welcomed to the meeting and gave a powerpoint presentation as follows:

- Opportunities for Improvement
- *What we do all day...*
  - **Education**
    - Induction courses for new staff
    - Refresher courses for:
      - Clinical
      - Non-clinical
      - Community
      - Return nursing
    - Privacy
    - Challenging Behaviours
  - **External Collaboration**
    - ACC
    - CYFS
    - Police
    - Privacy Commissioner
    - Health & Disability

- **Complaints and Compliments**
  - Accept by phone, letter, email or directly
  - Process and monitor complaints
  - Provide reports and report trends emerging
  - Share our successes
- **Quality Improvement**
  - Identify areas for development
  - Conduct ward audits
  - Monitor compliance with Privacy standards
- **Outcomes and evaluation**
  - Increased awareness of standards and expectation.
  - Changes to policies, procedures and guidelines.
  - Treatment plans and agreements specific to patient.
  - Information pamphlets.
  - Identified actions completed
  - Complaint process monitoring
  - External review
- **Keeping it in perspective**
  - Average figures over a three month period
  - Total patients – 10,873
  - Inpatients – 1,891
  - Outpatients – 8,982
  - Formal inpatient related complaints received – 16 (0.85%)
  - Formal outpatient related complaints received – 26 (0.29%)
  - The HDC has received 37 complaints related to the DHB since 2006 of which 3 have been formally investigated. Of the three investigated, no breaches were found.
- **Partnership between clinical services, staff and the consumer is key.**

Points of interest and clarification was sought by members throughout the presentation with the following points noted during discussion:

- Members were asked to encourage community members with concerns or complaints to go through Customer Services to ensure monitoring and responses are made within appropriate timeframes.
- Complaints are acknowledged within five working days, with an outcome response to be provided within 10 days. If ten day timeframe cannot be met customers advised that response will be within twenty days. A twenty day response timeframe was within the timeframe outlined within the code.
- Majority of complaints are managed within the ten day timeframe with the recent implemented initiative of customers invited to provide feedback on the complaints process.
- Up to 60% of customers provide feedback with virtually 100% expressing satisfaction with the process. Additional KPIs on process feedback under consideration.
- It was noted that areas that had repeat complaints were managed proactively and there were instances of repeat complainers.
- Mr Burr advised that a Challenging Behaviour training session provided appropriate skills that were beneficial for varying roles and proven useful to those who had attended.

- Ms Stewart advised that visits to hospital department were undertaken as part of the informal audit process.
- It was noted there were obligations on the part of the DHB to provide appropriate information to the Police as part of a criminal investigation.
- Complaints process was seen and managed as an opportunity for improvement, with issues discussed with appropriate wards or departments. Outcome of investigations can result in additional training required.

## **689.0 Minutes of Previous Meeting**

### Resolution

*That the Hospital Advisory Committee resolve to accept the minutes of the meeting held on 8 September 2011.*

*Catt/Moeahu  
Carried*

### 689.1 Matters Arising

#### 689.2 Maori Workforce Development

Mr Moeahu thanked the Chief Executive for the Maori employment information that had been provided. It was noted that in the last year 21% of Maori candidates and 16% of non-Maori candidates were hired by the DHB. The information would be presented formally to the committee in the next HR quarterly report.

#### 689.3 Rheumatic Fever Incidence

Mrs Eagles acknowledged the rheumatic fever incidence information that had been provided and noted that all reported cases were monitored.

## **690.0 Management Reports**

### 690.1 General Manager Hospital & Specialist Services Report

The General Manager Hospital & Specialist Services took the report as read noting the following:

#### Discussion

- Mrs Eagles was advised that the Bariatric case management was on track to complete eight procedures over a two year period.

Dr John Doran left the meeting

- To assist in understanding the impact of acute volumes against budget Ms Lockett queried the breakdown of the acute casemix. Mrs Clements advised that anticipated acute volumes were set using historic information and strategies to assist in managing and/or reducing these numbers were constantly under consideration. It was noted that patient pathways were consistently reviewed to ensure optimal patient management. Mrs Clements added that the prime focus of any reviews and patient pathways consideration was to improve models of care rather than financial outcomes.
- It was noted that the Do Not Attend (DNA) and rescheduling policy was to be tightened and an improved texting system used to manage DNAs.

- It was noted that it was positive that Mental Health actual inpatient days were below the contracted level.
- Mrs Clements reported that some data issues had been identified in the capture of the ED Health Target. Statistics in the report would be updated for future reports.
- Mr Moeahu reminded the committee of an earlier suggestion regarding the possible acknowledgement of former Chairman – Mr John Young in the new build. Miss Bourke acknowledged the suggestion which would need further consideration in due course.

#### 690.2 Financial Report for Hospital and Specialist Services

Mrs Fraser-Chapple took the report as read and was available to respond to any questions:

- Mrs Clements advised that RMO locum costs were generally standardised across the country through National agreements.
- It was noted that patient consumables were included as part of the total service costs for ACC.

#### Resolution

*That the Hospital Advisory Committee receive and note the Management Reports and attachments.*

*Eagles/Borrows  
Carried*

#### 690.3 Neurological Services

Ms Lockett suggested that in considering the points raised in the public comment section earlier in the meeting that technology be considered as part of a possible solution. Miss Bourke noted that it was essential to ensure good utilisation of the neurologist time when here.

Mrs Clements acknowledged this and referred to her earlier comments on service arrangements.

#### **691 Date of Next Meeting**

The next meeting of the Hospital Advisory Committee was scheduled to be held on Thursday, 10 November 2011

.....  
Chairman

.....  
Date

TDHB Hospital Advisory Committee Task List as at 6 October 2011						
Action No	Date Raised	Action Description	Status	Assigned	Due Date	Updates
8	6 October 11	<b>New Facilities</b> – Consideration of acknowledging former Chairman		Chair	2013	



**TO** CEO and Hospital Advisory  
Committee



**FROM** General Manager Hospital &  
Specialist Services

**DATE** November 2011

**MEMORANDUM**

**SUBJECT** Exception Report for October  
2011

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## 1 OVERVIEW

This report provides an overview for the Hospital Advisory Committee (HAC) of hospital activity for October 2011.

Ward occupancy in the adult inpatient wards was the lowest recorded over the past 12 months. This was spread across both medical and surgical specialties, with a flow on effect to the rehabilitation ward. Amongst our specialist units our Neo Natal Unit had a busy month with occupancy 100%.

### 1.1 Financial Comment

The TDHB Provider result for the month of October is \$453K worse than the budgeted deficit of \$619K. The year to date deficit of \$842K is \$1.18M worse than the budgeted surplus of \$342K.

TDHB Provider revenue for is above budget for the year to date by \$232K. Internal revenue from the DHB funder is above budget, with lower than expected revenue from other sources, including ACC revenue.

For October 2011 the overall TDHB Provider expenditure is \$639K over budget for the month, and \$1.42M for the year to date, with total budgeted expenditure of \$57.22M. The variance is made up of significant overspends in outsourced services and clinical supplies and smaller variances in other areas

More detailed financial information is contained in the Financial Report for Hospital and Specialist Services for the month ending 31 October 2011 (attachment 1).

## 2 ACTIVITY

### DHB Funded Activity

#### 2.1 Casemix and Non Casemix Activity

##### 2.1.1 Casemix Delivery for 2011/12

Overall casemix delivery was 2% behind plan for October (29 cwd) and 3% above year to date (188 cwd). October discharges were slightly behind last year (43) and caseweight slightly ahead (20 cwd).

October acute delivery was 5% below plan although as shown below is still 4% ahead year to date while total elective delivery was 7% ahead for the month (2% ahead year to date).

October -11 YEAR TO DATE result Case Mix delivery						
	Dschg	Total Cwd's	Contract	Cwd var	Avg Cwd.	% Variance
Medical	3794	2224	2277.3	-(53.75)	0.59	-2%
Surgical Acute	1131	1600	1442	158.23	1.41	11%
Surgical Elective	1481	1592	1540	52.35	1.07	3%
<b>Total Surgical</b>	<b>2612</b>	<b>3192</b>	<b>2981</b>	<b>210.58</b>	<b>1.22</b>	<b>7%</b>
Maternity	915	434	400.45	33.29	0.47	8%
Neo natal	96	159	160.45	-(1.73)	1.65	-1%
Total Acute	5858	4379	4222	157	.075	4%
Total Elective	1559	1629	1598	31.37	1.04	2%
<b>Total</b>	<b>7417</b>	<b>6008</b>	<b>5819</b>	<b>188.39</b>	<b>0.81</b>	<b>3%</b>

*Note: October casemix is partially estimated due to incomplete coding. There were 408 uncoded potential casemix cases of the 1788 total so 22.8% of the casemix result is estimated.*

##### 2.1.2 Specialty breakdown

###### *Acute delivery*

Another quiet month for acute delivery (particularly medical) however orthopaedics, gynaecology and cardiology were significantly above contract. Year to date orthopaedics, general surgery and cardiology are responsible for most of the acute over delivery.

###### *Elective delivery*

ENT and orthopaedics were responsible for most of October's elective over delivery with ENT being 82% (21 cwd) above for the month. The first quarter trend continued and October delivery for dental, urology and cardiology remained behind plan.

###### *Procedure targets*

Joints: Year to date performance was 50 hip and 46 knee operations, a total of 96, which is 8 behind plan.

Cataracts: 160 year to date, which was 19 ahead of plan.

## 2.2 Outpatient FSA Delivery for 2010/11

### *Medical First Specialist Assessments (FSA)*

Medical FSAs have dropped behind contract from 11 above in September to 45 behind this month.

Planned over delivery continues in order to address waiting lists, particularly: rheumatology, respiratory and gastroenterology. Benefits of the specialist nursing roles are still being seen in the specialties concerned.

	Act Vols	Ctrct Vols	Var	% Var	Comment
General Medicine - FSA	138	203	-65	-32%	Deteriorated from last month – (conference leave impacted on this service).
Cardiology - FSA	172	247	-75	-30%	2% improvement – limited by consultant resource.
Dermatology - FSA	64	50	14	28%	
Endocrinology - FSA	63	67	-4	-6%	
Gastroenterology - FSA	30	0	30	0%	Nursing resource working well.
Haematology - FSA	32	43	-11	-26%	Meeting demand.
Neurology - FSA	76	67	9	14%	
Oncology - FSA	54	63	-9	-15%	Meeting demand.
Renal Medicine - FSA	39	60	-21	-35%	Further decrease since Sept – Physician leave impact.
Respiratory - FSA	125	67	58	88%	
Rheumatology - FSA	82	53	29	54%	
<b>Totals</b>	<b>875</b>	<b>920</b>	<b>-45</b>	<b>-5%</b>	

### *Surgical First Specialist Assessments (FSA)*

October delivery was less than plan reducing the year to date position from 26% ahead to 13%.

	Act Vols	Ctrct Vols	Var	% Var	Comment
General Surgery - FSA	713	533	180	34%	
Ear Nose and Throat - FSA	186	238	-52	-22%	Will improve in next quarter (contract requirement).
Gynaecology - FSA	305	283	22	8%	
Ophthalmology - FSA	426	367	59	16%	
Orthopaedics - FSA	344	260	84	32%	
Plastics - FSA	20	22	-2	-8%	Increased number of FSAs being seen in clinic.
Urology - FSA	140	183	-43	-24%	FSA wait time is being managed.
<b>Totals</b>	<b>2134</b>	<b>1887</b>	<b>247</b>	<b>13%</b>	

## 2.3 ACC

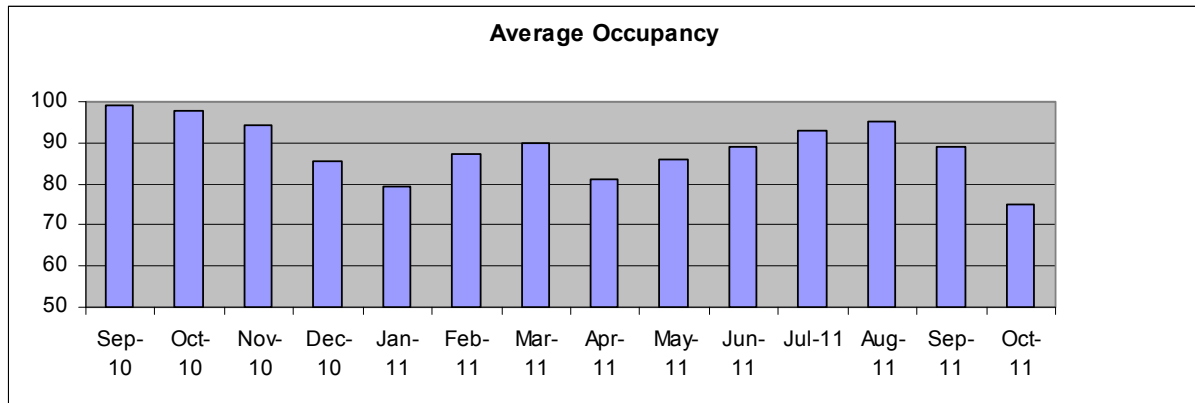
*Elective surgery contract:* We are 2.5% ahead year to date with this contract.

*Non Acute Rehabilitation contract:* The new requirements (Australian Rehabilitation Outcome or AROC) will require additional resource to set up and approximately 0.4 FTE clinical resource for ongoing management..

*ACC Audit:* This has been performed this month and we are waiting for the formal report. The preliminary report has shown that TDHB have some very good processes particularly around invoicing systems and clinical care. Issues have been identified around coding and some of the clinical process.

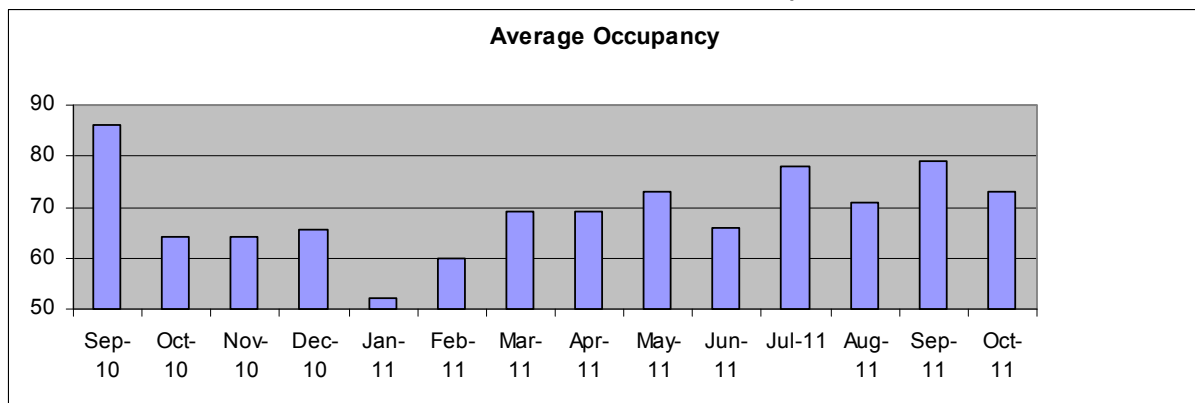
## 2.4 Inpatient Delivery

**Graph One (A): AVERAGE OCCUPANCY FOR ADULT INPATIENT WARDS (includes WARDS 1, 3, 4 & 5 - a total of 126 beds)**



(This table reflects how many patient beds are occupied each day on average. It therefore provides an indicator of the busyness of the 4 main inpatient wards and because they make up the greater number of total hospital beds, usually the general busyness of the whole hospital. It includes a mix of acute ie. unplanned patients and elective ie. planned patients.)

**Graph One (B): AVERAGE OCCUPANCY FOR SPECIALIST UNITS (includes ICU, NNU, WD 2 & MATERNITY – a total of 53 beds)**



(This table reflects how many beds are occupied each day on average for the specialist units. Typically specialist units do not run with a high occupancy and their busyness is more often dictated by the acuity of their current patients – see Graph 4 B)

Ward occupancy in the adult inpatient wards was the lowest recorded over the last 12 months. This was spread across both medical and surgical specialties and had a flow on effect into our rehabilitation ward. Amongst our specialist units, our NNU had a busy month with occupancy of 100%.

### 2.4.1 Hawera Inpatient Ward

October HIP occupancy was lower than last month with an average of 10.3 patients per day (12.5 last month). This was less than last October. There were 11 transfers from Hawera inpatients to Base.

## 2.5 Emergency Departments

### Hawera ED

There were 1245 presentations to the Hawera ED in October. This was the same as October volumes last year. The average number of patients per day was 40 compared to the 2010/11 average of 44. Transfers to Base for October was 41 which was just less than the 2010/11 average of 43. The proportions by night, morning and afternoon shifts were 15%, 29% and 56%.

### Base ED

There were 2,606 presentations in October which was 5% (115 patients) more than last month and between 7-9% more than October the last two years. Average daily presentations for October 2011 was 84 which was two more than the 2010/11 average.

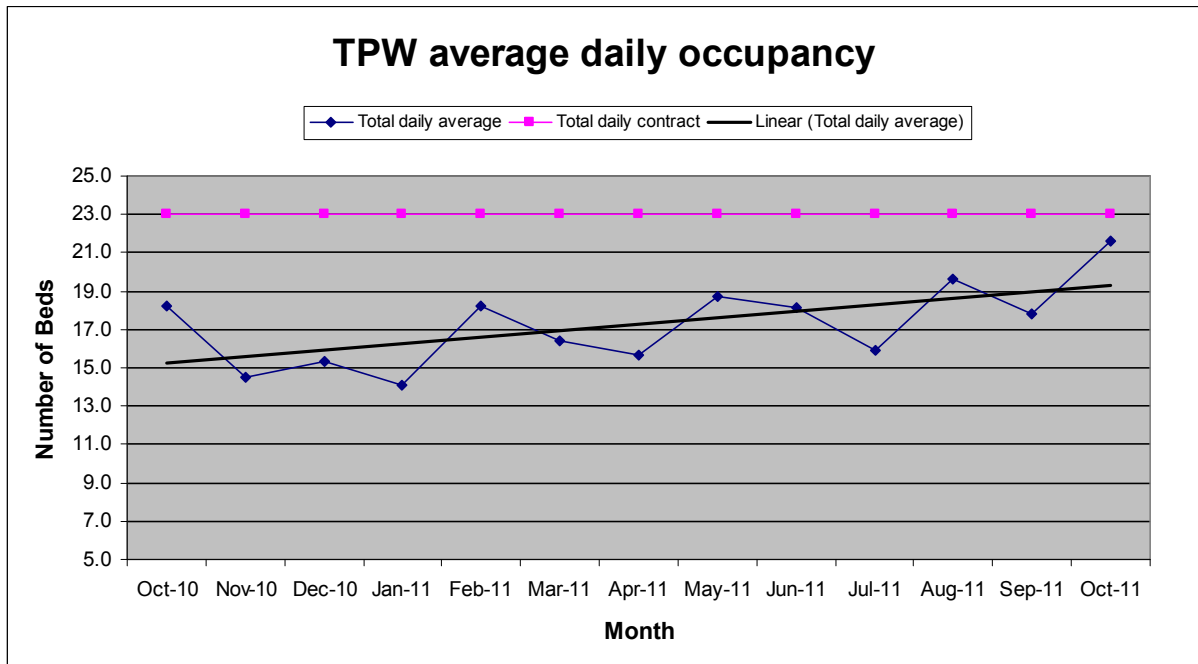
### 2.5.1 ED Health Target

The October result was 91% and there is some improvement evident at the Base ED in the past few months.

The below initiatives to improve the 6 hour target result are underway:

- 'Medical Patient Acute Pathway' project
- Re-evaluation of a Short Stay Unit within the ED for patients requiring intervention / investigations before discharge. A recent sample indicated that such as unit may result in improvement in the region of 2.5-3%. This would involve physical changes as well as staff process changes.
- CNS proposal to implement 'streaming' for minor injuries as in place at other DHBs. CNSs would see and treat thereby freeing SMOs. There is a significant lead time of 1-2 years before benefit is realised as a cohort of staff need to complete a training programme.
- Implementation of more pathways supporting fast track to wards - a fractured NOF pathway has just commenced.

### 2.6 Mental Health



TPW Occupancy: Combined (all beds) 93.8%, this is made up of: Adult = 100%; Elderly = 85.5%, IPC = 79.0%. TPW admissions in October = 48. Te Whare Whakaruru - TWW (4 beds) - occupancy 100%.

## 3 PROJECT UPDATES

### 3.1 Project Maunga Update

- The Prime Minister made a flying visit to Taranaki Base Hospital to view and tour the construction site, and meet with Fletcher workers. The visit went smoothly.
- A significant amount of work is being done to understand fully the implications of rolling out E-prescribing in terms of system capability, resources required, and workflow impact. There is close liaison occurring between the HIQ Project Lead, the HIQ Project Maunga Analyst, the Director of Nursing and the medical ward senior nursing staff. Feedback is being provided to the national group who will be overseeing the E-pharmacy pilot at TBH. The work currently underway will then guide decision making on numbers and type of PCs required in the new facility and some small fine tuning of room design plans.
- A number of COW (Computer on Wheels) options are currently being trialled in Ward Five to determine what will work best when the pilot begins early next year.

### 3.2 Planning Updates

- **Elective Services Productivity and Workforce Programme Application - The Productive Operating Theatre**

In September 2011 Taranaki District Health Board made two applications for funding to the Ministry of Health Elective Services Productivity and Workforce Programme for the introduction of The Productive Operating Theatre (T-POT) programme and a whole of system Pre-Admission project.

The Ministry of Health has now approved both Initiatives and has allocated funding of \$515,000.00 over 18 months across both projects.

The applications were on the basis that these areas would have a significant impact on the future efficiency and productivity within the new Acute Services Block.

As reported to the committee previously the DHB initiated a process to adopt Releasing Time to Care across the Hospital. The intent of this was to set in motion a process of incremental, systematic, cultural change in the way productivity and improvement initiatives are addressed.

With our successful application for funding comes the ability to extend this general approach to include operating theatres. The Productive Operating Theatre programme offers the DHB the ability to utilise internationally proven evidence based processes to enhance both theatre productivity and support the transition to the new theatre complex. The programme is also seen as a critical component of the delivery of the objectives of the DHB's 2011-2012 and 2012-2013 Annual Plans.

## 4 GENERAL

- Smokefree Health Target – this is well established and we continue to achieve 92-93%.

- The Releasing Time To Care (RTTC) programme continues to progress well in Wards 3 and 4. Intensive Care has launched and Ward One's launch is planned for February 2012.
- Work is underway on improving the pathway for the acute patient through their inpatient experience. This will be led by a Senior Registered Nurse alongside Clinical Champions for each service.
- Interventional Radiology: Due to workforce issues a number of peripheral interventional radiology procedures can no longer be performed locally by Fulford Radiology. These procedures are required particularly for the investigation and treatment of vascular disease. Waikato DHB have agreed to provide services for patients requiring these services acutely and we have entered into an arrangement with Midland Cardiovascular Services (MCVS) for elective patients. MCVS is based at Braemar Hospital in Hamilton. Patients will need to have a support person with them and stay overnight in Hamilton.

## RECOMMENDATION

That the Hospital Services Reports for the month of October be noted and received.

**Rosemary Clements**  
**General Manager**  
**Hospital & Specialist Services**

## Appendices

1. Financial Report for Hospital and Specialist Services for the month ending October 2011





**Statement of Financial Performance : Hospital Provider**

	YTD Oct'11		YTD Oct'11	YTD Oct'11	Movement
	actual	budget	variance	2010/11	
<b>\$'000</b>					
<b>REVENUE</b>					
MOH hospital revenue (thru TDHB Funder)	52,850	52,085	765	52,136	714
Other MoH funding (CTA, new initiatives etc)	756	737	19	704	52
<b>Total MoH Revenue (*)</b>	<b>53,606</b>	<b>52,822</b>	<b>784</b>	<b>52,840</b>	<b>766</b>
ACC Revenue	1,585	1,877	(292)	2,467	(882)
Other Revenue	2,604	2,864	(260)	1,400	1,204
<b>Total Other Revenue</b>	<b>4,189</b>	<b>4,741</b>	<b>(552)</b>	<b>3,867</b>	<b>322</b>
<b>TOTAL REVENUE</b>	<b>57,795</b>	<b>57,563</b>	<b>232</b>	<b>56,707</b>	<b>1,088</b>
<b>OPERATING EXPENDITURE</b>					
Personnel costs	32,597	32,453	(144)	31,801	(796)
Outsourced services - personnel	819	484	(335)	1,334	515
- clinical services	6,656	6,550	(106)	6,694	38
Clinical supplies	8,217	7,575	(642)	7,324	(893)
Infrastructure and establishment costs	7,789	7,582	(207)	8,186	397
Interest & financing charges	2,559	2,577	18	2,606	47
<b>TOTAL OPERATING EXPENDITURE</b>	<b>58,637</b>	<b>57,221</b>	<b>(1,416)</b>	<b>57,945</b>	<b>(692)</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>(842)</b>	<b>342</b>	<b>(1,184)</b>	<b>(1,238)</b>	<b>396</b>
<b>NET SURPLUS / (DEFICIT)</b>	<b>(842)</b>	<b>342</b>	<b>(1,184)</b>	<b>(1,238)</b>	<b>396</b>
<i>Full time employees</i>	<b>1,198</b>	<b>1,184</b>	<b>-</b>	<b>1,208</b>	<b>10</b>

1%  
1%  
8%  
2%  
-3%  
39%  
-12%  
5%  
2%  
-1%  
-32%  
-32%  
1%

FISCAL YEAR : 2011-12

(materiality level: +/- 5%)

TARANAKI DISTRICT HEALTH BOARD

VARIANCE REPORT: HOSPITAL SERVICES

(\$'000)

Account	YTD Oct'11	YTD Oct'11	YTD Oct'11	Movement	% variance	Notes
	actual	budget	variance			
<b>EXPENDITURE:</b>						
* Outsourced services	7,475	7,034	441	-ve	6%	Primarily: - Outsourced medical personnel (\$ 348K incl mental health) - Outsourced clinical services (\$ 106K)
* Clinical supplies	8,217	7,575	642	-ve	8%	The cost overrun is arising from: - Pharmaceuticals (\$ 127K) - Treatment consumables (\$ 429K) - Implants & Prostheses (\$ 133K)

TARANAKI DISTRICT HEALTH BOARD

CAPITAL EXPENDITURE SCHEDULE - PERIOD : JULY 2011 TO JUNE 2012

(Amounts in \$)	Capital Expenditure 2011 - 2012						Year-to-Date			Forecast			
	Oct-11			Note	Actual	Budget	Variance	Actual	Budget	Variance	Forecast	Budget 2011/12	Variance
	Actual	Budget	Variance										
<b>A</b>													
Plant & Equipment - Clinical	38,192	45,000	6,808		640,035	660,000	19,965					2,350,000	
Plant & Equipment - Other	4,579	5,000	421		48,173	50,000	1,827					100,000	
Information Technology	285,843	300,000	14,157	1	1,376,149	1,255,000	(121,149)					4,000,000	
Buildings & site redevelopment	17,079	20,000	2,921		125,935	125,000	(935)					500,000	
Motor Vehicles			0				0					50,000	
<b>Total</b>	345,693	370,000	24,307		2,190,292	2,090,000	(100,292)					7,000,000	
<b>B</b>													
Capital Contingency						1,000,000						1,000,000	

**C Projects**

Project Maunga	1,607,057			2	12,666,148	life to Date			80,000,000
Project Oral Health- Buildings	8,501			2	1,351,744	life to Date			3,402,000
Project Oral Health- Equipment	1,793			2	160,488	life to Date			MoH Funded

1 includes capitalisation of Software Projects, commenced in prior years

2 Project expenses since inception (2008)

**TARANAKI DISTRICT HEALTH BOARD**

**CAPITAL EXPENDITURE SUMMARY - PERIOD : JULY 2011 TO JUNE 2012**

(Amounts in \$)		Capital Expenditure 2011-12		
Asset Class	Notes	YTD Oct 11 Actual	2011/12 Budget	Variance
<b>Plant &amp; Equipment</b>				
-Theatre		98,960	1,000,000	901,040
-OPD + Pathology +Wards		14,846	200,000	185,154
-ICU & ED		488,916	700,000	211,084
-Other Clinical Equipment		37,313	450,000	412,687
-Beds & other Misc.		48,172	100,000	51,828
		<b>688,208</b>	<b>2,450,000</b>	<b>1,761,792</b>
<b>IT &amp; Computers</b>				
-Projects		1,342,569	3,000,000	1,657,431
-Hardware Replacements		33,580	500,000	466,420
-Software.			500,000	500,000
		<b>1,376,149</b>	<b>4,000,000</b>	<b>2,623,851</b>
<b>Buildings &amp; site redevelopment</b>				
-Minor site Redevelopment & Alterations		125,935	450,000	324,065
-Ground & car parks			50,000	50,000
		<b>125,935</b>	<b>500,000</b>	<b>374,065</b>
<b>Motor Vehicles</b>				
- Replace Leased Vehicles & Equipment			50,000	50,000
		-	50,000	50,000
<b>Total DHB</b>		<b>2,190,292</b>	<b>7,000,000</b>	<b>4,809,708</b>
<b>Capital Contingency</b>				
			1,000,000	

<b>PROJECTS</b>	life to date	life to date	life to date	MoH Funded	MoH Funded
-Project Maunga	12,666,148		80,000,000		
-Project Oral Health Building	1,351,745		3,402,000		
-Project Oral Health Equipment	150,488				

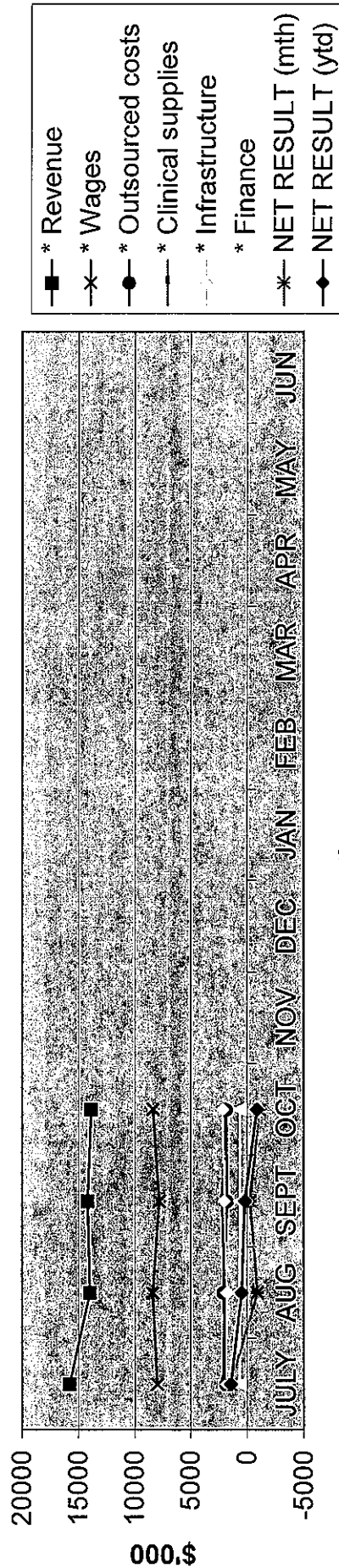
TARANAKI DISTRICT HEALTH BOARD

MONTHLY MOVEMENTS IN FINANCIAL PERFORMANCE: HOSPITAL SERVICES: FISCAL YEAR 2011-12

(\$'000) 2011 2012 2011-12

	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	YTD ACT	YTD BUD
* Revenue	15774	13961	14188	13872									57795	57563
* Wages	7978	8414	7831	8374									32597	32453
* Outsourced costs	1814	2071	1765	1825									7475	7034
* Clinical supplies	2091	1971	2204	1951									8217	7575
* Infrastructure	1815	1788	2015	2171									7789	7582
* Finance	648	651	635	625									2559	2577
<b>NET RESULT (mth)</b>	<b>1428</b>	<b>-934</b>	<b>-262</b>	<b>-1074</b>									<b>-842</b>	<b>342</b>
<b>NET RESULT (ytd)</b>	<b>1428</b>	<b>494</b>	<b>232</b>	<b>-842</b>										
<b>FTE's</b>	<b>1196</b>	<b>1201</b>	<b>1200</b>	<b>1198</b>									<b>1198</b>	<b>1184</b>

TDHB HOSPITAL SERVICES: Monthly movement in operating results  
2011-12





**TO:** Rosemary Clements  
General Manager Hospital and  
Specialist Services

## MEMORANDUM

**FROM:** Katherine Fraser-Chapple  
Management Accountant

**DATE:** 22 November 2011

**SUBJECT:** Financial Report for Hospital and  
Specialist Services for the month  
ending 31 October 2011

### 1. SUMMARY

The TDHB Provider result for the month of October is \$453K worse than the budgeted deficit of \$619K. The year to date deficit of \$842K is \$1.18M worse than the budgeted surplus of \$342K.

\$000	Month			YTD				Progress to Annual (Target =33.3%)
	Actual (\$)	Budget (\$)	Var over/(under)	Actual (\$)	Budget (\$)	Var over/(under)	Variance (%)	
Internal Revenue	(12,509)	(12,334)	175	(51,075)	(50,557)	518	1.0%	34.6%
Other Revenue	(1,363)	(1,352)	11	(6,720)	(7,006)	(286)	-4.1%	36.7%
<b>Total Revenue</b>	<b>(13,872)</b>	<b>(13,686)</b>	<b>186</b>	<b>(57,795)</b>	<b>(57,563)</b>	<b>232</b>	<b>0.4%</b>	<b>34.9%</b>
Personnel Costs	8,374	8,113	261	32,597	32,453	144	0.4%	33.5%
Outsourced Services	1,826	1,758	68	7,475	7,034	441	6.3%	35.4%
Clinical Supplies	1,951	1,894	57	8,217	7,575	642	8.5%	36.2%
Infrastructure & Non Clinical Supplies	2,795	2,541	254	10,350	10,165	185	1.8%	37.9%
Internal Allocation	(1)	(2)	1	(2)	(7)	5	-71.4%	10.0%
<b>Total Expenses</b>	<b>14,944</b>	<b>14,305</b>	<b>639</b>	<b>58,637</b>	<b>57,220</b>	<b>1,417</b>	<b>2.5%</b>	<b>34.8%</b>
<b>Net Result Profit/(Loss)</b>	<b>(1,072)</b>	<b>(619)</b>	<b>(453)</b>	<b>(842)</b>	<b>343</b>	<b>(1,185)</b>		

### 2. REVENUE

TDHB Provider revenue for is above budget for the year to date by \$232K. Internal revenue from the DHB funder is above budget, with lower than expected revenue from other sources, including ACC revenue.

The majority of revenue received by the Provider is Internal Revenue from the TDHB Funder. Revenue received internally from the Funder for the Price:Volume Schedule and other services is received into the DHB Provider accounts. The total internal revenue received for the year to date is \$51.08M, against budgeted revenue of \$50.55M.

Additional revenue has been received for programmes and services additional to the Price: Volume Schedule in Disability Support (\$196K) for the Needs Assessment and Co-ordination Service, in Public Health (\$58K) for Health Eating Health Action Initiatives, Maori Health for Family Violence Intervention Programmes (\$12K), Personal Health for Pharmaceuticals and other smaller services (\$235K) and Mental Health (\$17K) for additional Child and Youth services.

### 3. EXPENDITURE

For October 2011 the overall TDHB Provider expenditure is \$639K over budget for the month, and \$1.42M for the year to date, with total budgeted expenditure of \$57.22M. The variance is made up of significant overspends in outsourced services and clinical supplies and smaller variances in other areas.

#### 3.1 Personnel Costs

For the TDHB Provider personnel costs are \$261K over the total monthly budget of \$8.11 M. Overall FTE's are 14.0 FTE over budget, 5.1 of these FTE are in nursing staff, with overs and unders in other areas. The year to date staffing expense is \$144K above the budget of \$32.45M.

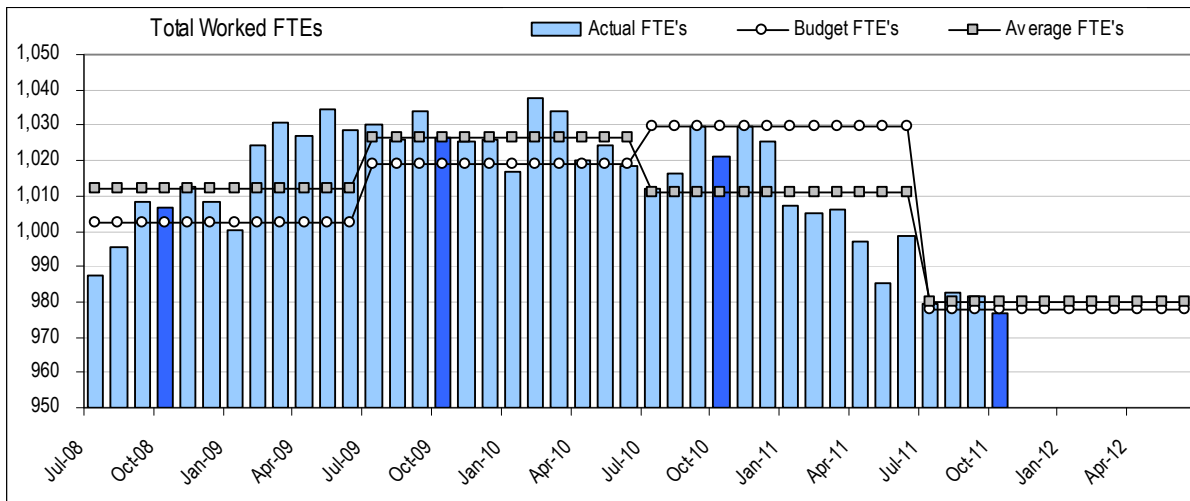
Hospital and Specialist services total FTE's for October are 976.5, which is 1 FTE below the budgeted level. The variance is made up of nursing staff over budget by 14.8 FTE, offset by unfilled positions in medical staff (9.7 FTE) and other groups. The number of actual FTE's also includes staff time spent on Project Maunga by staff from the Hospital Provider.

The average daily cost of staffing Hospital Services and Mental Health and Addiction Services is \$229K per day for October, with an increase of \$8K against September 2011 and an increase of \$4K from October 2010.

Of the professional groupings medical staff costs are under budget for the month by \$206K and under in FTE's by 9.7. There is a year to date under spend in SMO's (\$355K under and 1.1 FTE's under budget) and RMOs (\$312K and 7.5 FTE under budget). MOSS are under budget (\$147K YTD and under 3.3 FTE). Overall medical staff vacancies are around 7% of established FTE's, and costs are 8.7% under budget.

When looking at the total cost of medical staffing we need to include the cost of positions filled by locums. For the year to October this brings the total cost of medical staff to \$9.45M, \$444K less than budgeted. Budgets are based on positions being filled by employed staff with a contingency amount for locum cover. There is a significant cost differential between employed staff and locum rates, which can lead to a budget variance.





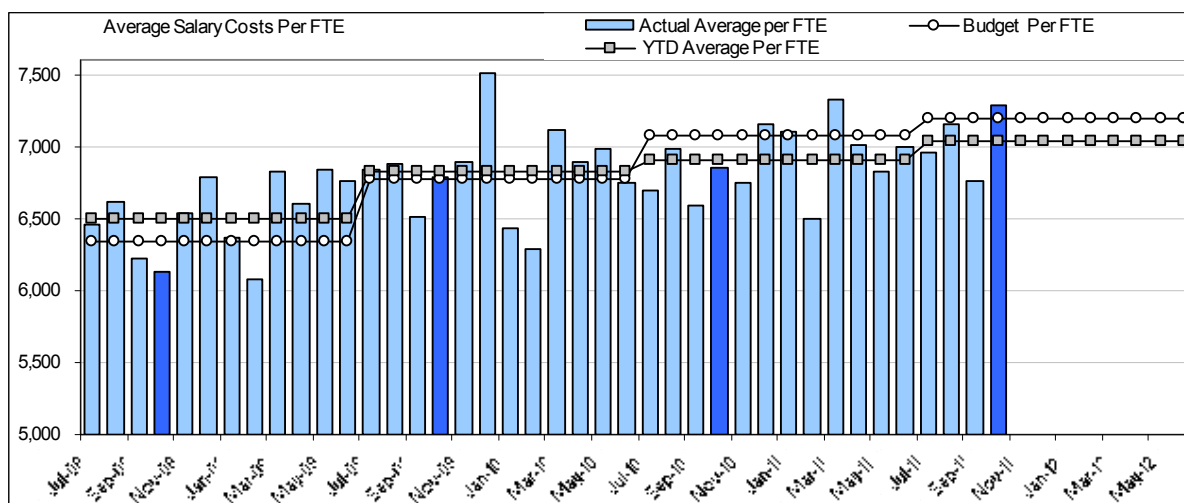
Variances in staff costs by professional group for Hospital and Specialist Services are as follows:

Total Costs (Hospital and Specialist Services Only)	October Variance (under)/over		YTD
			Variance
	\$000	FTE's	over/(under)
SMO's	(123,402)	1.1	(355,285)
MOSS	(42,523)	(3.3)	(147,922)
RMO's	(52,021)	(7.5)	(312,194)
All Medical Staff	(206,855)	(9.7)	(792,934)
Nursing	233,084	14.8	134,952
Allied Health	3,352	(1.9)	105,981
Support Staff	(9,061)	(3.6)	(44,618)
Management/Admin	10,955	(0.6)	8,258
<b>Total</b>	<b>31,475</b>	<b>(1.0)</b>	<b>(588,361)</b>

Budgeted monthly salary costs of for 2010-2011 are \$7198 per FTE, an increase of \$118 over last year. For the month of October average staff costs per FTE are over budget at \$7286 per FTE. The year to date average cost remains favourable at \$158 per FTE under budget.

Average FTE Costs (Salary costs only)	Monthly Budget	Oct-11		Year to date average	
		Actual	Variance	Actual	Variance
SMO	23,990	21,237	(2,754)	22,489	(1,501)
MOSS	18,399	19,866	1,467	20,806	2,407
RMO	10,200	10,609	409	10,553	353
ALL Medical Staff	16,537	16,082	(454)	16,714	177
Nursing Staff	6,247	6,602	356	6,078	(169)
Allied Health Staff	5,379	5,496	117	5,624	245
Support Staff	3,629	3,934	306	3,856	228
Management and Admin Staff	4,246	4,374	128	4,264	18
<b>All Staff</b>	<b>7,198</b>	<b>7,286</b>	<b>87</b>	<b>7,041</b>	<b>(158)</b>

Salary costs fluctuate widely between months with factors impacting on the costs including the timing of leave taken and timing of staff salary settlements.



### 3.2 Outsourced Services

Hospital and Specialist Services outsourced services were slightly over budget by \$67K for the month of October and over spent by \$452K for the year to date. Major variances to budget are in Locum Medical Staff (\$350K over budget YTD), and outsourced clinical services (\$255K over budget YTD). These overspends are offset by under spending in outsourced radiology by \$128K.

#### 3.2.1 Outsourced Clinical Services

For Hospital and Specialist Services Outsourced Clinical Services is over budget for the year to date at \$255K, the cost of outsourcing ACC and some elective services work accounts for almost a quarter of the total spending.

#### 3.2.2 Outsourced Personnel

Locum use in October was a total of \$109K over budget, and \$350K over budget YTD. Total Outsourced Personnel costs are \$106K over budget for the month and \$337K above the budget of \$483K for the year to date. Approximately 42% (\$302K) of the total year to date locum costs are for MOSS at Hawera Hospital, where circumstances have dictated that this is the predominant method of staffing.

		Year to Date (\$000)		
		Actual	Budget	Variance
<b>Total Outsourced Staff</b>	SMO Locums	45	50	(5)
	MOSS Locums	401	224	177
	RMO Locums	270	92	178
	Other	104	117	(13)
	<b>Total</b>	<b>820</b>	<b>483</b>	<b>337</b>
<b>Laboratory Services</b>		225	234	(9)
<b>Radiology</b>		2,377	2,505	(128)

		Year to Date (\$000)		
		Actual	Budget	Variance
<b>Outsourced Clinical Services</b>				
	Inpatient Medical Services (1)	1,492		
	Outpatient Medical Services (2)	194		
	Facility Fees (4)	277		
	Other DHB's (5)	131		
	Other (6)	996		
	<i>Subtotal</i>	<b>3,090</b>	<b>2,721</b>	<b>369</b>
	ACC Outsourced Services (7)	910	1,024	(114)
	<b>Total Outsourced Clinical Services</b>	<b>4,000</b>	<b>3,745</b>	<b>255</b>
<b>Total Outsourced Services</b>		<b>7,419</b>	<b>6,967</b>	<b>452</b>

### 3.3 Clinical Supplies

There is an over spend in Hospital and Specialist Services clinical supplies for the month of October of \$68K against the budgeted expenditure of \$1.817M. The year to date variance is \$752K, a total of 10% over budget.

The main contributor for the year to date is patient consumables (\$316K over YTD), impacted by high volumes. Contributing to the overspend in clinical equipment is depreciation expense of \$381K year to date (\$133K over budget) and purchases of minor equipment (\$62K over budget).

The cost of pharmaceuticals is \$127K over budget for the year to date, however additional revenue of \$231K has been received from the Funder to offset the expense of Pharmaceutical Cancer Treatments.

Hospital Services \$000	Month			Year To Date			Var. %
	Actual	Budget	Variance	Actual	Budget	Variance	
Blood Products	170	144	26	630	577	53	9%
Patient Consumables	580	540	40	2,476	2,160	316	15%
Diagnostic Supplies	119	113	6	423	452	(29)	-6%
Clinical Equipment	199	157	41	807	630	177	28%
Patient Appliances	120	93	27	336	372	(36)	-10%
Prostheses and Implants	174	178	(4)	845	711	133	19%
Pharmaceuticals	301	332	(30)	1,454	1,326	127	10%
Patient Transport & Accommodation	221	259	(38)	1,047	1,034	12	1%
Other	1	1	0	5	6	(1)	-17%
	<b>1,885</b>	<b>1,817</b>	<b>68</b>	<b>8,023</b>	<b>7,268</b>	<b>752</b>	<b>10%</b>

**Katherine Fraser-Chapple**  
Management Accountant