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Committee Members:

E Borrows, Chairman
K Eagles, Deputy Chairman
A Ballantyne,
M Bourke
P Catt
K Denness,
F Gilkison,
B Jeffares
P Lockett
A Rumball
P Moeahu (Co-opted member)
C Tuuta

Management:

CEO
GM Finance & Corporate Services
GM Hospital Services
GM Planning & Funding & Population
Health
Chief Advisor Maori Health
Chief Medical Advisor
Quality Risk Manager
Management Accountant
PA to Board

Advisors:

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Coastal News, Stratford Press,
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Hawera Hospital Library
Tui Ora Limited
Corporate Reception



TARANAKI DISTRICT HEALTH BOARD

AGENDA

HOSPITAL ADVISORY COMMITTEE

ORDINARY MEETING

OPEN

**Thursday 11 April 2013
10am**

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



HOSPITAL ADVISORY COMMITTEE

MEETING AGENDA

Thursday 11 April 2013

10 am

Corporate Meeting Room 1, Base Hospital

David Street

New Plymouth

1. Declaration to Open Meeting

2. Apologies –Flora Gilkison, Kura Denness

3. Conflicts of Interest

4. Public Comment

5. Minutes

5.1 Minutes of meeting held 7 March 2013

Pages 1 - 5

Resolution

That the Hospital Advisory Committee resolve to accept the minutes of the meeting held 7 March 2013 as a true and accurate record.

6. Arising From Minutes

7. Management Reports

7.1 General Manager Hospital Services.

Pages 7-28

Resolution

That the Hospital Advisory Committee note and receive the report.

8. Other Business

9. Next Meeting

9 May 2013 in New Plymouth

10. Exclusion of Public

Resolution

That the Hospital Advisory Committee exclude the public from the meeting on the basis of the following matters:

- 1. To present Minutes of Committee meetings pursuant to an earlier resolution publicly excluding the item.*

MINUTES Open (unconfirmed)

HOSPITAL ADVISORY COMMITTEE

7 March 2013

9.30am

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

Present:

Karen Eagles (Deputy Chair), Alex Ballantyne, Mary Bourke, Peter Catt, Kura Denness, Flora Gilkison, Brian Jeffares, Pauline Lockett, Alison Rumball, Colleen Tuuta

In Attendance:

Tony Foulkes (Chief Executive), George Thomas (General Manager Finance & Corporate Services), Rosemary Clements (General Manager Hospital & Specialist Services), Greg Simmons (Chief Medical Advisor Katherine Fraser-Chapple (Management Accountant), Ramon Tito (Kaumatua), Sue Carrington (Communications Advisor), Jenny McLennan (PA to Chief Executive), Lee Mathias

772.0 Declaration to Open Meeting

The meeting was declared open and Miss Bourke introduced Dr Lee Mathias – Deputy Chair, Auckland DHB to the meeting. Miss Bourke also acknowledged the new Daily News reporter – Tara Utiger.

773.0 Apologies

The apology from Ella Borrows was noted.

774.0 Tribute – Dr Mark McCullough

Dr Gilkison read a tribute to Dr Mark McCullough who had recently passed away. The reading acknowledged the contribution Dr McCullough had made to the Taranaki DHB and his involvement in Fulford Radiology.

The Chair noted that Dr McCullough had been a special part of the DHB.

775.0 Conflict of Interest Register coming now

Members were invited to declare any new conflicts and the register was circulated for signing. Alterations were advised as follows:

- Ms Tuuta – New interest following appointment to Te Kahui Rongoa – National Collective for Rongoa Maori.
- Mr Foulkes – No longer member on National Health IT Board

776.0 Minutes of Previous Meeting

Resolution

That the Hospital Advisory Committee resolve to accept the minutes of the meeting held 7 February 2013 as a true and correct record.

*Eagles/Catt
Carried*

776.1 Matters Arising

776.2 Emergency Training Exercise

Mrs Clements advised that the training had gone well with the opportunity for increased learning.

776.3 Fulford Radiology

Ms Lockett noted that contractual discussion with Fulford Radiology should be included on the Task List.

777.0 General Manager Hospital & Specialist Services Reports

777.1 General Manager Hospital & Specialist Services

The General Manager Hospital & Specialist Services took her report as read, highlighting the following:

- Year to date (ytd) casemix remains at 2% ahead of plan.
- Medical Casemix remains at 4% ahead of plan.
- Total surgical delivery stands at 2% behind contract.
- Provider financial results for the month of January was \$668k better than budgeted placing the ytd to 31 January at \$2.64M worse than the budgeted deficit of \$4.49M.
- Elective outpatient delivery was 11% above contract which is a 3% improvement from last month.
- High volumes of cardiology with 50% over delivery for January and 30% over delivery year to date.
- First Specialist Assessment (FSA) in ophthalmology remains above contract and is being closely monitored. Both urology and ENT are behind, with management plans in place.

Ms Denness joined the meeting.

- Non-acute rehabilitation contract remains behind budget.
- ACC elective surgery under budget, currently 35% ytd. The planned decrease in elective surgery delivery April/May provides an opportunity to offer consultants ACC lists to decrease gap and generate revenue. The ACC nursing services contract remains a challenge administratively.
- ED Health target results for January were 95.7% against the 95% target.

Discussion

- Mrs Clements advised that while progress had been made at a local level with regards to ACC contracting no formal advice had been received against these discussion. The non-recognition by ACC of the enhanced intermediate beds as a way of assisting rehabilitation was an area of concern. Mrs Clements noted the success of the intermediate beds in slow stream rehabilitation, and advised that not all of the beds available were under the ACC contract.
- Mrs Rumball noted the high volume of triage 4 and 5 patients through Hawera Hospital and the high admission rate of these patients compared

to Base Hospital. Mrs Clements advised that the SouthCare walk-in clinic was not as accessible for patients as it could be and this meant increased utilisation of the ED service at Hawera Hospital. It was noted that SouthCare was facing a number of issues that meant a strain on the provision of services.

On considering the current situation Ms Mathias noted the options available for South Taranaki. These included provision of Primary Care out of ED and an increase in primary care services.

Mr Foulkes referred to the background and history of service provision in South Taranaki, advising that current events had interrupted planning that had been proceeding with the strengthening of the relationship and resources between the GP practice and ED.

The varying types of provision of ED throughout DHBs was discussed, as was the funding streams of Primary Health Organisations (PHOs) to general practices. It was noted that Ruanui were the only practice in South Taranaki that received co-payment funding.

The Chair advised that while SouthCare were working their way through the current situation it appeared South Taranaki residents continued to have reasonable access to GP services.

Ms Lockett suggested that it may be appropriate for executive managers to prepare a report detailing current issues and the options available.

Miss Bourke requested that any issues be discussed with the community groups in South Taranaki to ensure community consultation.

On discussing management of the varying triage levels Mr Foulkes reminded members that the ED HOD had attended a previous HAC meeting to present information on this.

- Ms Lockett referred to the high delivery of elective cardiology volumes at 36% ahead of contract and general elective surgery at 12% ahead of contract ytd, noting that volumes are driven by acute demand.
Dr Mathias spoke on the importance of having a clear understanding of CWDs and the impact of performing in excess of contracted volumes.
- Ms Lockett advised that it would be helpful to have the average length of stay information provided on a quarterly basis which would show information trends.

777.2 Financial Report

Ms Fraser-Chapple took her report as read advising that the main driver for improvement in financial results was the accumulated effect of the planned service management in December and January. It was noted that both the decrease in revenue and expenditure resulted in an improvement in financial results, although it was also noted that the result for the year to 31 January was \$2.64M worse than the budgeted deficit of \$4.49M

Discussion

- Mrs Eagles questioned what was included under 'Professional Fees and Expenses' and was advised by Mrs Fraser-Chapple that HealthShare and the Health Roundtable were both included in this.
Dr Mathias advised that while this amount may increase initially, future decreases should result as current internal functions are undertaken by HBL. Mr Thomas advised that in accordance with the HBL Business Case no benefits were expected until year 3/4. Dr Catt added that as advised through the business case TDHB was already performing more

efficiently than the HBL targets in some areas, noting that while it was recognised there would be benefits through national procurement initiatives it was not expected to gain further efficiencies locally.

- Mrs Rumball noted the utilisation of the Intermediate Care Beds and was advised that they were occupied on a needs allocation basis with an increase expected through the winter months.

778.0 Exclusion of Public

Resolution

That the Hospital Advisory Committee exclude the public from the meeting on the basis of the following matters:

1. To present Chief Executive's Report in that the public conduct of the meeting would be likely to result in the disclosure of information where the withholding of the information is necessary to:

(g) Enable the DHB, Board or Board Committee holding the information to carry out, without prejudice or disadvantage, commercial activities.

(h) Enable the DHB, Board or Board Committee holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).

*Catt/Tuuta
Carried*

774.0 Next Meeting

It was noted that the next meeting was scheduled to be held Thursday, 11 April 2013.

.....
Chairman

.....
Date

TDHB Hospital Advisory Committee Task List as at 11 April 2013

Action No	Date Raised	Action Description	Status	Assigned	Due Date	Updates
16	7 March 13	Average length of stay – information to be provided on a quarterly basis	To be provided	GM H&SS		Include in next quarterly report
15	7 February 13	Overall Performance dashboard – timelines and progress to be included	Ongoing	GM H&SS		To be provided on future updates as year to date information
14	7 February 13	Hospital Services Projects - Inclusion of timeline in spreadsheet	Ongoing	GM H&SS		To be provided on future updates
13	7 February 13	Demographic breakdown of Acute / Elective delivery information to portray age groups	Ongoing	GM H&SS		To be provided on a quarterly basis

TO CEO and Hospital Advisory Committee



FROM General Manager Hospital & Specialist Services

DATE 1 April 2013

MEMORANDUM

SUBJECT Exception Report for February 2013

1 OVERVIEW

Please find the report for February 2013 providing the Hospital Advisory Committee (HAC) with an overview of hospital activity.

Overall casemix delivery for February is at 0 (5.85 cwd). Year to date casemix remains 2% ahead of plan, unchanged from December and January.

February medical case mix decreased slightly to 7% ahead of plan for the month. Year to date medical casemix remains 4% ahead of plan.

February had no over delivery for surgery; all were behind plan with Electives 20% behind (66.06cwd) and acutes 1% behind (1.88 cwd). Year to date total surgical delivery stands at 4% behind contract (215.04 cwd).

The average occupancy in the adult inpatient wards remains lower than expected during the February period. Mental Health combined occupancy for February was 61%.

The Provider financial result for the year to 28 February is \$2.64M worse than the budgeted deficit of \$5.70M. This was made up of revenue \$736K below budget and expenditure \$1.9M higher than budget. Total expenses are 2% above budget to date and 4 % higher than the same period last year. For the month of February result is at budget, with a \$1.21M deficit.

There has been a continuing improvement in the reported results from the end of 2012, relating to lower activity and closures over the Christmas/New Year period; however the overall financial situation remains unchanged with the Provider Arm carrying a significant deficit.

2 ACTIVITY

DHB Funded Activity

Patient Activity Summary

Metric	Month				YTD		
	Actual	Budget	Var	Var%	Actual	Budget	Var%
Total Patient Discharge Base	1,558	1,569	-11	-1%	13,411	13,364	0%
Total Patient Discharge Hawera	159	161	-2	-1%	1,472	1,391	6%
Elective Surgical Discharge	231	313	-82	-26%	2,719	2,700	1%
ED Attendance Base	1,664	1,466	198	13%	13,151	11,731	12%
ED Attendance Hawera	1,281	1,050	231	22%	9,736	8,398	16%
Outpatient Attendances	3,125	2,787	338	12%	25,121	22,296	13%
Theatre Visits	607	498	109	22%	4,866	4,283	14%
Deliveries Base	95	108	-13	-12%	865	868	0%
Deliveries Hawera	3	10	-7	-70%	48	75	-36%

The total discharges through both Base and Hawera hospitals year to date show a variance to contract YTD of 1%, with ED presenting a very busy picture at 12% and 16% above contract YTD respectively.

Electively, OPD delivery YTD was 13% above contract (2% improvement from last month) and we continue to maintain our ESPI compliance.

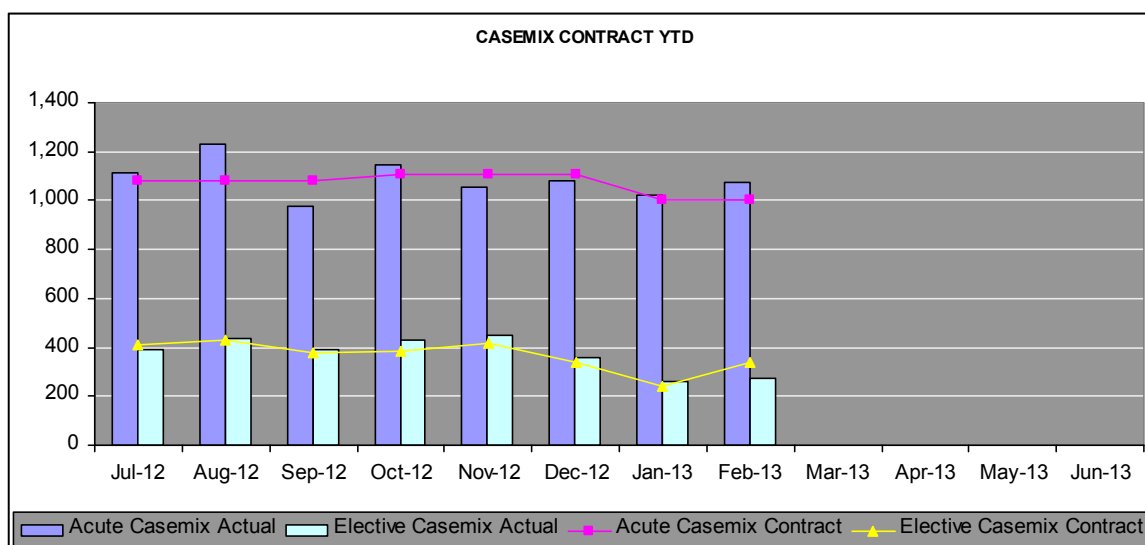
2.1 Casemix and Non Casemix Activity

2.1.1 Casemix Delivery for 2011/12

Overall casemix delivery for February is at 0 (5.85 cwd). Year to date casemix remains 2% ahead of plan, unchanged from December and January.

February 2013 YEAR TO DATE result Case Mix delivery						
	Dschg	Total Cwd's	Contract	Cwd var	Avg Cwd.	% Variance
Medical	7738	4614	4430	184.92	0.60	4%
Surgical Acute	2570	2870	3100	-230.01	1.12	-7%
Surgical Elective	2473	2849	2834	14.97	1.15	1%
Total Surgical	5043	5719	5934	-215.04	1.13	-4%
Maternity	2102	1355	1142	212.50	0.64	19%

February medical case mix decreased slightly to 7% ahead of plan for the month. Year to date medical casemix remains 4% ahead of plan. February had no over delivery for surgery as previously described. Year to date total surgical delivery now stands at 4% behind contract (215.04 cwd).



2.1.2 Specialty breakdown

Acute delivery

- Cardiology continues to deliver high volumes again resulting in a 50% over delivery in February and 32% year to date.

Elective delivery

- Cardiology delivered less volumes during February due to Consultant leave (-3%).
- General Surgery continues to deliver over contract, plans are in place to address this.

Feb-13	YTD Volumes - Actual v Contract				Comment
	Actual	Contract	Var	% Var	
Casemix	cwd	cwd	cwd		
Dental	144.60	166.92	-(22.32)	-13%	
Acute	39.25	52.09	-(12.84)	-25%	Demand driven
Elective	105.35	114.83	-(9.48)	-8%	
ENT	224.73	259.51	-(34.78)	-13%	
Acute	21.60	34.63	-(13.03)	-38%	Demand driven Small contracted service affected by leave of clinicians
Elective	203.13	224.88	-(21.75)	-10%	
Cardiology	467.43	356.39	111.04	31%	
Acute	328.54	248.84	79.70	32%	Over delivery is demand driven however alternate ways of addressing this are being explored for both acute and elective
Elective	138.89	107.55	31.34	29%	
Emer Med	885.24	950.74	-(65.50)	-7%	
Base	601.56	697.76	-(96.20)	-14%	
Hawera	283.68	252.98	30.71	12%	
Ophth	181.53	210.36	-(28.83)	-14%	
Acute	5.16	12.32	-(7.16)	-58%	Demand driven
Elective	176.37	198.04	-(21.67)	-11%	
Paed Med	386.72	357.28	29.44	8%	Reflective of busy month

Base	386.72	357.28	29.44	8%	
Hawera	0.00	0.00	0.00	-	
Urology	240.52	260.61	-(20.09)	-8%	
Acute	84.42	96.94	-(12.52)	-13%	Demand driven
Elective	156.10	163.68	-(7.58)	-5%	New service begins in Feb which will smooth this delivery
Maternity	896.69	822.57	74.11	9%	Demand driven
Neonatal	458.25	319.86	138.39	43%	A busy month

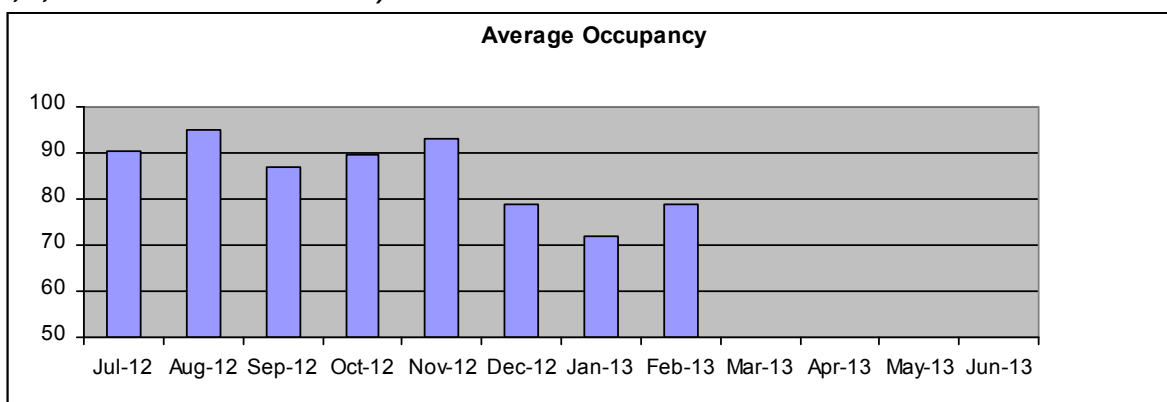
Procedure targets

Joints: Year to date 153 joints have been completed, which is now only 2 behind the Ministry Surgical intervention rate.

Cataracts: 242 cataracts have been completed, 32 ahead of plan.

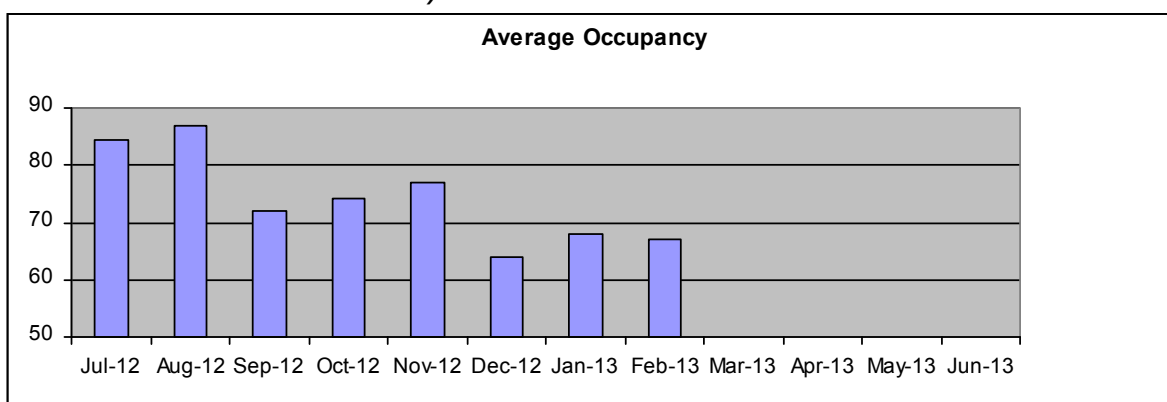
2.2 Inpatient Delivery

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



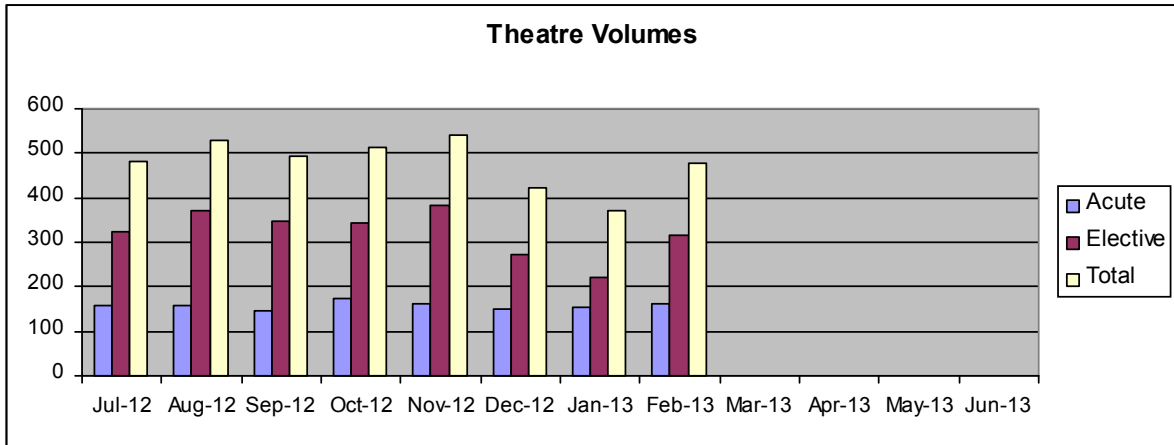
(This table reflects how many patient beds are occupied each day on average. It therefore provides an indicator of the busyness of the 4 main inpatient wards and because they make up the greater number of total hospital beds, usually the general busyness of the whole hospital. It includes a mix of acute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

Graph Two: THEATRE VOLUMES



Comment:

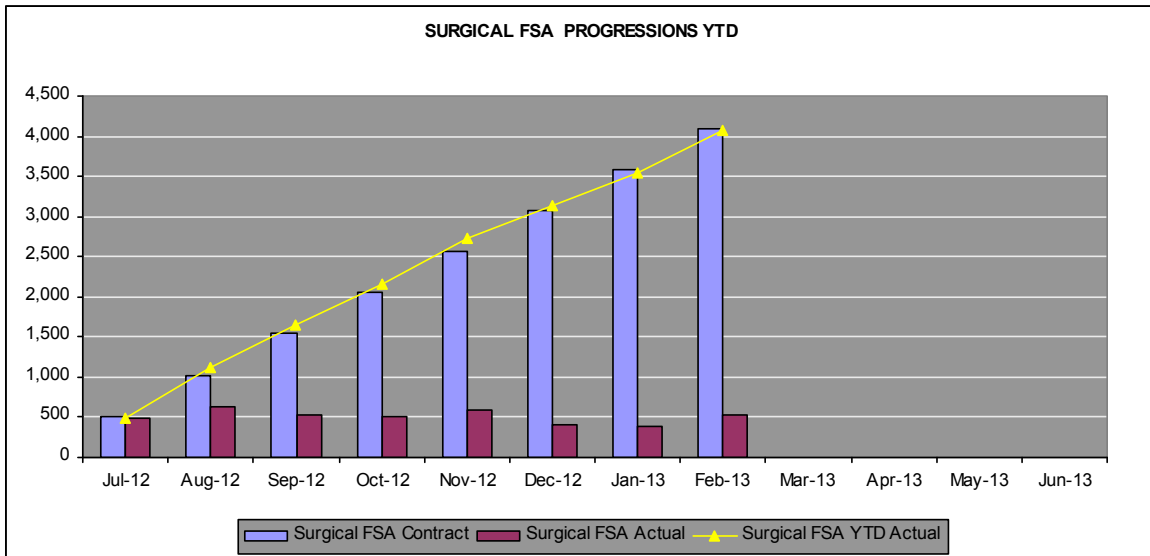
Of note, the average occupancy in the adult inpatient wards remains lower than expected during the February period.

2.2.1 Hawera Inpatient Ward

February occupancy for Hawera inpatients was 34%, a decrease from 47% in January and 50% in December. HMU occupancy is at 21%, a decrease from 33% in January.

2.3 Outpatient FSA Delivery for 2012/13

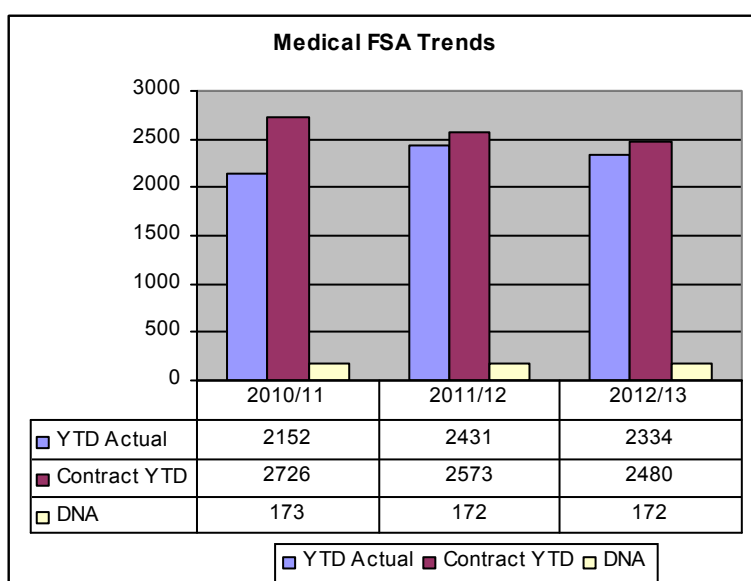
Surgical First Specialist Assessments (FSA)



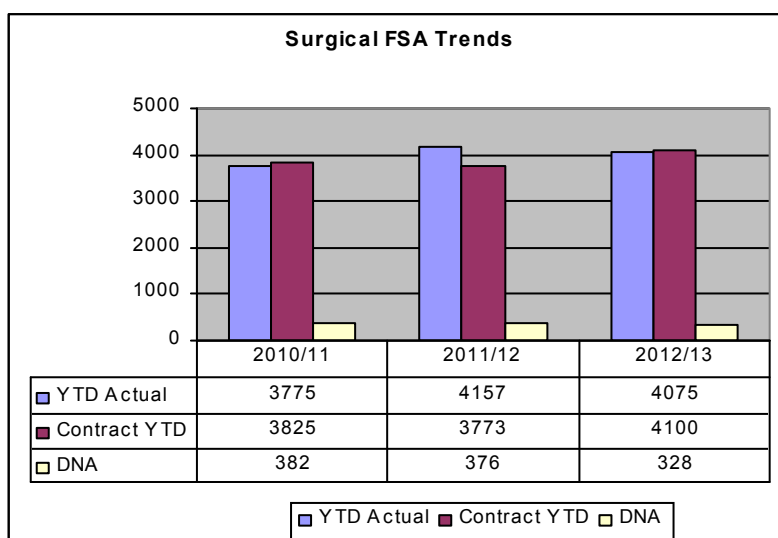
	Act Vols	Ctrct Vols	Var	% Var
General Surgery - FSA	1199	1267	-68	-5%
Ear Nose and Throat - FSA	416	480	-64	-13%
Gynaecology - FSA	506	567	-61	-11%
Ophthalmology - FSA	876	677	199	29%
Plastics - FSA	50	43	7	15%
Urology - FSA	276	333	-57	-17%

- Most specialties are slightly behind contract, with Plastics and Ophthalmology the exceptions.
- Urology and ENT are behind, however have improved over the month of February. We are now at 1% behind contract, an improvement of 4% from January.

2.3.1 FSA Trends

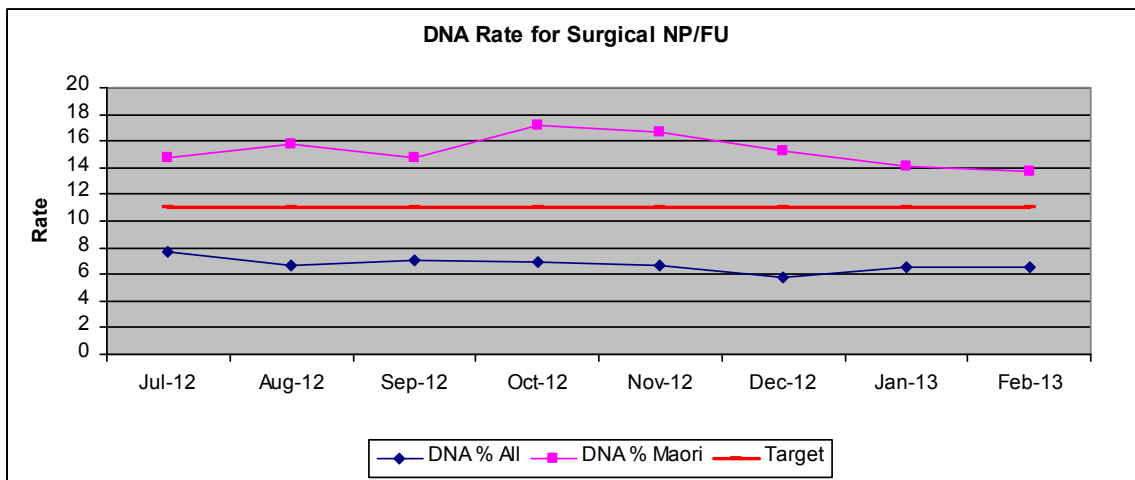
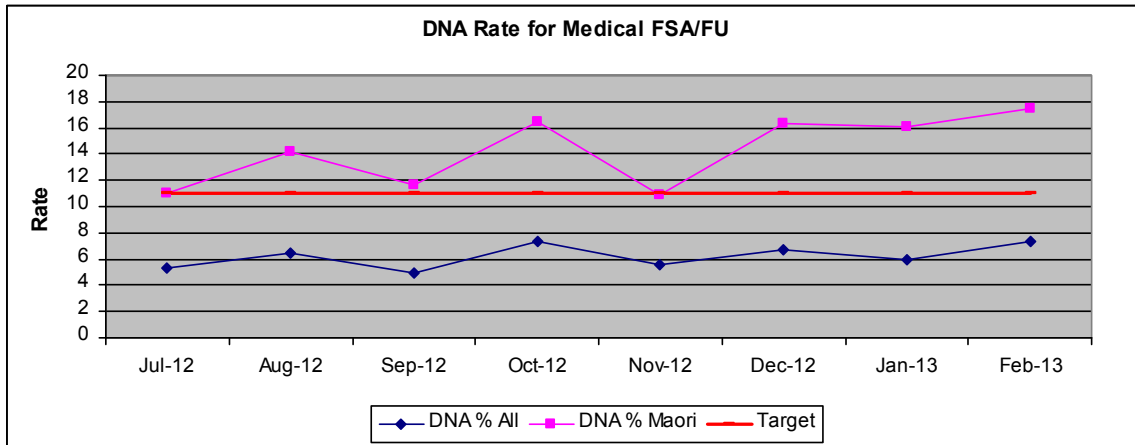


This month's delivery is slightly under contract for the month and YTD.



This delivery is slightly under contract for the month, however YTD is close to contract.

2.3.2 Did Not Attend (DNA) FSA/Follow Up Trends



The above graphs shows DNA rates for both medical and surgical NP and FUs. The target for TDHB is less than 11%. It is evident that there is more work to be undertaken in order to reduce Maori DNA rates, particularly in the medical specialties. It is pleasing to see a slight decrease in surgery DNA rates.

2.4 Waiting List Management

TDHB continue to be compliant with the tighter Ministry of Health's requirements to have zero patients waiting over 6 months in ESPI 5, being fully compliant, i.e. green for January. Ministry 'mock ups' at 5 months from the Ministry show that we would still be in the yellow zone with a total of 7 patients waiting over 5 months, 6 in General Surgery and 1 in Orthopaedics. We have made a concentrated effort to address this with a goal to being green at 5 months by the end of April.

2.5 ACC

- **Non Acute Rehabilitation Contract:** This contract remains behind budget. We are still waiting a decision from ACC with regard to eligible patients being transferred to the Enhanced intermediate care beds.
- **Clinical Services Contract:** This contract is being closely monitored. The Department is considering the introduction of a fracture clinic at Base.

- **Elective Surgery:** While we do continue to be under budget YTD, February was a much better month and we were over budget for this month. We have more ACC lists planned here at TDHB, which will lift the revenue and, looking ahead, April sees 14 extra lists planned.

2.6 Emergency Departments

The average number of patients per day in HED for February was 52, compared to January at 48.1. February average visits were 46.6 compared to 41.6 in 2011, this reflects the changing primary health presentations in Hawera with the increased volumes again seen in the low acuity type presentations. A week of unexpected reduced capacity in South Taranaki primary care was reflected directly on increased volumes in the ED.

The admission rate from the Hawera ED remains low across all triages, including triage 1 and 2, where it would be expected that the majority of these presentations would be admitted. An error in last months report has been noted where the admission rate for triage 3 was reported at 71%, the overall admission rate of 9.5% was correct.

Hawera ED

	February 2013	% Admitted	Average 2012/13 YTD	Average 2011/12
Triage 1	4	25%	2.75	2
Triage 2	75	38%	83	87
Triage 3	385	19%	388	345
Triage 4	742	5%	705	630
Triage 5	265	1%	241	219
Total Visits	1471	10%	1421	1283

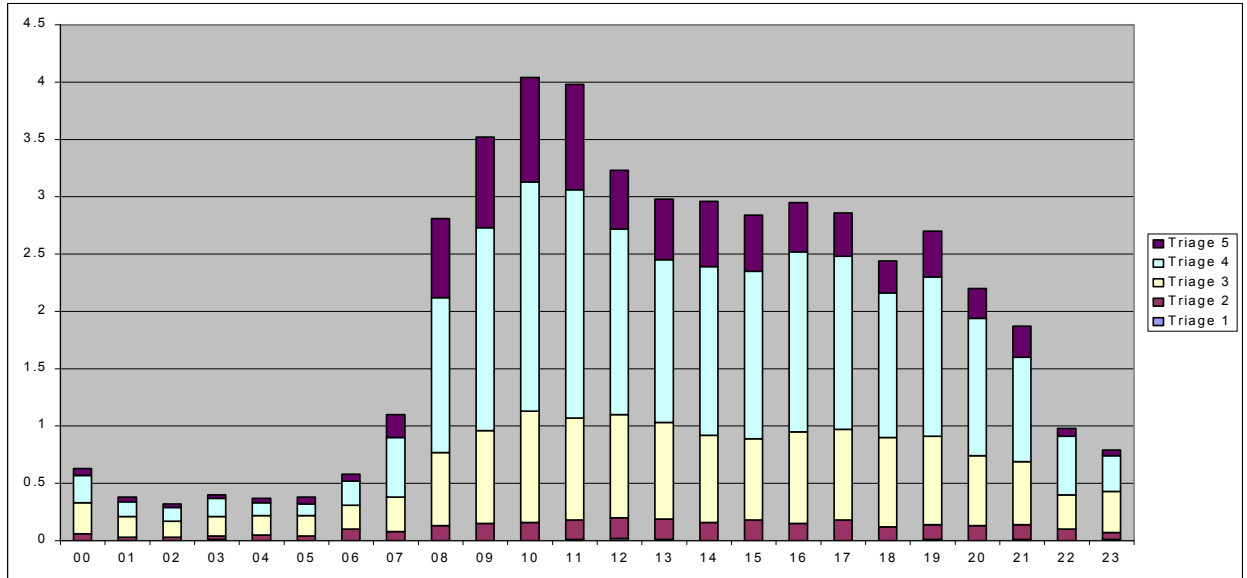
Base ED

	February 2013	% Admitted	Average 2012/13 YTD	Average 2011/12
Triage 1	10	100%	10	7
Triage 2	167	64%	191	186
Triage 3	979	41%	985	981
Triage 4	1209	15%	1247	1138
Triage 5	212	2%	211	176
Total Visits	2577	27%	2645	2488

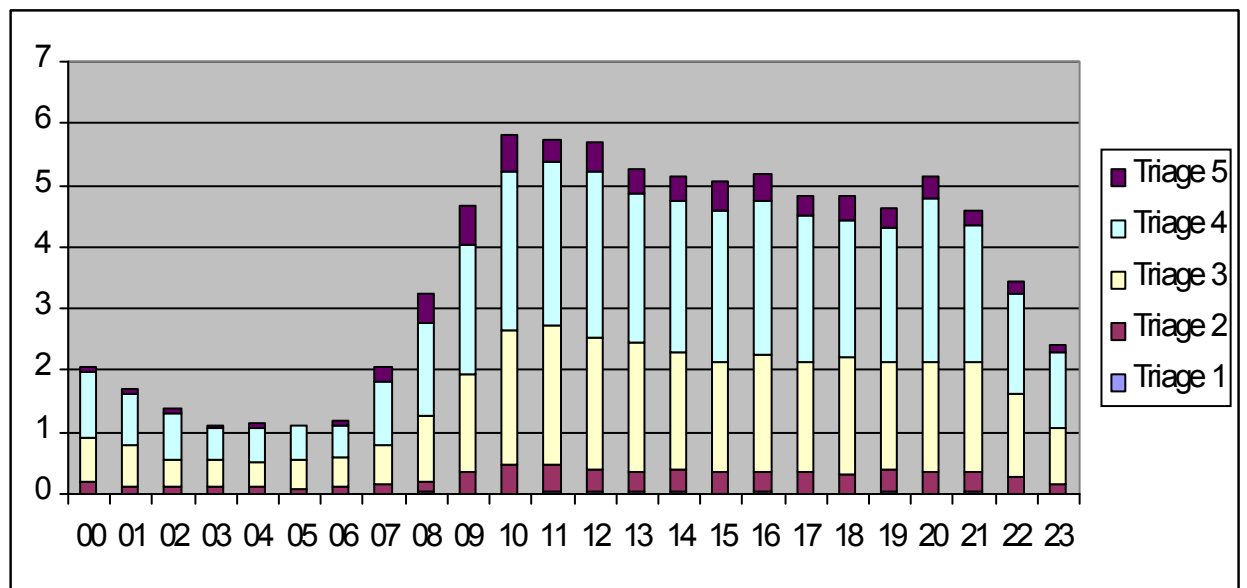
Above average numbers across triage 4 and 5 and overall when compared to 2011/12 levels. 8% increase in visits for February 2013 compared to same month last year.

Daily presentations by Hour and by Triage (1 July 2012– 28 February 2013)

Hawera ED



Base ED



Both BED and HED show patterns of increased volumes presenting daily from 0800 to 2100. Average presentations in any hour for Hawera ranges from less than 1 to 4, while BED range is between 1 and 6 patients.

It is acknowledged that currently SouthCare, the largest GP Practice in South Taranaki is experiencing some challenges which may impact upon primary care service continuity and therefore patient flow to Hawera ED. The hospital will work constructively with SouthCare and other GPs to consider the options available to ensure appropriate services can be accessed by the community in the short term, and more sustainability for the longer term. This may require different working arrangements and service configuration to best serve the community in the longer term,

2.7 Mental Health

TPW: Combined occupancy for February was 61.%. This figure was made up of the following patient groups:

- Adult = 64%
- Elderly = 86%
- Intensive Psychiatric Care = 26%

There were 11 clients through the Intensive Psychiatric Care Unit (IPC) in February compared to 4 for the month of January. This equated to the IPC unit being open for 29 bed days.

Average number of specials (special psych and special behavioural):

- 24 shifts for all of February compared with 37 for January.
- Utilisation of specials related to 14 shifts for acutely unwell adult clients and 10 shifts for an acutely unwell Adolescent.

Brixton House (**Te Whare Whakauhuru**) (4 bed residential facility): was 59% occupancy in February.

3 TARGET UPDATES

The Provider Arm continues to liaise with the Ministry of Health and Target Champions to assist our progress towards achieving each of the targets below.

3.1 ED Shorter Stays

Target 95%	February 2013	Q2 2012/13	Average 2011/12
TBH ED	95.12%	89.82%	85%
Hawera ED	99.86%	99.90%	99.81%
Total TDHB	96.84%	93.35%	90.01%

Total target has been achieved across both EDs for a second month. Base ED has achieved the 95% target as a single unit for the first time. The improvement in this target continues, despite the ongoing increase in presentations. Admission rate of 27% for February is unchanged from expected volumes.

The below initiatives related to the Acute Pathway which is expected to sustain the 6 hour target result continue:

Emergency Department

- Implementation of an electronic screen to display patient list in arrival order, colour coded to highlight 6 hour target is expected to be in place in the next quarter.
- The EDO is proving successful with an average of 7 admissions into this area per day. How this unit is utilised continues to be enhanced
- The minor injuries' unit is continuing to increase throughput and is now averaging 5.8 patients per day. Feedback from senior medical staff and patients remains very positive.

Ward 5 (Medicine)

- Enhanced discharge planning in medical ward is progressing against the KPI's that have been set (20%+ discharges by 11am, Expected Date Discharge for all admissions on post intake ward round). In February 30% of patients were discharged by 11am.
- Nurse led discharges – continues to be piloted on Ward 5.
- These initiatives need to be rolled out across the organisation

Department of Medicine

- Review of rostering for SMO and RMO within Department of Medicine continues to improve ability to meet needs of acute admission, reduce length of stay, and deliver elective delivery.
- A registrar based in the ED from 1400-2200 continues to be successful in meeting work load peak during these hours. How this will be rostered long term is being developed with the RMO team.
- Implementation of proformas from point of entry into ED, through to admission is improving productivity of the registrars and these gains are expected to continue.

Acute Pathway Project

- Key pieces of work identified include bed block procedure and escalation pathway, transfer of patient procedure and communication plan.
- Refining the process for movement of patients between ED and wards, continues to be evaluated and adapted
- Escalation process in development for patients at 5 hour length of stay and likely breach of 6 hour target
- Hospital operations status meeting has commenced and gains in terms of staffing allocation and bed management are already being noted

3.2 Smokefree Health Target

Target 95%	February 2013	Q2 2012/13	Average 2011/12
	96.29%	92.68%	91.38%

Smokefree target of 95% has been achieved this month. Weekly reporting to nurse managers continues, with tracking of areas failing this target being closely monitored.

3.3 Radiology Health Target

Monthly Return for Taranaki Health (Computed Tomography, Magnetic Resonance Imaging Statistics and Ultrasound)		CT	MRI	US
Month = February 2013				
1	Overall Patient events (Community and Outpatient referrals)			
a)	Total number accepted referrals waiting for scan at month end	194	339	718
b)	Total number of referrals accepted for scanning during month	193	104	419
c)	Total number scanned and reported during month	205	82	318
d)	Total number of DNAs during month	2	0	17
e)	Total number of referrals not accepted during month	10	1	13
2	Waiting times for Community and Outpatient referrals except planned procedures			
a)	Total number accepted referrals waiting for scan at month end	114	258	594
b)	Number of accepted referrals waiting for scan within 6 weeks (42 days)	94	78	330
c)	Number of accepted referrals waiting within 21 weeks (147 days)	112	190	592
3	Monthly activity and demand for Community and Outpatient except planned procedures			
a)	Total number of referrals for scan accepted during the month	156	84	399
b)	Total number of accepted referrals scanned and reported in month	171	59	264
c)	Total number of accepted referrals scanned and reported in month within 6 weeks	75	10	103
d)	Total number of accepted referrals scanned and reported in month within 21 weeks	161	37	261

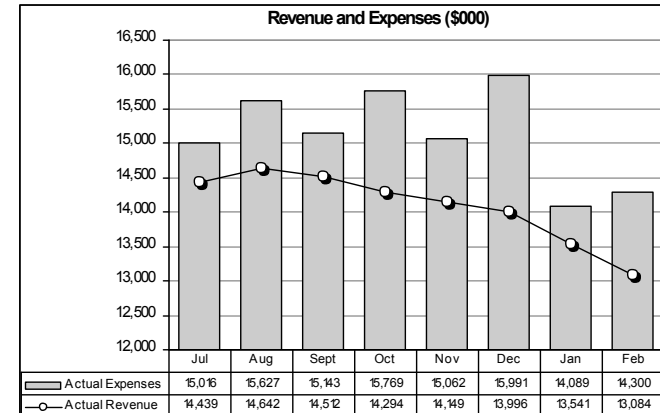
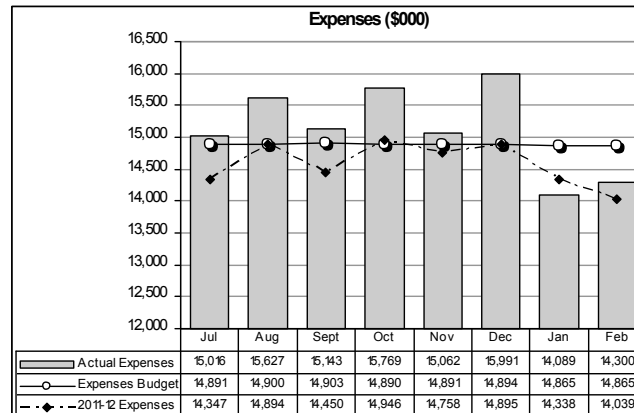
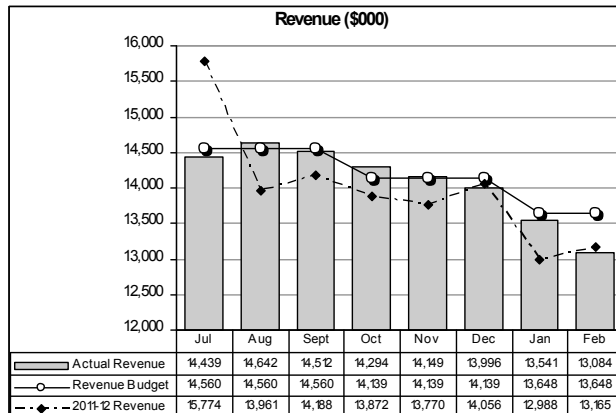
4 FINANCIAL COMMENT

Financial Comment for the Month Ending 28 February 2013

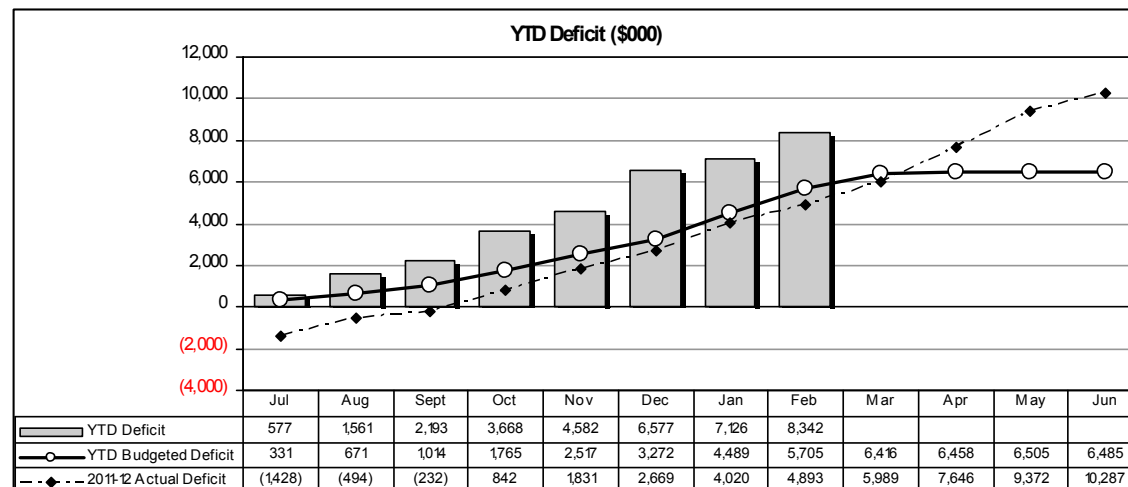
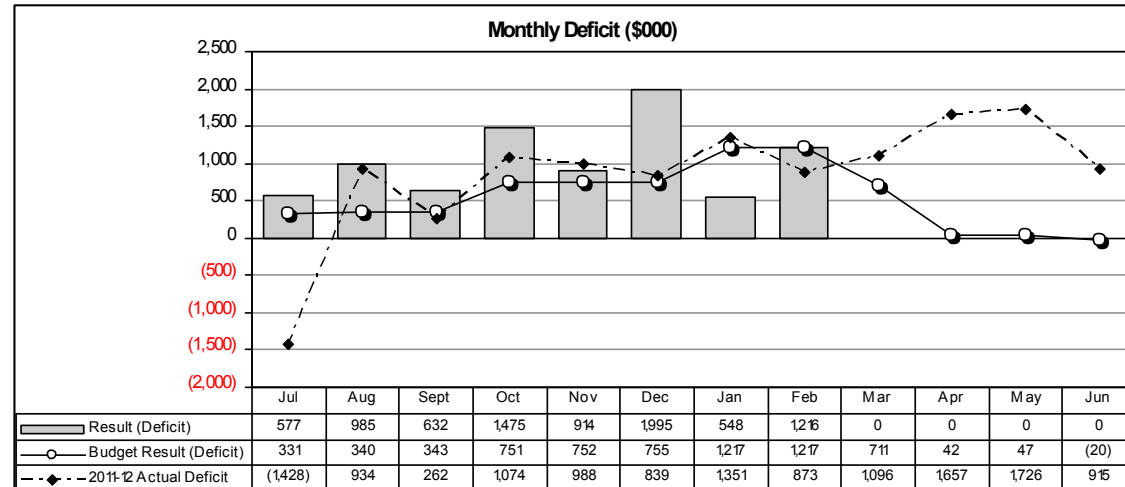
The Provider financial result for the year to 28 February is \$2.64M worse than the budgeted deficit of \$5.70M. This was made up of revenue \$736K below budget and expenditure \$1.9M higher than budget. Total expenses are 2% above budget to date and 4 % higher than the same period last year. For the month of February result is at budget, with a \$1.21M deficit.

There has been a continuing improvement in the reported results from the end of 2012, relating to lower activity and service scheduling over the Christmas/New Year period; however the overall financial situation remains unchanged with the Provider Arm carrying a significant deficit.

	February 2013 Actual	February 2013 Budget	Variance	February 2012 Actual	Year on Year Movement	Year to Date Actual	Year to Date Budget	Variance	Percentage Variance	February 2012 YTD	Year on Year Movement	Percentage Movement	Comment
Revenue	(13,084,034)	(13,647,887)	563,855	(13,165,356)	-1%	(112,656,431)	(113,393,042)	736,614	-1%	(111,774,641)	(881,790)	1%	Decreased revenue from ACC and MOH sources
Personnel Costs	8,110,083	8,404,132	(294,046)	8,027,210	1%	68,740,541	67,483,141	1,257,398	2%	65,874,741	2,865,800	4%	Reduced costs relating to lower activity and increased staff leave
Outsourced Services	1,713,631	1,629,274	84,355	1,514,266	13%	14,160,352	13,034,208	1,126,145	9%	14,006,917	153,435	1%	Reduced use of locums, increased radiology and decreased use of outsourced clinical services
Clinical Supplies	1,974,835	1,963,532	11,317	1,949,361	1%	15,847,386	15,745,625	101,747	1%	15,906,716	(59,330)	0%	Majority under budget, high costs in implants
Infrastructure & Non Clinical Supplies	2,501,814	2,869,472	(367,639)	2,548,282	-2%	22,254,346	22,848,710	(594,385)	-3%	20,881,493	1,372,853	7%	
Internal Allocations	(308)	(1,680)	1,374	(404)	-24%	(2,802)	(13,470)	10,644	-79%	(3,252)	450	-14%	
Total Expenses	14,300,055	14,864,730	(564,639)	14,038,715	2%	120,999,823	119,098,214	1,901,549	2%	116,666,615	4,333,208	4%	
Result	1,216,021	1,216,798	(777)	873,359	39%	8,343,392	5,705,172	2,638,163		4,891,974	3,451,418		



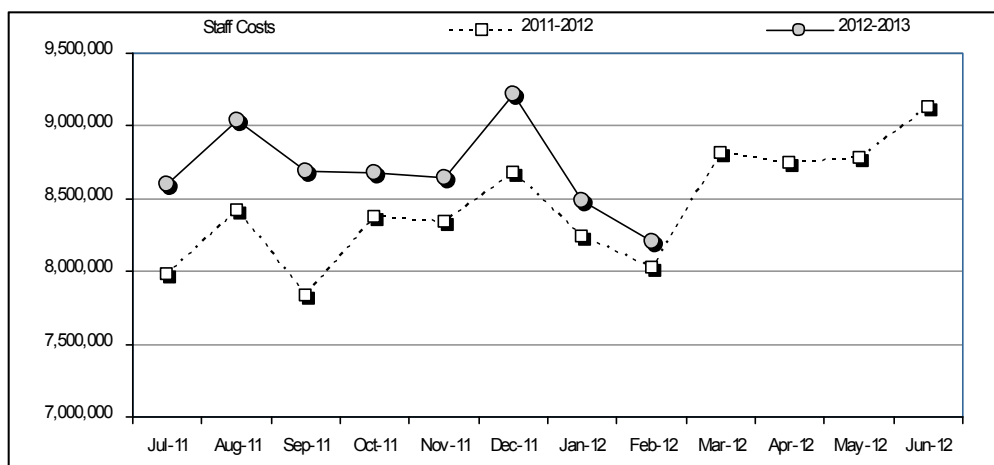
The budgeted monthly deficit follows a similar pattern to 2011-2012 actuals, with the current year budget trending downwards in the last quarter due to budgeted savings of \$2M. January and February Provider Arm results have been at budget or better, reducing the escalating year to date variance to budgeted deficit. The Savings plan instigated in late February is expected to show benefits in the March period, however significant effort is expected to maintain the benefits gained in January and February.



Year to date personnel costs are higher than budget by \$1.17M. The total year to date variance is 2% above budget. High costs continue in nursing staff (\$1.07M above budget YTD) and Allied Health (\$470K YTD). FTE variance has reduced in both these areas from previous months, relating to lower activity and less use of casual staffing.

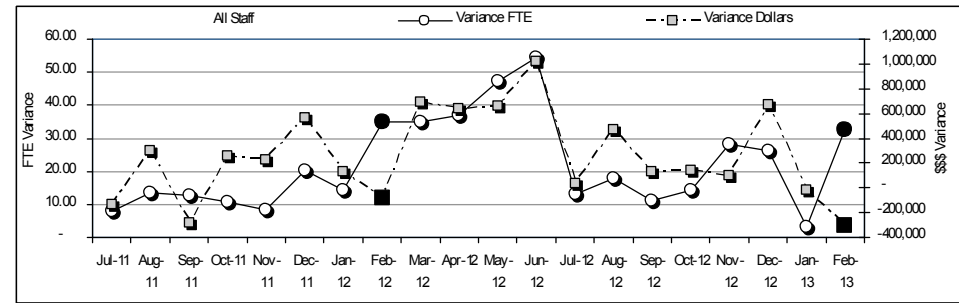
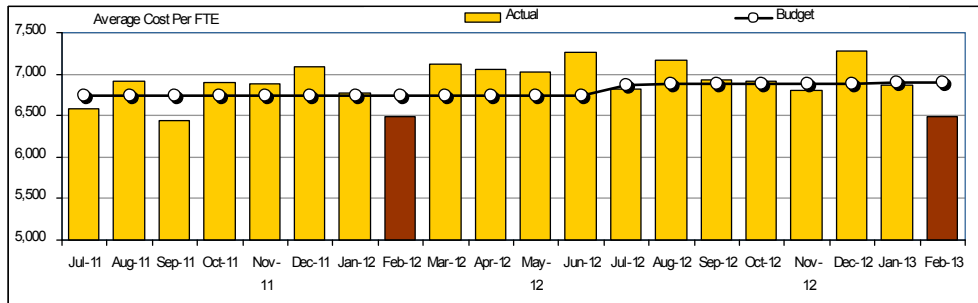
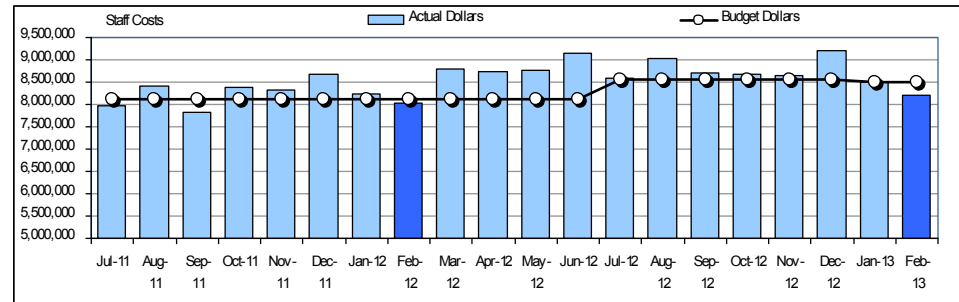
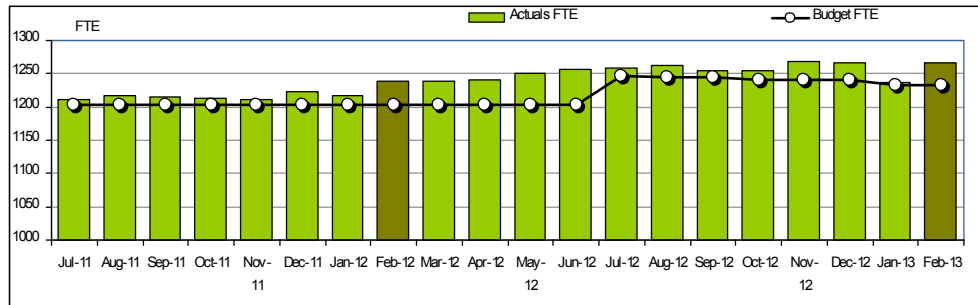
February expenses have continued to be below budget and reduced from the highs at the end of 2012. Ongoing reduced occupancy and tight operational management has resulted in lower use of casual staff and increased staff leave, coupled with the shorter month has decreased expenditure. The February actual costs of \$8.11M are \$551K lower than the July 2012 – January 2013 monthly average expenditure of \$8.66M.

Group	February 2013	February 2013	Percentage Variance	February			YTD Actual	YTD Budget	YTD Variance	Percentage Variance	Annual Budget		
	Actual	Budget		Variance	Actual FTE	Budget FTE							FTE Variance
Medical Staff	2,162	2,273	(110)	(5%)	134.1	142.3	(8.1)	18,512	18,182	329	2%	27,273	Ongoing low summer occupancy has reduced staffing costs, despite higher than budgeted FTE
Nursing Staff	3,353	3,394	(40)	(1%)	570.0	536.1	34.9	28,481	27,403	1,077	4%	40,826	
Allied Health Staff	1,211	1,205	6	0%	230.6	222.1	9.0	10,098	9,628	470	5%	14,449	
Support Staff	318	303	15	5%	86.5	81.2	5.4	2,692	2,424	268	11%	3,636	
Management and Administration Staff	1,065	1,229	(164)	(13%)	225.9	234.1	(8.1)	8,958	9,846	(888)	(9%)	14,763	
	8,110	8,404	(294)	(3%)	1,247.1	1,215.8	33.1	68,741	67,483	1,257	2%	100,948	
Medical Staff	2,162	2,273	(110)	(5%)	134.1	142.3	(8.1)	18,512	18,182	329	2%	27,273	
Locum Medical Staff	152	100	51	51%				1,644	802	841	105%	1,203	
Total Cost of Medical Staffing	2,314	2,373	(59)	(2%)	134.1	142.3	(8.1)	20,155	18,984	1,171	6%	28,477	



Provider Arm FTE are 33.1 FTE above budget, including 34.9 Nursing staff. The high number of nurses is due to a number of factors, including increased annual leave, orienting new nurses on the wards, and high staff numbers in Hawera and maternity. Vacancies in medical staff are 8.1 FTE, including ongoing vacancies at Hawera Hospital.

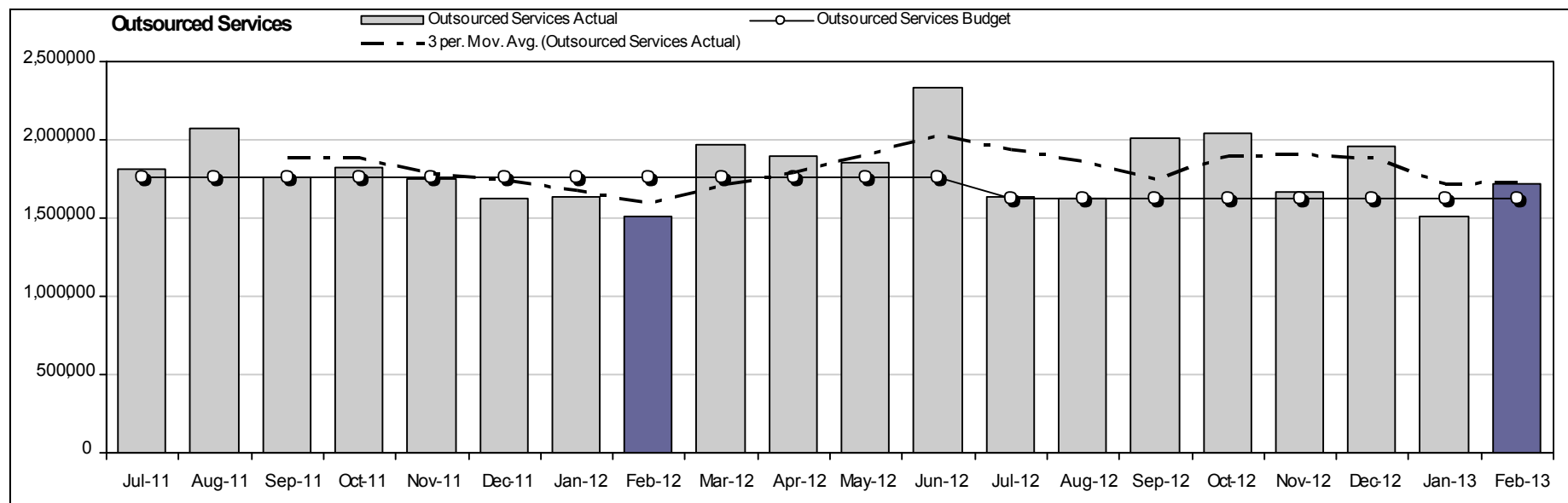
The total cost of medical labour including locums is \$20.1M YTD, \$1.17M higher than budgeted. Management and Administration FTE continue to be under budget for both FTE and costs.



Outsourced Services costs are \$1.17M higher than budget year to date. Outsourced Medical staff costs are higher than budget by \$841K, with the \$787K of this variance relating to locum costs at Hawera Hospital. This is offset by lower staff costs, and the total cost of medical staffing at Hawera is \$1.67M YTD, \$342K less than budgeted.

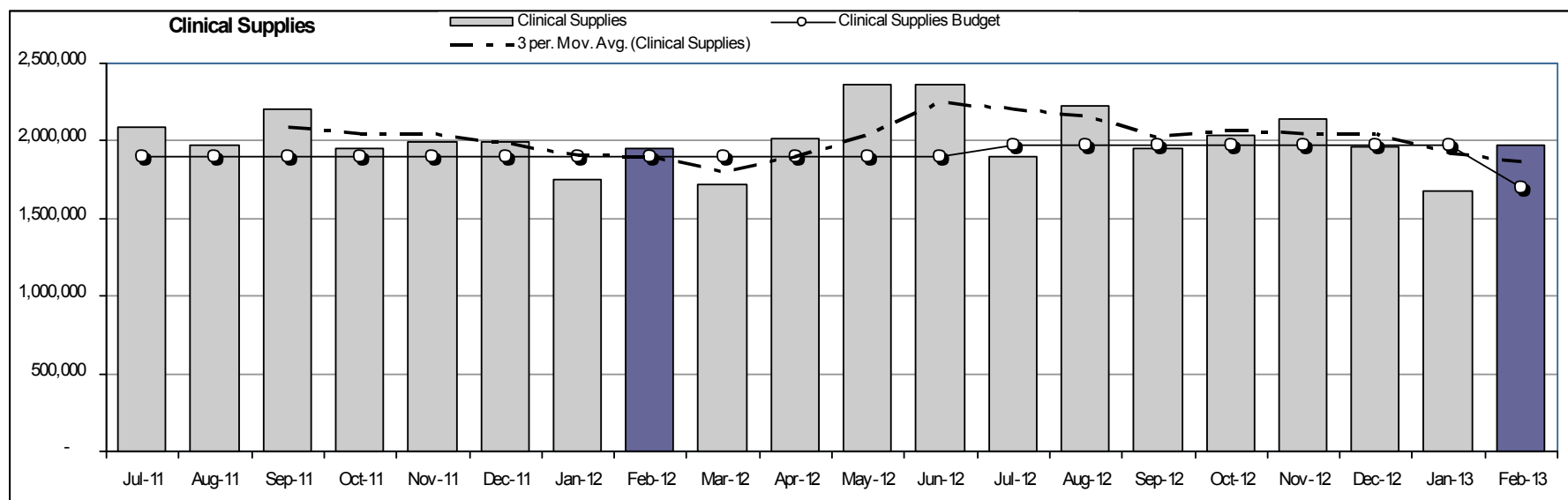
Referred services costs are higher than budget, relating to radiology volumes. Outsourced clinical services are under budget, relating to reduced costs from ACC surgery and reduced activity over the holiday period.

	February Actual	February Budget	Variance	YTD Actual	YTD Budget	Variance	Percentage Variance	Sum of Annual Budget	Percent Expended (target 66%)	
Outsourced Medical Staff	151,594	100,269	51,324	1,643,578	802,151	841,428	105%	1,203,225	137%	High costs relate to Hawera Medical staff
Other Outsourced Staff	48,543	32,694	15,849	327,984	261,555	66,429	25%	392,332	84%	Allied Health staff offset by staff vacancy
Referred Services	724,088	610,860	113,228	5,589,048	4,886,884	702,164	14%	7,330,326	76%	Radiology costs higher than budgeted
Outsourced Clinical Services	789,406	885,451	(96,046)	6,599,742	7,083,618	(483,876)	-7%	10,625,425	62%	Reduced due to less ACC work
	1,713,631	1,629,274	84,355	14,160,352	13,034,208	1,126,145	9%	19,551,308	72%	



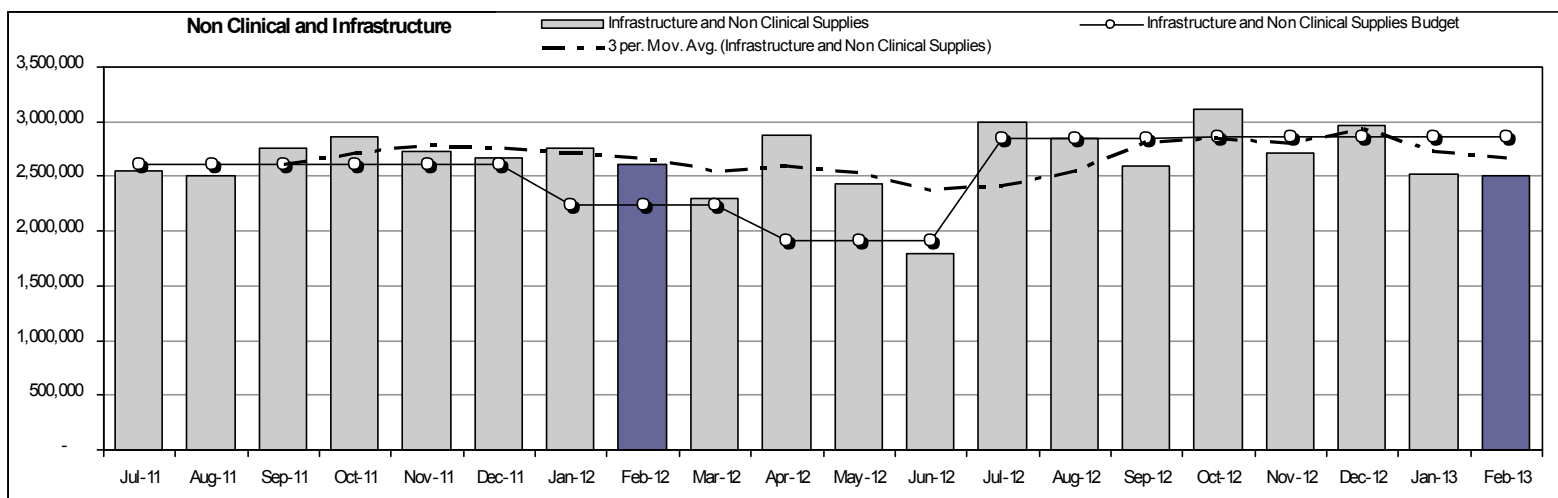
Clinical supply costs are over budget for February by \$11K and over budget for the year to date by \$101K. Expenditure is closely related to activity and has reduced in line with outputs. Ongoing overspending in Implants and Prostheses relates to knee replacement and spinal surgery.

	February Actual	February Budget	Variance	YTD Actual	YTD Budget	Variance	Percentage Variance	Sum of Annual Budget	Percent Expended (target 66%)	Comments
Patient Consumables	720,252	738,301	(18,038)	5,850,615	5,906,317	(55,711)	-1%	8,859,475	66%	
Diagnostic Supplies	120,366	116,229	4,137	877,305	929,835	(52,528)	-6%	1,394,754	63%	
Clinical Equipment	207,302	221,854	(14,556)	1,642,824	1,812,339	(169,521)	-9%	2,680,510	61%	
Patient Appliances	69,862	90,460	(20,597)	691,935	723,675	(31,740)	-4%	1,085,512	64%	
Implants and Prostheses	220,597	167,532	53,065	1,761,196	1,340,247	420,946	31%	2,010,370	88%	High costs in Orthopaedics, relating to volume
Pharmaceuticals	313,426	331,676	(18,247)	2,698,400	2,653,381	45,022	2%	3,980,070	68%	Costs for Cancer Treatments offset by Revenue
Patient Transport and Accommodation	315,102	288,501	26,602	2,257,276	2,307,999	(50,725)	-2%	3,462,000	65%	
Other Clinical Supplies	7,930	8,979	(1,049)	67,835	71,832	(3,996)	-6%	107,748	63%	
Clinical Supplies Total	1,974,835	1,963,532	11,317	15,847,386	15,745,625	101,747	1%	23,580,439	67%	



Infrastructure and Non-Clinical costs are \$367K (13%) below budget for the month and \$594K (3%) below budget for the year to date. Year to date hotel service are less than budget, with the last three months lower than budget related to reduced occupancy. Facilities costs continue to be high for the year to date, relating to utilities and building depreciation higher than expected due to building improvements, and movement of insurance expenses between categories (offset in Professional Fees). High professional fees and expenses relates to TDHB's share of costs for regional services. Other operating expenses are significantly less than budget relating to capitalisation of staff costs from capital projects.

	February Actual	February Budget	Variance	YTD Actual	YTD Budget	Variance	Percentage Variance	Sum of Annual Budget	Percent Expended (target 66%)	Comments
Hotel	232,513	272,787	(40,272)	2,154,126	2,182,254	(28,132)	-1%	3,273,383	66%	Volume related costs such as patient meals and laundry
Facilities	765,583	752,577	13,007	6,474,305	6,018,687	455,621	8%	9,029,696	72%	Higher than budgeted depreciation costs, insurance expenses transferred between categories
Staff Transport & Accommodation	61,248	74,946	(13,701)	636,108	603,695	32,409	5%	904,103	70%	High costs relating to TDHB vehicles
IT & Telecommunications	683,666	804,933	(121,268)	5,837,868	6,322,989	(485,119)	-8%	9,589,026	61%	
Interest & Financing Charges	624,629	659,633	(35,003)	5,225,974	5,277,067	(51,093)	-1%	7,915,600	66%	
Professional Fees & Expenses	203,078	154,939	48,141	1,344,074	1,239,498	104,575	8%	1,859,250	72%	Reduced insurance expenses, high affiliation costs related to shared services
Other Operating Expenses	(68,903)	149,574	(218,460)	580,820	1,203,853	(623,050)	-52%	1,802,193	32%	
Democracy	0	83	(83)	1,071	667	404	61%	1,000	107%	
Cost Savings	0	0	0	0	0	0	0%	(2,000,000)	0%	
Total	2,501,814	2,869,472	(367,639)	22,254,346	22,848,710	(594,385)	-3%	32,374,251	69%	



5 GENERAL

Staff continue to be actively engaged in savings initiatives to assist the Provider Arm to meet budget requirements.

Elective surgery delivery is being carefully managed to ensure we meet contracted obligations but do not over deliver. Strategies include not replacing vacant sessions when Consultants are on leave, a planned elective surgery reduction in the April school holidays and careful management of waitlists in consultation with the clinicians ensuring that we also meet ESPI requirements.

Approximately half of the outsourced ENT sessions have been returned to Base hospital over April and May, reducing this expenditure. The Orthopaedic Department have contributed to a significant revenue opportunity by all Consultants scheduling ACC lists at Base during the two week elective surgery reduction.

We continue to see improvements in various targets as a result of the quality initiatives that have been undertaken, including the significant projects that have been underway – Pre-admission, RTTC, TPOT, Acute Pathway and ERAS. Ward 4 has seen a reduction in adjusted length of stay for all Orthopaedic patients from 4.19 for the period October 2011 – March 2012 to 3.86 for the period October 2012 – March 2013.

As an example below is a list of quality improvements made this year within the Releasing Time to Care (RTTC) Programme. Whilst this work is ongoing from a quality perspective it is also delivering cost efficiency savings and is valuable preparation prior to the move to the new acute block:

- Imprest numbers reduced to reflect the daily supply from stores and changing needs of departments
- Standardised bed making across all wards to reduce unnecessary linen usage
- Foley suction catheters removed from oxygen and suction baskets – saves 60 catheters per ward
- Meals module in Ward 4 – introduced a red tray system to identify patients who require assistance. This will be introduced across all acute wards
- Meals module in Ward 4 – have reduced the time for meal delivery by half and have reduced food wastage and incorrect orders significantly thereby achieving a cost reduction
- Creating a consolidated area for all nursing documentation to be stored on the intranet. This will reduce the amount of hard copies being printed
- Standardisation across all the acute areas for stores, equipment, MDT requirements and clerical items. This will make it easier for staff to work across all areas

RECOMMENDATION

That the Hospital Services Reports for the month of February 2013 be noted and received.

**Lee McManus (Acting GM) on behalf of Rosemary Clements
General Manager
Hospital & Specialist Services**