Distribution:

Committee Members:
A Ballantyne
K Eagles (Committee Deputy Chair)
F Gilkison
R Handley
T A Hohaia
P Lockett
K Nielsen (Committee Chair)
U Ritai
A Rumball
A Tamati
S Webb

Management:
Chief Executive
General Manager Finance / Commercial
Chief Operating Officer & Chief Nursing Advisor Hospital Services
General Manager Planning & Funding & Population Health
Chief Advisor Maori Health
Chief Medical Advisor
Quality Risk Manager
Management Accountant
PA to Board

Advisors:
C Gates-Thompson, Media Advisor
P Franklin, Legal Advisor
P Mayes, Relationship Manager, MoH

File Copy

TARANAKI DISTRICT HEALTH BOARD

AGENDA

HOSPITAL ADVISORY COMMITTEE

ORDINARY MEETING

OPEN

Thursday 25 June 2015
1pm

Corporate Meeting Room 1
Base Hospital
David Street
New Plymouth

HOSPITAL ADVISORY COMMITTEE

MEETING AGENDA

Thursday 25 June 2015
1 pm
Corporate Meeting Room 1, Base Hospital
David Street
New Plymouth

		Action
1.	**Apologies/Leave of Absence –** Leave of Absence from Alison Rumball, apology Karen Eagles (Board members) and an apology from Tony Foulkes (Chief Executive).	For noting
2.	**Interest Register & Conflicts of Interest** • Members to verbally advise all changes to the interest register, and amend the register circulated; and • Members need to advise the Chair of any conflict with any matter that is part of the agenda papers.	Members to advise Chair
3.	**Public Comment**	Verbal
4.	**Chair's Report**	Verbal
5.	**Attendance Schedule**	Verbal
6.	**Minutes** 6.1 Minutes of meeting held 28 May 2015 *Resolution* *That the Hospital Advisory Committee receives and notes the minutes of the meeting held 28 May 2015 as a true and accurate record.* 6.2 Matters Arising	Resolution
7.	**Service Presentation** Charles Hunt – HR Manager Greg Simmons – Chief Medical Advisor "Workforce" presentation.	Presentation
8.	**Management Report** Hospital & Specialist Services Monthly Report. *Resolution* *That the Hospital Advisory Committee receives and notes the report of the Chief Operating Officer and associated quarterly reports.*	Resolution
9.	**Date of Next Meeting** 30 July 2015 – New Plymouth	For noting

Attendance Records 2014 - 2015
TDHB Hospital Advisory Committee Meetings

Date / Board	31/07/2014	28/08/2014	25/09/2014	30/10/2014	27/11/2014	18/12/2014	26/02/15	Mar-15	Apr-15	May-15	Jun-15	TOTAL
Pauline Lockett	✓	✓	✓	✓	✓	✓	✓	✓	A	✓		
Sally Webb	✓	✓	A	✓	A	✓	✓	✓	✓	A		
Alex Ballantyne	✓	A	✓	✓	✓	✓	✓	✓	✓	✓		
Karen Eagles - Deputy Chair	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		
Flora Gilkison	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		
Richard Handley	A	A	A	✓	✓	✓	✓	A	✓	✓		
Te Aroha Hohaia	✓	✓	A	✓	✓	✓	A	A	✓	✓		
Pat Leary	✓	✓	✓	✓	✓	✓						
Kevin Nielsen - Chair	✓	✓	✓	A	✓	✓	✓	✓	✓	✓		
TeUrumairangi Ritai	✓	AB	✓	✓	✓	✓	✓	✓	✓	✓		
Alison Rumball	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		
Aroaro Tamati	✓	✓	A	A	✓	A	A	✓	✓	✓		

KEY	
✓	Attended
A	Apology
LOA	Leave of Absence
AB	Absent

TARANAKI DISTRICT HEALTH BOARD

MINUTES OPEN (unconfirmed)
HOSPITAL ADVISORY COMMITTEE

28 May 2015
1.30pm
Corporate Meeting Room 1
Base Hospital David Street
New Plymouth

Present:
Kevin Nielsen (Chair), Alex Ballantyne, Karen Eagles, Flora Gilkison, Richard Handley, Te Aroha Hohaia, Pauline Lockett, Te Urumairangi Ritai, Aroaro Tamati,

In Attendance:
Rosemary Clements (Acting Chief Executive), George Thomas (General Manager Finance & Corporate Services), Becky Jenkins (General Manager Planning, Funding & Population Health), Ngawai Henare (Chief Advisor Maori Health), Greg Simmons (Chief Medical Advisor), Gillian Campbell (Acting Chief Operating Officer), Simon Barrett (Group Financial Manager), Katherine Fraser-Chapple (Financial Accountant), Cressida Gates-Thompson (Communications Advisor), Matua Ramon Tito (Kaumatua), Jenny McLennan (PA to CEO)

Gloria Crossley – Clinical Services Manager – Allied Health, Scientific & Technical

942.0 Opening of Meeting
Mr Nielsen welcomed those in attendance and declared the meeting open.

943.0 Apologies
The apologies/Leave of Absence formally received at the previous meeting from Alison Rumball (LOA), apology Sally Webb (Board members) and an apology from Tony Foulkes (Chief Executive) were noted.

944.0 Conflict of Interest
Members were asked to verbally advise all changes to the interest register and amend the register circulated; and members to advise the Chair of any conflict with any matter that is part of the agenda papers.

945.0 Attendance Schedule
The attendance schedule was received and noted.

946.0 Minutes of Previous Meeting
Resolution
That the Hospital Advisory Committee resolve to accept the minutes of the meeting held 30 April 2015 as a true and correct record.

Gilkison/Hohaia
Carried

946.1 Matters Arising
946.2 Task List
946.3 Maternity Services – Culture Survey
It was noted that an update was provided in the report presented

946.4 Coding Data
Mrs Campbell advised that there was an interim plan in place that would ensure the necessary coding will be finished on time for the current financial year.

947.0 Presentation – ART Services
Mr Nielsen welcomed Mrs Crossley - Clinical Services Manager – Allied Health, Scientific & Technical to the meeting.

Presentation

- Why?
    - If person admitted to hospital, provide help with reducing length of stay.
    - Make efficiency and cost gains through help with safe patient discharge from ED.
    - Provide support to other ED staff.
    - Similar teams have been put in place in Australia and at Canterbury DHB.
- How?
    - Identified the Allied health professional groups that would have the biggest impact within the ED.
    - Drew on the experience of our ED and Allied Health staff.
    - Used External research to support this approach.
- What we wanted to do?
    - Provide a twice daily (9am and 1pm) ART service to ED for the 5 working days.
    - Provide efficiencies by identifying patients who would benefit from an ART intervention to assist with a safe discharge or to support their admission.
    - Assist in developing an integrated model that encourages the patient and family/whanau to self manage where possible.
    - Help reduce length of stay in ED by supporting patients with immediate intervention, equipment or support services to enable safe discharge from the department.
    - To reduce readmissions to the ED by facilitating appropriate and supported discharges.
- What we did?
    - Members of the professions put forward their ideas and proposals.
    - Met and discussed with Professional Leads/Advisors and gained their support to trial this within existing FTE.
    - Time was spent educating all members of the team in multidisciplinary approach.
- How Do We know it Has Worked?
    - Length of Stay and discharge data plus responses from ED staff.
    - Those admitted have been able to have earlier intervention and assessment, saving time on wards.

    - Better co-ordination of home care supports and/or referrals to services assists with direct discharge from ED.
- Outcome result of patients seen by ART Team (105 patient sample)
    - Discharge – 49%
    - Admitted – 29%
    - Allied Health Community Referral – 9%
    - Community Support Services – 5%
    - Equipment Issued – 8%
- The Next Step
    - ART team permanent fixture in the ED.
    - 1.5 FTE for Allied Health staff.
    - 0.5 for each of the three professional groups which is managed by each group to ensure the ED has necessary coverage at all times.
- Where To From Here?
    - Currently a Monday to Friday service within normal working hours...in the future we may need to consider changes to the hours of delivery…possibly 7 day a week service?
    - The addition of Pharmacist support is something we would like to pursue.

Discussion

- It was noted that ART was only provided as a five day a week service – planning for future service provision may require change in employment conditions. This is a national issue which is being discussed in several forums.
- Kaiwhina support is provided when required.
- Connectivity continues to progress and is encouraging, with issues worked through as required.
- ARTS beneficial in treating high complex needs people coming through ED.
- Benefits for patients having an assessment before they are admitted to ward, by also having a pathway on admission.

948.0 Management Reports

Mrs Campbell took her report as read highlighting the following:

- Resourcing issues associated with coding has caused a delay in timely coding. Mrs Campbell advised that the delay issue had been addressed and it was expected that coding would be completed within expected timelines.

Discussion

- Mr Nielsen acknowledged the cover that Mrs Campbell was providing and noted that the provider continues to meet or exceed targets
- Noted that the modified Barium Swallow machine in Fulford Radiology has been withdrawn due to age and equipment failure. Mrs Campbell advised that patients were currently referred out of town for the examination.
- Mrs Campbell advised that an Acute Demand Project had commenced in South Taranaki with a new GP practice providing an overflow service similar as provided in New Plymouth.

- Implementation of the e pharmacy reconciliation project across the Midland region over a six week period will mean all DHBs are on the first step operating on the same platform.
- Ms Lockett questioned whether the culture of making collective decisions as was made regarding the management of consumables by the orthopaedic surgeons had spread across the wider hospital.
  It was noted that there were national project also underway regarding consolidation of procurement.
- Mrs Clements confirmed that while coding was behind production planning provided management with necessary throughout/volume data.
- Mr Nielsen thought it would be beneficial for the committee to have details provided on the process of obtaining elective surgery. This would provide clarity for members and an understanding of the criteria within primary care. Mrs Eagles suggested that an accompanying patient story may be useful.

Resolution
That the Hospital Advisory Committee receives note the report of the Chief Operating Officer and associated quarterly reports.

Eagles/Tamati
Carried

Next Meeting
25 June 2015 in New Plymouth

The meeting concluded at 1.55pm

…… ……
Chairman Date

TDHB Hospital Advisory Committee Task List as at 28 May 2015						
Action No	**Date Raised**	**Action Description**	**Status**	**Assigned**	**Due Date**	**Updates**
39	28 May 2015	**Elective Surgery Process and Criteria –** possibly accompanied by patient story	To be prepared for future meeting	Acting COO		
38	30 April 2015	**Information from coding data – delay in coding**	WIP	Acting COO	May meeting	Information to be provided
36	27 November 2014	**Mental Health & Addiction Services**	WIP	COO	December meeting	Clarification sought on 'improvements' terminology in scorecard
~~35~~	~~27 November 2014~~	~~**Maternity Services Cultural Survey –** Feedback on results~~	~~Progressing~~	~~COO~~	~~Future meeting~~	~~Feedback on results to be provided when available To be provided at May meeting.~~

TO Hospital Advisory Committee

FROM Gillian Campbell
Acting Chief Operating Officer

DATE 15 June 2015

MEMORANDUM

SUBJECT Hospital and Specialist Services Report for May 2015

Recommendation:
That the Hospital Advisory Committee receive and note the Hospital and Specialist Services monthly report.

Please find attached the Hospital and Specialist Services monthly report for May 2015, providing an overview of Hospital activity. This gives details of progress against District Annual Plan initiatives, Health Targets, financial results and activity for the month.

The report for May is again a summarised version as staffing deficits continue to have an impact in Hospital and Specialist services, including Service Managers and Medical Coding. The immediate focus has been on operations and operational management, and we are expecting to return to full reporting for June 2015 and year end.

Gillian Campbell
ACTING CHIEF OPERATING OFFICER

Hospital and Specialist Services Monthly Report – May 2015

Contents

Provider Overview – Gillian Campbell

1. Scorecard – May 2015

	Measure	Actual	Target	Change from last month	Commentary
Increased Patient Safety					
Patient Falls*	# Patients				Transitioning to Midlands regional integrated quality solution
Hospital Acquired Infections*	# Patients				TBA
Pressure Area Injuries*	# Patients				Transitioning to Midlands regional integrated quality solution
Better Quality Care					
ESPI 2 Elective waitlist FSA < 5 months	# Patients	0	0		Ongoing Monitoring
ESPI 5 Elective waitlist Surgery < 5 months	# Patients	0	0		Ongoing Monitoring
Shorter Stays in the Emergency Department - < 6 Hours	% of patients	96%	95%		May result,
Complaints actioned in appropriate timeframes	% of complaints	100%	100%	-	On target
Financial Performance					
Operating Surplus/Deficit Variance to budget (current month)	$000	$3.18 U	$0	Improvement	Staff, clinical supply and outsourced services costs higher than planned
Volumes delivered to contract target	% variance		0%		April volumes not yet available
FTE Employed variance to budget	FTE	1.4 FTE	0	Improvement	Overall lower than budget, exceeding budget for nursing, offset by FTE savings in other areas
Improved Health Status					
DNA Rate - All ethnicities and patient categories	% of total patients	9.1%	9%	Improvement	DNA rate has improved overall with slight slippage in the rate for Maori. Work continues with all groups.
Better Help for Smokers to Quit	% of patients offered advice & support	94%	95%	Decline	Very close to target for all groups. *March results data for April and may not yet available.*
Avoidable Admissions *	# Patients				Reported quarterly – data reporting being developed
Engaged Workforce					
Staff Turnover	% of total staff	9.7%	8%	Decline	Above target, change to data collection will require revision on target in the new year
Unplanned Leave	% of all FTE	3.9%	2.5%	Improvement	Increasing in line with higher winter sick leave trends, remains lower than average year to date
Excess Annual Leave (> 2 years entitlement)	% of employees	11.1%	8%	No change	Higher than target. Work with staff to manage leave balances continues.

1.1 Overview

Please find the report for May 2015 providing the Hospital Advisory Committee with an overview of hospital activity.

Overall health targets continue to meet or exceed targets. The Emergency Department Shorter Stay target has been achieved again this month, including 96% in the Base ED. Close management of elective targets continues to ensure ongoing achievement of these. The FCT target performance dropped in Q2 but this was a period of low numbers exaggerating this result.

The demand for acute medical inpatient beds has remained lower than average and the second medical ward has remained closed throughout May. Patients have been admitted to other wards and staff redeployed to other units where there are pressures.

The Provider financial for the month of May is a deficit of $919K, $27K better than budget. The year to date result is a deficit of $12.49M, $3.18M higher than budgeted deficit year to date. Continued focus on efficiency and containing cost growth has kept the year to date variance to budget static from April.

1.2 Key Achievements

- A revised thrombolysis protocol has been completed for patients requiring thrombolysis following strokes. This will be submitted to the Pharmaceutical and Therapeutics Committee for endorsement.
- The Code Stroke Call is nearly ready for launch across the organisation with development and implementation completed. When in place key staff across the organisation will be paged/called when a patient presents with a likely stroke diagnosis. This will assist with timeframes for appropriate stroke management, particularly when thrombolytic therapy is required.
- Roll out of the NASC tool (Momentum/interRAI) is progressing. This will include a read only option for community providers (rest homes and respite facilities). We are now expanding this into Mental Health and Addictions services, along with read only access for community Mental Health and Addiction providers. We are the first DHB to progress this tool across both physical health and Mental Health and Addiction services and this is progressing positively.
- Te Puna Waiora IPC Re-design project is progressing well and room data sheets have been completed.
- The Paediatric service project to better manage children through the service and provide appropriate care is ongoing. Telephone clinics for paediatricians have been introduced, reducing the need for hospital based appointments for simple follow ups for patients. Other developments include the introduction of virtual FSA's for patients. The paediatric service is developing local pathways within Map of Medicine along with increased awareness and GP education on referral requirements and patient 'work up" prior to referral.
- The government initiative of free health care for under 13 year olds being introduced on 1 July 2015, has enabled the return of responsibility for repeat prescriptions back to General Practice. The Paediatric Script line provided by TDHB will cease on 1 July.
- The Child and Adolescent Mental Health Service have completed the majority of corrective actions recommended following the service audit in late 2014. The remaining actions are currently being addressed.
- Increasing numbers of staff members are being trained in Family Violence Intervention with a particular focus on Emergency Department staff in New Plymouth and Hawera. The number of women over 16 years of age being screened for family violence is also increasing.
- Speech Language Therapists will be introducing Cough Reflex Testing, with this service eventually being undertaken by nursing staff during Dysphagia screening. Key staff members are currently

undertaking training. The testing has been proven to reduce the rate of aspiration pneumonia from 26% to 11% and this is now being introduced by many DHBs.

- The Acute Demand project continues with GP redirection and Primary options underway in both North and South Taranaki. There was a 5% reduction in Base volumes and a 10% reduction in Hawera ED volumes compared to May 2014.
- The FCT projects of Lung and Urology continue to make progress with referral pathways and co-ordination of services. The Lung Pathway is showing significant improvement and a repeat audit for tumour standards is being undertaken. A second phase of the Urology project has been proposed with a key aim of developing surveillance systems and processes for this group of patients.
- The Accelerated Chest Pain pathway has been introduced at both Hawera and Base EDs. This is a national pathway to avoid hospital admissions and provide timely and consistent care in the EDs.
- MRI and Ultrasound wait times remain static at 43% and 66% respectively for receiving scan within 6 week timeframes. A 4% improvement in achieving the 6 week CT scan wait times is also seen. This result of 89% is close to the 90% target.
- Elective discharges remain ahead of target. Case weight delivery for the Provider Arm is slightly behind plan with the overall population view expected to be at target levels

1.3 Areas off Track and Remedial Actions

- The DNA projects for colposcopy and dental services continue, however making significant impact on the DNA rates in these services has been challenging. Small numbers of patients with repeat DNAs are being identified and managed in each service.
- A solution has been agreed to replace one of the laboratory biochemistry analysers. The placement timeframe has not been confirmed and alternative options for sample analysis are in place.
- Equipment issues in Fulford Radiology impacted on the ability to perform Modified Barium Swallows. Contingencies are in place for paediatric patients being seen offsite, however there is no service in place for complex stroke patients and this is causing some concern. Work continues with our radiology provider on service delivery.
- Regional e-Pharmacy project work continues to work towards our go-live in June. Some issues have arisen with uncoupling processes from our current platform. Plans are in place to work through these processes and minimise the impact on ward staff, however this has transferred additional workload on to Pharmacy staff.
- Recruitment to vacancies for Occupational Therapists and Physiotherapists continues to be challenging. Wait lists for outpatient therapy services have been impacted.
- The Coding of inpatient data continues to be behind with coding now completed for March. April and May is in progress. A plan is in place to ensure coding is completed for end of year. Ongoing timely management of coding remains a priority and an ongoing workforce plan is being established.

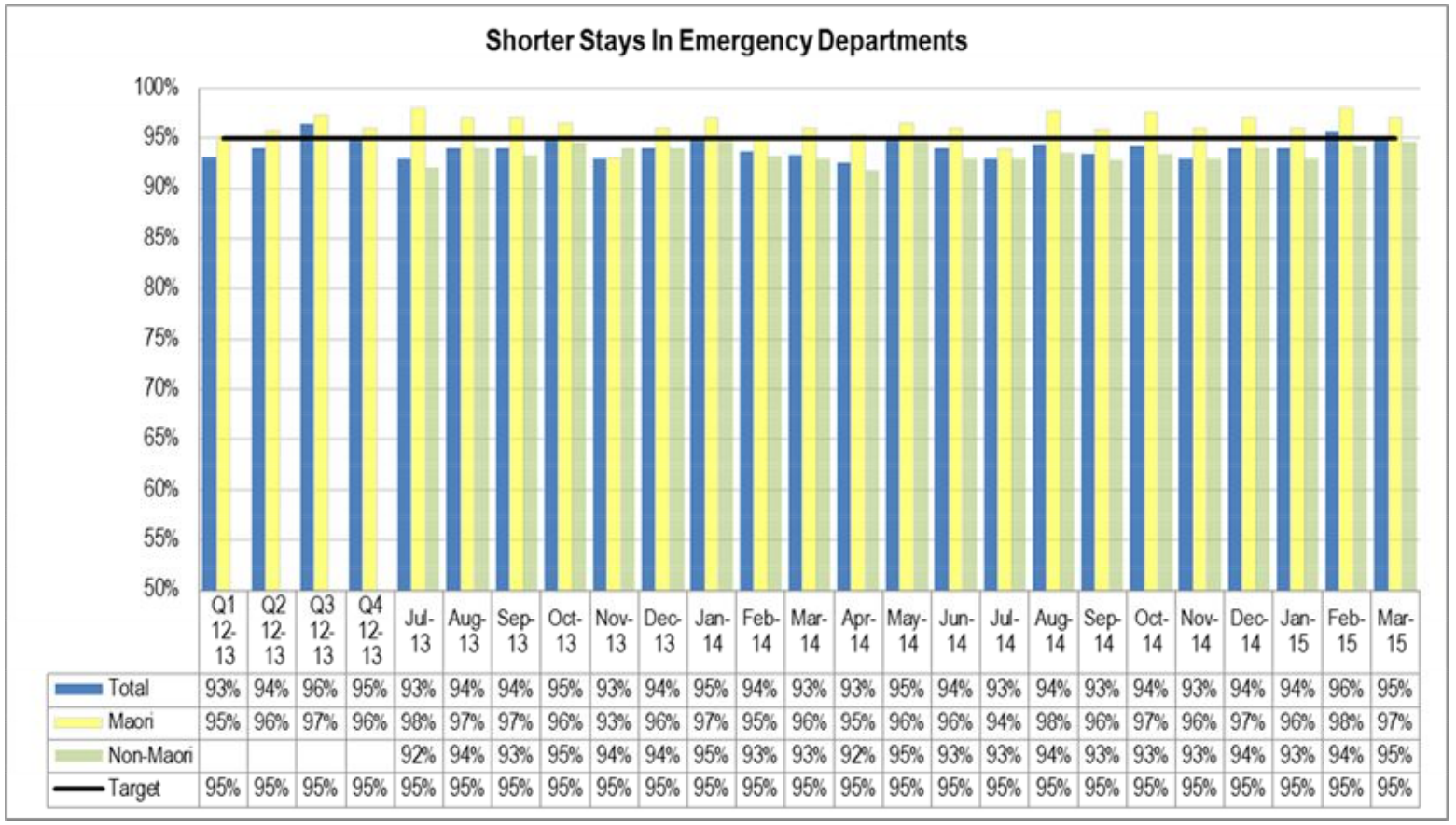
1.4 Key Issues/Initiatives identified in coming months

- The current delirium pathway is being reviewed by a specialist Geriatrician and Clinical Nurse Specialist to identify deficits and make recommendations for quality improvement across all areas of the hospital.
- The Mental Health and Addictions Services team are participating in the sector wide suicide prevention and work plan.
- Planning underway for BFHI audit, commencing early June.

- MidCentral DHB have indicated they will no longer be able to provide neuro physiological testing for Taranaki patients from 1 July. An alternate provider is being investigated.

2. Health Targets

2.1 Shorter stays in emergency departments

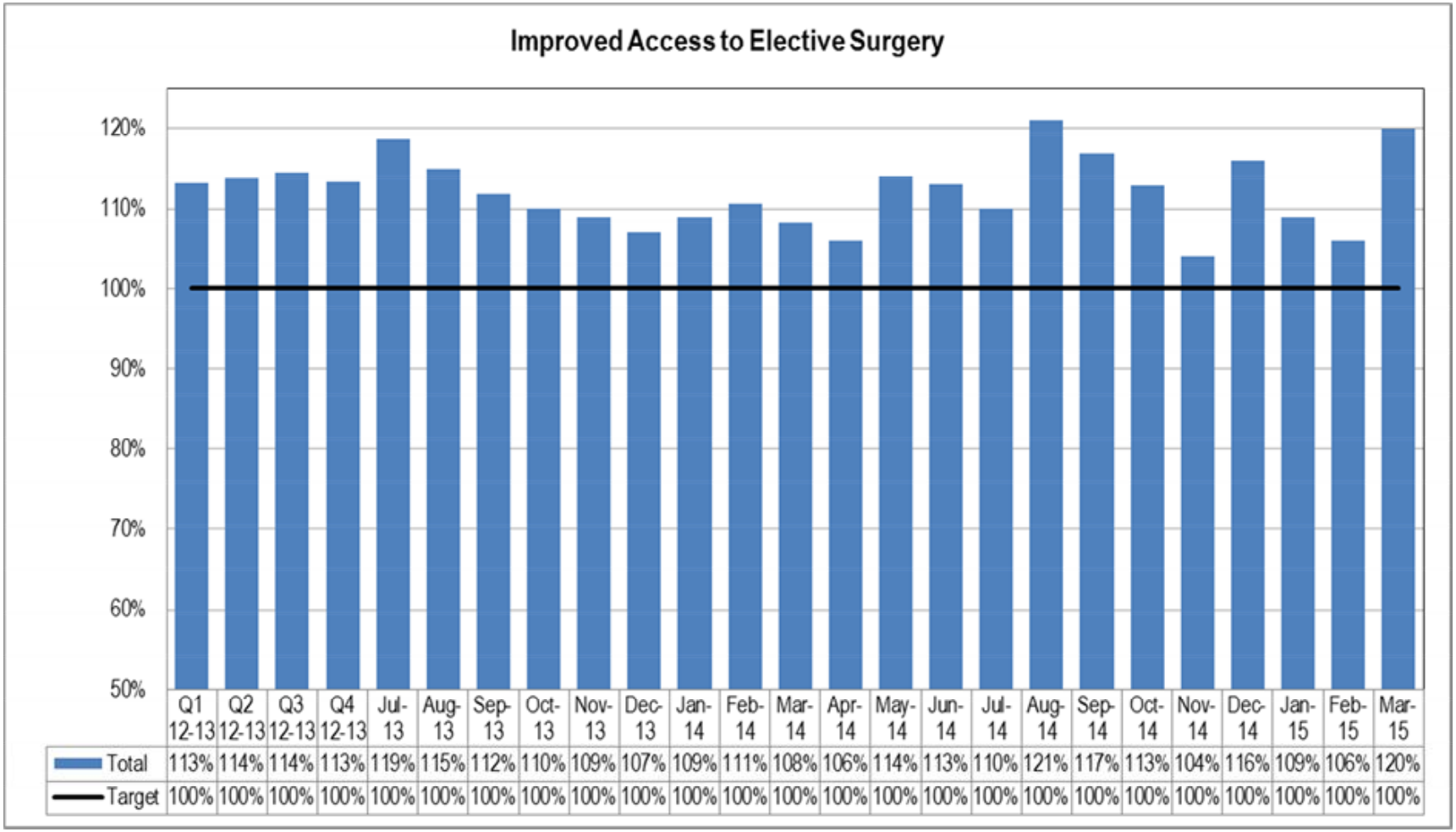


	Q1 12-13	Q2 12-13	Q3 12-13	Q4 12-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15
Total	93%	94%	96%	95%	93%	94%	94%	95%	93%	94%	95%	94%	93%	93%	95%	94%	93%	94%	93%	94%	93%	94%	94%	96%	95%
Maori	95%	96%	97%	96%	98%	97%	97%	96%	93%	96%	97%	95%	96%	95%	96%	96%	94%	98%	96%	97%	96%	97%	96%	98%	97%
Non-Maori					92%	94%	93%	95%	94%	94%	95%	93%	93%	92%	95%	93%	93%	94%	93%	93%	93%	94%	93%	94%	95%
Target	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%

**April and May data not yet available*

Issues/Mitigations	Comments
• No current issues	Target achieved for all groups

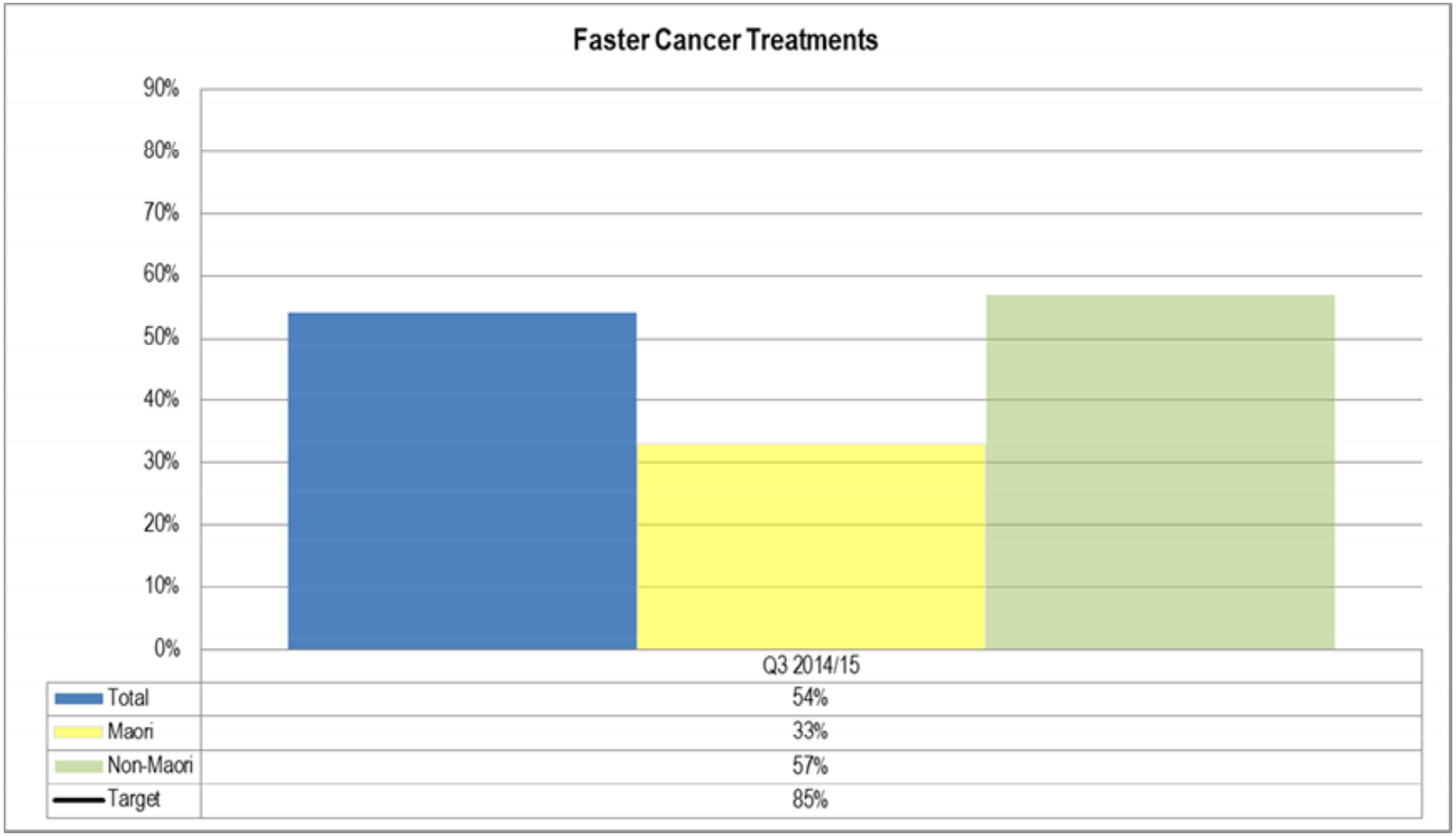
2.2 Increased access to elective surgery



April and May data not yet available

Issues/Mitigation	Comments
• No current issues	Target consistently exceeded

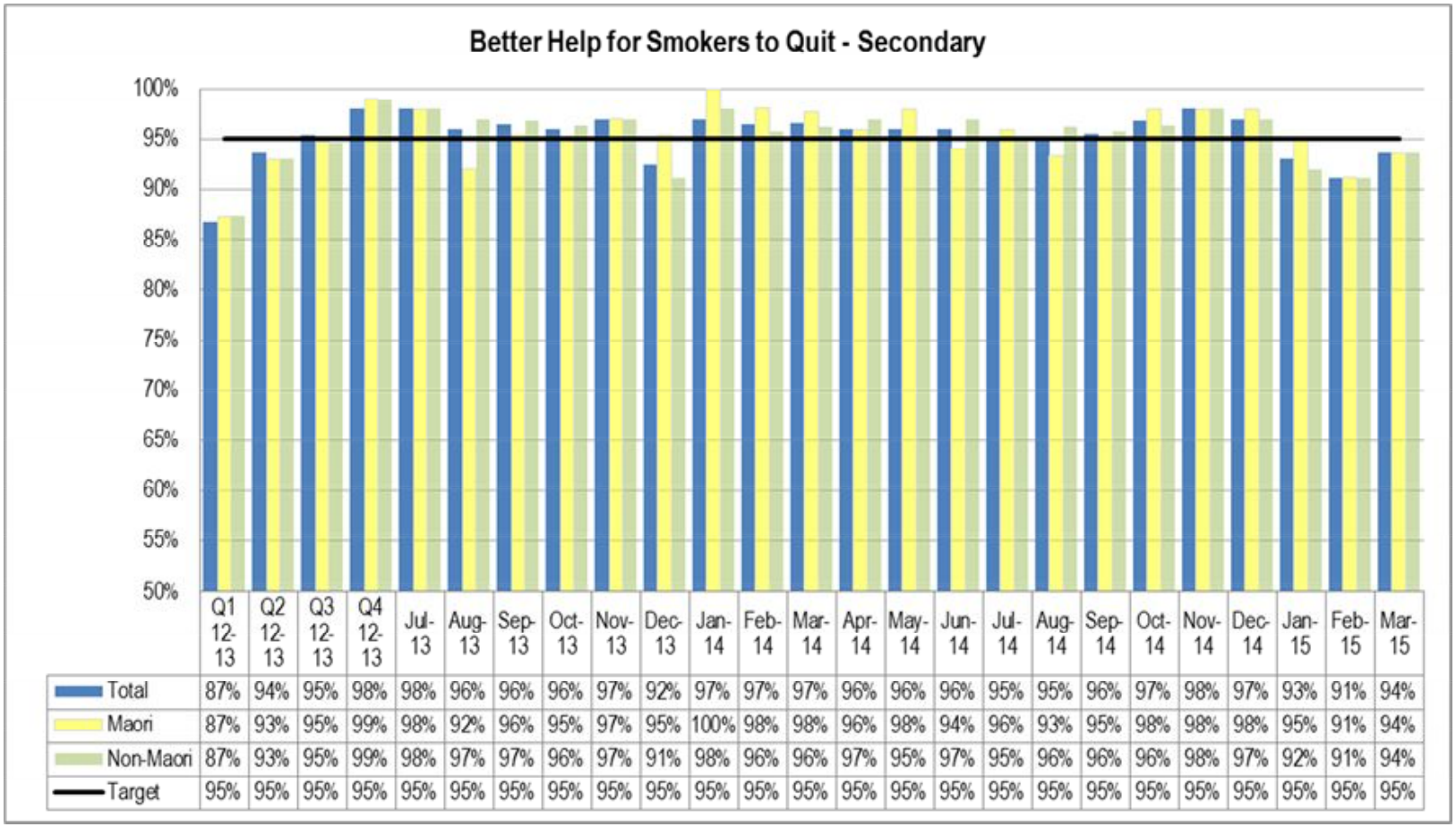
2.3 Shorter waits for cancer treatment (Patients to receive their first cancer treatment within 62 days of being referred)



**April and May Data not yet available*

Issues/ Mitigation	Comments
• No current issues	New Target from Q2. Project Teams are working on pathway development and progressing towards targets. This is small numbers of patients.

2.4 Better help for smokers to quit – hospitals



	Q1 12-13	Q2 12-13	Q3 12-13	Q4 12-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15
Total	87%	94%	95%	98%	98%	96%	96%	96%	97%	92%	97%	97%	97%	96%	96%	96%	95%	95%	96%	97%	98%	97%	93%	91%	94%
Maori	87%	93%	95%	99%	98%	92%	96%	95%	97%	95%	100%	98%	98%	96%	98%	94%	96%	93%	95%	98%	98%	98%	95%	91%	94%
Non-Maori	87%	93%	95%	99%	98%	97%	97%	96%	97%	91%	98%	96%	96%	97%	95%	97%	95%	96%	96%	96%	98%	97%	92%	91%	94%
Target	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%

April and May data not yet available

Issues/ Mitigation	Comments
• No current issues	Slightly below target, however increasing to previous levels of achievement

3. Financial Performance

3.1 Statement of Financial Performance TDHB Provider Arm

$000	Month Actual	Month Budget	Month Variance		YTD Actual	YTD Budget	YTD Variance	Percentage Variance		Annual Budget
Revenue	**(15,452)**	**(14,927)**	**(525)**	**F**	**(165,658)**	**(163,202)**	**(2,456)**	**2%**	**U**	**(177,637)**
Personnel	9,660	9,125	535	U	103,670	99,466	4,204	4%	U	108,630
Outsourced	1,798	1,478	320	U	19,014	16,622	2,391	14%	U	18,493
Clinical Supplies	2,155	1,955	200	U	21,967	19,960	2,006	10%	U	21,724
Infrastructure and Non Clinical Supplies	593	1,151	(558)	F	9,931	13,111	(3,180)	(24%)	F	14,221
Internal Allocations	(1)	(1)	(0)	F	(6)	(6)	0	(2%)	F	(7)
Financial Costs	2,167	2,167	0	U	23,572	23,350	222	1%	U	25,515
Total Expenses	**16,372**	**15,875**	**497**	**U**	**178,148**	**172,504**	**5,644**	**3%**	**U**	**188,575**
Result (Surplus)/Deficit	**920**	**947**	**(27)**		**12,490**	**9,302**	**3,188**			**10,938**

3.2 Comment on Major Variances

Financial results for the month of May show a small positive variance to budget of $27K, with increased revenue from the Ministry of Health and other sources supporting the result. For the year to date the result remains outside budget for the TDHB Provider Arm, with a negative variance of $3.18M against the budgeted deficit of $9.30M YTD. The variance to budget has remained static for two months, as significant focus remains on reduction of expenses and efficiency gains.

Revenue is higher than budget by $2.45M, coming from an increase in internal revenue and other miscellaneous income.

Staff costs are $4.20M (4%) higher than budgeted for the year to date, and $535K higher than budget for May. The May daily staffing costs are at the year to date average rate of $308K per day for total staffing requirements.

Outsourced Services expenses are again high in May, with outsourced diagnostic services contributing $1.06M (45%) to the total overspend of $2.39M. The costs of locum medical staff are lower than budget by $260K for the year to date, however we are experiencing higher than budget costs in outsourced services overall, with year to date costs $2.07M higher than budget. Significant expenses have been incurred in General Medicine for consultants in the medical sub specialties where the service is not available locally.

Clinical supplies are outside budget by $2.06M for the year to date, made up of savings in patient transport and accommodation of $377K offset by high costs in implants and prostheses ($351K) and patient consumables ($1.37M).

Infrastructure and non-clinical supplies are below budget overall, with high costs in hotel services and professional fees/expenses offset by other savings.

3.3 Statement of Personnel Costs by Professional Group (Salary costs only)

$000	Month Dollars	Month Budget Dollars	Month Variance Dollars		Month FTE	Month Budget FTE	Month Variance FTE		YTD Actual Dollars	YTD Budget Dollars	YTD Var Dollars	% Var.		YTD Avg FTE	YTD Avg Budget FTE	Var Avg FTE	
Medical																	
Specialist Medical Officer	1,545	1,535	10	U	67.6	68.6	(1.0)	F	16,606	15,560	1,046	7%	U	65.3	68.6	(3.5)	F
MOSS	206	297	(90)	F	11.2	17.6	(6.4)	F	2,424	3,489	(1,065)	(31%)	F	11.5	17.6	(6.1)	F
Registrars	380	357	24	U	28.8	30.6	(1.8)	F	4,613	4,063	550	14%	U	29.8	30.6	(1.2)	F
House Officers	360	283	77	U	34.7	36.7	(2.0)	F	3,689	3,189	500	16%	U	35.7	36.7	(0.5)	F
MedicalTotal	**2,492**	**2,471**	**20**	**U**	**142.3**	**153.5**	**(11.2)**	**F**	**27,332**	**26,301**	**1,031**	**4%**	**U**	**142.3**	**153.5**	**(11.3)**	**F**
Nursing	3,723	3,462	261	U	572.4	543.6	28.8	U	41,088	38,635	2,453	6%	U	573.0	543.6	31.3	U
Allied Health	1,413	1,432	(19)	U	232.6	245.4	(12.8)	F	14,732	14,836	(104)	(1%)	F	230.2	245.4	(15.3)	F
Support	367	348	18	U	94.4	81.4	13.0	U	3,981	3,665	316	9%	U	94.5	81.4	13.1	U
Admin & Management	1,551	1,427	125	U	253.0	272.2	(19.2)	F	15,662	15,521	141	1%	U	256.1	272.2	(16.0)	F
Grand Total	**9,546**	**9,140**	**406**	**U**	**1,294.7**	**1,296.1**	**(1.4)**	**F**	**102,795**	**98,958**	**3,837**	**4%**	**U**	**1,296.0**	**1,296.1**	**(0.3)**	**F**

Personnel Costs

Year to date total personnel costs are higher than budget by $3.M (4% U), with salary costs making up $3.87M of the unfavourable variance (shown in table above). Significant variances in salary costs for nursing staff ($2.43M U), and medical staff ($1.03M U) are the main contributors to the overspend. Reduced costs for locum staff brings the total cost of medical labour including locums is $28.88M, $408K less than budget.

Nursing staff costs are higher than budget year to date, and for the month of May. There are ongoing gains from low demand and the related closure of one acute medical wards have continued, and monthly nursing staff costs have reduced from the highs experienced earlier in the year. Average daily costs for nursing staff costs are $123K, and costs for May are $120K per day, $3K less than average.

Sick leave is now slightly higher than the year to date average at 38 FTE as we head into winter and we expect that this will increase slightly in June. Winter staffing strategies are in place, and all acute areas are have employed to the levels of budget base to reduce reliance on supplementary staffing over the winter months. Overtime for all staff groups has increased to 9 FTE, just below average. The cost of overtime has been high for allied health where ongoing staff shortages are impacting and overtime has been used to maintain service delivery. Recruitment is ongoing in all areas, however filling vacancies has been challenging in some instances.

3.4 2014-2015 Costs and Efficiency Initiatives

The 2014-2015 cost and efficiency programme is in place with savings across all initiatives. Monitoring of initiatives will be provided monthly to the Finance Audit and Compliance Committee.

G Reporting Notes

1 Reporting by Clinical Service

Reporting is structured by Clinical Service Group. These groups are based on those departments delivering clinical outputs that report to the individual Service Managers. Any department that does not have a clinical output but contributes to other departments is treated as an "overhead" and allocated across the services, outside direct reporting lines to Service Managers.

Revenue is received at a Service Group level, based on contracted volumes from the Price:Volume Schedule or any other revenue received. Any revenue received by an "overhead department" remains with that department and is allocated as part of the overhead allocation process.

Overhead Allocation
Overhead allocation to each service is proportional, based on data from CostPro and national costing standard guidelines.

The overhead component is 45% of total budgeted expense. This includes facilities, corporate services, management and clinical overheads that support delivery across services such as health centres, diagnostics and patient transport.

2 Internal Revenue

Internal Revenue will be passed over from the TDHB Funder in monthly instalments based on **actual** activity delivered against the Price:Volume Schedule. Prior to the 2013-2014 year internal revenue has been paid based on contracted volumes, phased quarterly.

Because the Internal Service Level Agreement between the TDHB Funder and the TDHB Provider has fixed revenue, and the DAP budget expectations are fixed for both Arms, a wash up back to the budget revenue position will be undertaken at the end of each quarter.

The TDHB Funder will continue to receive funding from the Ministry of Health in twelve equal instalments, so will report a variance in expenditure based on the volumes delivered and payments made to the Provider arm.

Activity is counted by the Management Information Unit, and translated to revenue using the contracted price for each service. Careful management of delivered volumes is an underpinning strategy for operating within budget.

Any additional services agreed in addition to the Price:Volume Schedule will follow this framework, however the revenue (and associated expenses) will be in addition to budgets.

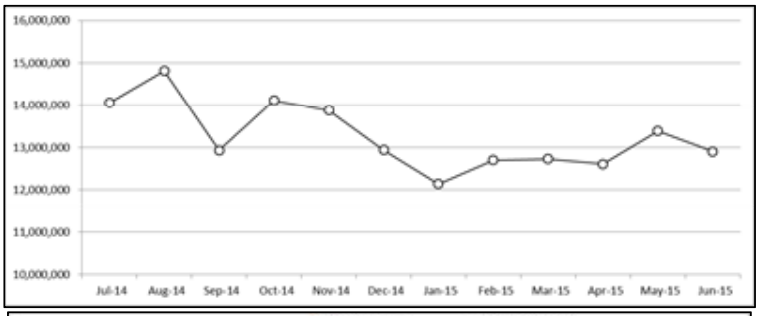
3 Budget Phasing

All 2014-15 budgets have been phased to match expected productivity and occupancy, with different revenue and cost elements assessed separately. Phasing has been undertaken on the following basis:

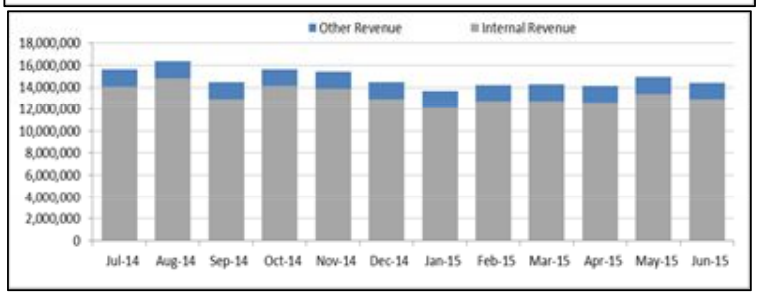
Revenue
Internal Revenue - Based on Historical Trends and Production Plan - per Purchase Unit

Case Mix Revenue	Elective	- Based on 2014-2015 approved Production Plan
	Acute	- Based on historical seasonal trends
Non Case Mix Revenue	Outpatients	- Based on historical delivery trends
	Inpatients	- Based on historical delivery trends
	Mental Health Outpatients	- Based on equal monthly values (FTE based contracts)
	Mental Health Inpatients	- Based on historical delivery trends
Other Provider Revenue	Spread to twelfths	

Internal Revenue Phasing



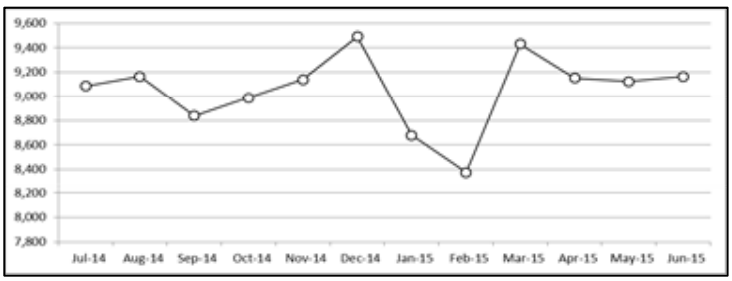
All Provider Revenue Phasing



Personnel Costs

Salary and Wage Expenses	Historical expense patterns
Other Payments including meals, training etc	Historical expense patterns

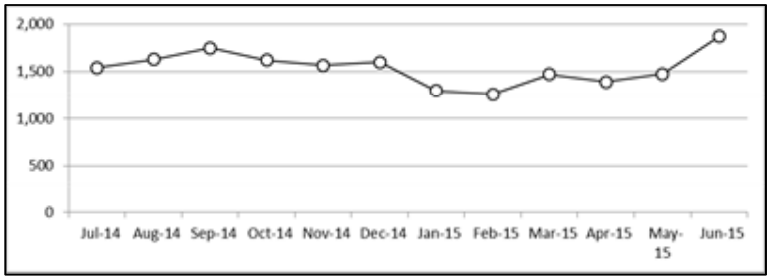
Total Personnel Costs Budget Phasing



Outsourced Services

Locums	Twelfths - requirements unknown in advance
Radiology	Historical expense patterns
Outsourced Clinical Services	Twelfths - contracted services

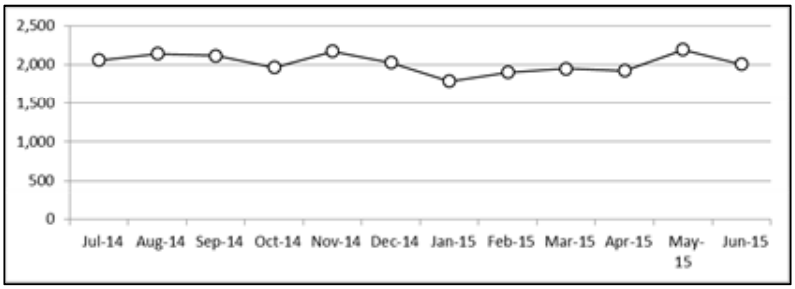
Total Outsourced Services Budget Phasing



Clinical Supplies

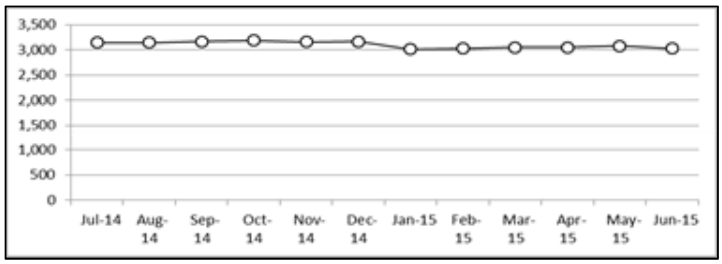
Treatment Disposables	Historical expense patterns
Diagnostic Supplies & Other Clin Supplies	Historical expense patterns
Instruments & Equipment	Twelfths - requirements unknown
Patient Appliances	Historical expense patterns
Implants & Prostheses	Historical expense patterns
Pharmaceuticals	Historical expense patterns
Other Clinical & Clients Costs	Historical expense patterns

Total Clinical Supplies Budget Phasing

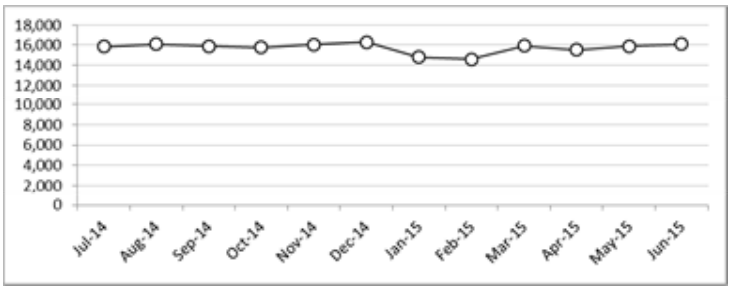


Non Clinical and Infrastructure	
Hotel Services ,Laundry & Cleaning	Historical expense patterns
Facilities	Twelfths
Transport	Twelfths
IT Systems & Telecommunications	Historical expense patterns
Interest & Financing Charges	Twelfths
Professional Fees & Expenses	Twelfths
Other Operating Expenses	Twelfths
Democracy	Twelfths
Subsidiaries, Joint Venture & Minority Interests	Twelfths
Internal Allocations	Twelfths

Total Non Clinical and Infrastructure Budget Phasing



Total Expense Phasing



4 Clinical/Overhead Departments

Clinical Service and Overhead Allocation

Internal & Ministry of Health Direct Revenue	($163,244,490)
Clinical Services	$95,269,180
Overhead Services	$78,913,263
Total	**$10,937,953**

Reporting Group	Cost Centre	2014-2015 Budget
Allied Health	250 5300 Long Term Conditions	(45,999)
	250 5302 Dietitians	372,948
	250 5303 Audiology	191,715
	250 5306 Occupational Therapy	1,112,590
	250 5307 Physiotherapy	1,610,469
	250 5308 Podiatry	43,288
	250 5309 Speech Therapy	138,295
	250 5314 Orthotics	398,212
	250 5315 Social Work	462,228
	250 5319 Personal Health Psychologists	90,201
	250 8308 Newborn Hearing Screening	86,462
Allied Health Total		**4,460,408**
Maternal and Child Health	230 4000 Hearing and Vision Screening	60,694
	230 4011 Public Health Nurses	965,924
	230 4016 Community Oral Health Project	2,503,209
	230 4252 Whanau Pakari	230,130
	250 2285 Ward 2B Childrens Ward	1,939,486
	250 2350 Maternity Ward Base	2,587,567
	250 2366 Neonatal Ward	1,302,678
	250 3012 Paediatric Medicine	2,336,879
	250 3027 Gynaecology	1,912,910
	250 3051 Clinical Community	78,498
	250 3520 Sexual Health Clinic	120,621
	250 4001 Child Development	322,343
	250 5304 Child Therapy	358,233
	250 8033 Maternity and Child Management	337,405
	251 2350 Maternity Ward Hawera	451,368
Maternal and Child Health Total		**15,507,945**
Medical Services	230 4212 New Plymouth District Nursing	1,865,768
	250 2288 Ward 4A Medical 1	4,042,489
	250 2365 Emergency Department (ED)	4,328,721
	250 3000 General Medicine Base	4,882,629
	250 3001 Emergency Department Medical	2,377,847
	250 3511 Cardiac Investigation Unit (CIU)	316,489
	250 3518 Renal Clinic	1,815,148
	250 3521 Cardiology Clinic	526,328
	250 3524 Cardiac Failure	66,644
	250 4010 Pain Educators	82,611
	250 5219 Cardiac Education	113,689
	250 5312 Asthma Education	247,594
	250 5313 Diabetes Educators	278,140
	251 2365 Hawera Acute Services	2,949,385
	251 2367 Hawera District Nursing	586,462
	251 3000 Hawera Medical Staff	2,792,263
	251 3613 Hawera Outpatients	132,749
Medical Services Total		**27,404,955**
Mental Health	225 2470 Te Puna Waiora	3,584,349
	225 2471 TWW	1,581
	225 3047 Acute Mental Health (Psychiatrists)	4,288,672
	225 4509 Intensive Community	1,513,477
	225 4511 Mental Health Team	1,606,143
	225 4512 Child and Youth Ment	1,314,126
	225 4515 Alcohol and Drug Uni	911,075
	225 4518 Alcohol and Drug Support	4,394
	225 4611 South Mental Health	641,110
Mental Health Total		**13,864,927**
OPHRS	225 4500 Psychogeriatric Comm	759,468
	230 4012 Home Support	1,120,707
	250 2284 Ward 2A OPHRS	1,925,731
	250 3040 Geriatric A & R	662,769
	250 3515 Geriatric Day Stay	236,244
	250 8052 Enhanced Intermediate Care	291,264
OPHRS Total		**4,996,183**
Surgical Services	230 4015 Essential Dental Treatment	45,908
	250 2286 Ward 3A Surgical	2,641,516
	250 2287 Ward 3B Orthopaedic	2,400,728
	250 2364 Intensive Care Unit (ICU)	3,101,638
	250 3019 General Surgery	2,838,929
	250 3020 Anaesthesiology	4,425,779
	250 3024 Dental Surgeons	652,455
	250 3026 Otorhinolaryngology	646,628
	250 3029 Opthalmology	1,365,319
	250 3030 Orthopaedic Surgery	2,010,571
	250 3034 Urology	510,355
	250 3150 ACC Contracts	(3,131,363)
	250 3300 Operating Theatre	5,219,489
	250 3301 Endoscopy Theatre	468,667
	250 3303 Ophthalmology Theatre	16,771
	250 3304 ENT Theatre	63,805
	250 3305 Urology Theatre	95,403
	250 3306 Gynaecology Theatre	109,828
	250 3307 Orthopaedic Theatre	2,208,363
	250 3308 General Surgery Theatre	948,910
	250 3309 Anaesthetics	503,461
	250 3508 Dental Clinic	142,526
	250 3519 Surgical Day Ward	40,648
	250 3543 PACU2	826,430
	250 5214 Pain Nurses	146,469
	250 5507 Decontamination Sterilisations	663,986
	250 8481 Elective Services Project	58,799
	251 3508 Hawera Dental Clinic	12,742
Surgical Services Total		**29,034,761**
Grand Total		**95,269,180**

Reporting Group	Cost Centre	2014-2015 Budget
Overhead	225 8023 Mental Health Management	662,562
	230 4214 Stratford Health Centre	139,630
	230 4215 Opunake Health Centre	25,910
	230 4217 Patea Health Centre	25,078
	250 3050 Clinical RMOs	2,168,446
	250 3500 Outpatients	1,824,470
	250 5000 Laboratory (Blood Mgmt)	1,428,637
	250 5021 Labcare	6,331,167
	250 5050 Radiology	7,109,508
	250 5100 Pharmacy	5,427,422
	250 5202 Internal Bureau Nursing	218,777
	250 5213 Nursing Resources	1,411,363
	250 5215 CTA Nurse Training	(230,920)
	250 5216 Clinical Facilitator	4,163
	250 5316 Cervical Screening	463,665
	250 5508 Case Management	379,547
	250 5509 Maori Health Service	344,109
	250 5700 Health Protection	822,010
	250 5701 Environment Health	60,646
	250 5702 Health Promotion	472,299
	250 6001 Orderlies	1,042,007
	250 6002 Cleaning Services	1,103,372
	250 6008 Library	292,208
	250 6009 Clinical Records	822,094
	250 6010 Clinical Transcription Service	372,879
	250 6016 Call Centre	552,189
	250 6020 Booking Office	779,205
	250 6021 Site Services	300,792
	250 6400 General Facilities	9,768,976
	250 6404 Engineers Workshop	839,735
	250 6412 Overnight Units	(1,583)
	250 6413 Hostel Base	(18,287)
	250 6414 Electrical Workshop	338,091
	250 6416 Bio-Medical Workshop	251,026
	250 6453 25 David Street	3,444
	250 8000 Executive Management	2,490,118
	250 8001 Management	8,859,203
	250 8006 Allocations Unit	156,415
	250 8007 Programme Office	206,016
	250 8013 Director of Nursing	732,486
	250 8022 Medicine Management	19,880
	250 8030 Clinical Management	1,042,919
	250 8032 Management Information Unit	354,649
	250 8034 Managerial Publ	297,566
	250 8040 Workforce Developmen	2,107
	250 8041 Maori Health Se	68,302
	250 8201 Procurement	480,293
	250 8205 Transport	(272,712)
	250 8206 Regional Transport	4,287,045
	250 8207 Circulating Stores	312,090
	250 8220 Finance	(1,688,202)
	250 8223 Payroll	321,693
	250 8231 HBL Shared Services	171,429
	250 8237 HealthShare Ltd	571,192
	250 8238 Central Technical Advisory Services	249,395
	250 8240 Information Ser	11,326,061
	250 8260 Human Resources	1,465,876
	250 8262 Education & Dev	243,093
	250 8267 Nursing Professional Development	(178,645)
	250 8280 Risk Management	505,471
	250 8284 Emergency and Pandem	81,363
	251 6002 Hawera Cleaners and Orderlies	270,409
	251 6406 Grounds	33,948
	251 6407 Works General	148,418
	251 8002 Administration	427,112
	251 8106 Management	203,610
	251 8215 Transport	190,027
Overhead Total		**78,913,263**