

Minutes for NSW Health Pathology Board

23 August 2023 | 10:00 AM - 01:30 PM, 1 Reserve Road, St Leonards, and Microsoft Teams

Attendees

Nigel Lyons, Carmen Rechbauer, Cathryn Cox, Darren Turner, David Currow, Elizabeth Salisbury, Gayle Murphy, Jason Ardler, Michael Legg, and Nicholas Hawkins.

Apologies: NA

In Attendance: Robert Lindeman, Martin Canova, Michael Whiley, Tammy Boone, and Jennifer Byrne for Item 5, Rhys Tippett for Item 6. Lyn Baker for Item 9, Stephen Braye and James Patterson for Item 13.

Secretariat: Tanya Dunn

Welcome, Acknowledgment of Country and Emergency Management

The Chair opened the meeting with acknowledgement of country and welcomed all in attendance.

The Chair **NOTED** the apologies received.

A quorum of Board members was present, and the meeting proceeded with business. The Secretariat recorded the minutes.

Declarations of Conflict of Interest

The Board Chair requested that all attendees declare or remove any conflicts of interest at the meeting.

No new conflicts of interest were declared at the meeting.

Confirmation of previous Minutes and Review of Action Log

Board members were invited to comment on the minutes.

The members of the Board **APPROVED** the draft Board meeting minutes of 28 June 2023 as an accurate record of the meeting.

Moved: Gayle Murphy

Seconded: David Currow

The Action Log was reviewed and noted. The pending actions were reviewed, and a verbal update was provided. Nick Dunn to further explore PEI data and provide feedback at the Finance and Performance Committee meeting.

Acting Chief Executive Update

The Acting Chief Executive report was taken as read.

Robert Lindeman provided a verbal update to the Board.

Noting:

- Appointment of Vanessa Janissen to the Chief Executive role, commencing 9 October 2023. A brief overview of Vanessa's background was provided.
- Since the last Board meeting, opportunities for savings strategies and revenue generation have been discussed. Currently, business cases are being developed for future discussions with the Ministry of Health and Local Health Districts. The challenges, risks, and implications associated with these proposals were acknowledged. The Board requested that a detailed brief on the proposed initiatives and associated risks to be provided to the Board Chair and Board members out of session or at the October Board meeting for discussion.
- Launch of the Prospect Study. Sequencing was scheduled to begin at the end of the month, pending resolution of a data security issue and contract signing. Noting that funding for the study comes from the Federal Government and NSW Health through OMICO, and payment will be made for the work performed. The infrastructure requirements for the Prospect Study were discussed, as well as clarification of the study and potential associated risks. Recognising the need to ensure data privacy and risk mitigation.
- Imminent announcement regarding the Single Digital Patient Record (SDPR) vendor. Noting the associated risks, including SDPR's readiness, financial implications, and organisational challenges. The Board to be kept informed on SDPR and its relationship to Fusion.
- The inhouse development of a Quality Management Information System by the NSWHP Dev Ops team.
- Insights gained from the recent visit to Nepean Hospital, and the benefits of a state-of-the-art laboratory, and the successful implementation of new chemistry analysers were discussed.
- Discussions regarding the responsibilities of technical officers and hospital scientists are ongoing with Union involvement. The Board requested continued updates.
- The Board acknowledged Cliff Meldrum's retirement as Director, Genomics and expressed their appreciation for his 25-years' service and contribution to NSW Health Pathology and NSW Health. Dr Cliff Meldrum will receive a letter on behalf of the Board.
- The Board noted the resignation of Tracey Dwyer, Director, Revenue and Process Improvement, who has accepted a role with Hunter New England Local Health District. The Board

acknowledged Tracey's contribution to NSW Health Pathology, particularly to the work surrounding the Rights of Private Practice.

- A discussion of the insights gained from visits to regional laboratories and an acknowledgment that these visits have been helpful in understanding specific regional issues.
- There was a discussion regarding the increase in the rate of coronial autopsies and certificate sign off. Michael Symonds will provide an update on demand and management at the October Finance and Performance meeting.
- It was noted that statewide services play a critical role in the provision of support to Local Health Districts, and that there have been previous discussions regarding coordination efforts among pillars on a range of issues related to statewide services and pricing, with the aim of establishing clear and consistent pricing to assist LHDs in understanding and managing their financial costs. The Board will be updated on future discussions.
- Ongoing discussions concerning Anatomical Pathologists workload, and distribution, as well as the impact of increased MDT meetings on workload. Monitor the implementation and effectiveness of the special determination for Anatomical Pathologists, which will allow some Anatomical Pathologists to work compressed hours in the short term. Commence recruitment for Anatomical Pathologist positions in regional and metropolitan areas.
- The Board Chair provided an update on the significant financial challenges over the next 12 months. LHDs have been asked to identify cost savings, and similar expectations have been established for statewide services.
- The Board will be updated on Award Reform.
- The Board expressed their appreciation and recognition of Rob Lindeman's exceptional performance as Acting Chief Executive over the last six months.
- The Board **NOTED** the updates provided.

Action: Prepare a detailed brief on the proposed saving strategies initiatives and associated risks for the Board's review.

Action: Provide the Board with regular updates on the development and impact of the Prospect Study on NSWHP.

Action: At the October Finance and Performance meeting, the Board will receive an update on the increase in autopsies and the Mortuary Attendees dispute.

Statewide Biobank Past, Present and Future

- Dr Jennifer Byrne, Director, Statewide Biobank provided an overview of the Past, Present and Future of the Statewide Biobank.

- Highlighted the unique services provided by the Statewide Biobank, including extensive storage capacity, laboratory facilities, and data linkage through the Centre for Health Record Linkage. Dr Byrne discussed the contract biobanking model and researchers' collaboration to establish a new sample collection.

Other areas covered included:

- Staffing enhancements, changes to the governance structure, including the establishment of a management committee, and the defining of key performance indicators (external engagement, grants, new services, and publications), with increased recognition of the contribution of the Sydney Local Health District.
- The status of key equipment and systems, including the automated -80 freezer, liquid-handling platforms, and the inventory management system.
- Current support for over 20 studies, with an increase in stored samples over the past year.
- Challenges faced by centralised biobanks (competition with local biobanks, costs, data linkage, and environmental impacts of biobanking).
- The development of a consent toolkit.
- The development of the Sydney Biomedical Accelerator on the RPAH campus.

The Board **NOTED** the update provided and acknowledged the Statewide Biobank's outstanding efforts. The Board Chair requested that congratulations be extended to the Biobank team for the outstanding work performed and progress made.

Financial Year 2024 Budget Update

Darren Turner began the discussion, highlighting the challenging landscape regarding efficiency savings and the shortfalls in Local Health Districts (LHDs) in meeting their cost expectations. Noting the need for both a strategic perspective with a focus on long-term initiatives and immediate short-term actions to address budget challenges.

The FY 2024 budget was presented by Nick Dunn, Director Finance and Corporate Services and Rhys Tippett, Senior Management Accountant. Noting that it was an interim status, and that the State budget is due September 2024, potential changes in CPI, efficiency savings targets, and potential revenue increases, funding changes, and challenges related to goods and services, repairs and maintenance and workforce programs and incentives were discussed. The implications of the COVID transition to Business as Usual (BAU) on funding was discussed. The Board was provided with information regarding the current pricing structure for intrahealth pathology services, the identification and implementation of efficiency measures across NSWHP, strategies to mitigate budget risks, FTE staffing, the capital budget, and an overall budget summary. It was noted that addressing budget misalignment in pathology services

and collaborating with LHDs to discuss funding allocation and service levels in pathology with a documented explanation is an important area of focus.

The Board agreed on the need to continue reviewing and analysing detailed financial reports to identify opportunities for cost-saving measures. Recognising the tension between shared services and LHDs, it was agreed that internal improvements must initially be explored and demonstrated to ensure efficient service delivery and identify cost-saving opportunities.

The Board noted that the Finance Team is actively considering a number of strategies, including operational, procurement, and structural opportunities. Twenty efficiency improvement plans (EIPs) for cost savings have been submitted to the Ministry of Health. Approximately, 40-50 internal improvement opportunities have been identified. These will be monitored and reported back to the Board.

The Board discussed the importance of documenting pricing disparities and providing explanations of NSWHP's true costs of performing tests, particularly for specific tests in Anatomical Pathology (and other disciplines). This information to be shared with LHDs and efforts to reduce variations in ordering practices to continue.

There have been procurement savings, but these savings have been returned centrally in the form of a subsidy rather than allocated directly to LHDs. There was agreement that this issue needs to be clarified and presented to LHDs, taking into consideration their different perspectives and risks associated, in addition to value add and the requirement for cross subsidation in certain service areas. It was suggested that a briefing paper explaining these processes would be beneficial for the Board's understanding. Noting the participation of the incoming Chief Executive in October would provide an opportunity for her involvement.

It was agreed that dedicating additional time on this topic at the October Board meeting, even if it requires extending the meeting, would be beneficial, pending the approval of Board members.

Action: The Finance Team will continue to work on the identified savings opportunities and provide the Board with regular updates.

Action: At the October Board meeting, the Finance Team will present the variance between the allocated budget and actual expenditures, along with the proposed strategies for consideration and associate risk ratings.

Action: The Board agreed to dedicate additional time at the October Board meeting.

Culture, Safety and Wellbeing

The Culture, Safety and Wellbeing report was taken as read.

Dr Deanna Paulin, Director, People and Culture provided an update to the Board.

Noting:

- The Ministry of Health Workers Compensation reduction target of a 5% was achieved.

- In August, 7 new claims were reported, 5 of which related to psychological injury. Continue to monitor and address the increasing claims.
- The top three mechanisms for claims remained body stressing, mental stress and hitting objects with a body part. The discussion focused on trends in mental health and burnout across the system, which appears to be seasonal. Continue to monitor trends and provide an update at the October Board meeting.
- Utilisation of the Employee Assisted Program (EAP) showed a decrease. A campaign to promote and remind staff of the EAP service is underway. The EAP was utilised for financial support and money assistance. Financial management support training sessions with superannuation providers, a suite of tools, webinars, and counselling are planned for staff.
- The R U OK Campaign to be aligned to a broader support package for managers regarding training to recognise signs and concerns related to mental health and suicide.
- The People Matter NSW Public Sector Employee Survey 2023 is now live, and results will be presented at the October Board meeting.
- An update on the dispute with the HSU was discussed, and continued efforts to resolving the dispute.
- Progress in establishing relationships and partnerships related to Aboriginal employment was discussed. Promotion and support for of Aboriginal employment initiatives are ongoing.
- Increase in the trend for mandatory training for Work, Health, and Safety for Managers is expected.

The Board **NOTED** the updates provided.

Finance and Performance Committee

The Finance and Performance Committee report was taken as read.

The Scorecard highlights summary was provided and taken as read.

Darren Turner, Chair of the Finance and Performance Committee provided an overview of the Scorecard and financial performance of NSWHP.

Noting in relation to financial performance:

- Unfavourable against budget with the BAU result. Unfavourable to budget offset by the COVID result.
- Unmet cumulative efficiency targets driving the expense unfavourability result while the revenue result has also been influenced by the additional revenue targets.
- CPI wages forecast a 4% allowed for leave provision, resulting in additional costs.

- Public pathology revenue favourable to budget as activity has returned above pre pandemic levels. Private revenue not returning to pre pandemic levels along with the additional revenue budget targets are both contributing to overall revenue unfavourability.

Noting in relation to the Scorecard:

- Refreshing the Scorecard to align it with both the Statement of Service and the strategy refresh of NSWHP. Positive comments were received regarding the refreshed Scorecard.
- As a result of the Forensic Information Management System enhancements, turnaround times for forensic reports are expected to decrease.
- At the Finance and Performance Committee meeting in October, People and Culture will provide an update on areas of focus, including recruitment, performance review targets, and Aboriginal workforce participation. The Board noted an invitation to Kevin Stanley, Associate Director, Aboriginal Partnerships, and Inclusion to attend a future Finance and Performance Committee meeting and provide an update on the Aboriginal Employment Strategy.
- Noting Harm 1 score as a result of a delayed diagnosis.

The Board **NOTED** the updates provided.

Audit and Risk Management Committee

Lyn Baker, Chair of the Audit and Risk Management Committee, provided an update.

Noting:

- Ongoing effort is focused on old audit recommendations, which will remain a priority for the internal auditor next year.
- A productive discussion regarding the Fusion program at the previous ARMC meeting. The Committee emphasised the importance of high-level assurance in relation to the Single Digital Patient Record project and the Fusion initiatives.
- Tammy Boone and her team were commended for their contributions to the Legislative Compliance Internal Audit.
- The internal audit plan for next year was approved, with continued focus on resolving older recommendations and conducting new audits.
- Emerging risks, including recruitment and retention of Anatomical Pathologists, Fusion, machinery of government changes, and concerns about the major four consulting firms. Noting that the Ministry of Health is withdrawing consultant delegations.
- An ongoing focus on Cyber Security.

The Board **NOTED** the updates provided.

Governance, Risk and Compliance Annual Update

Tammy Boone provided the 2023 Corporate Governance Update.

Noting:

- The Compliance Management Framework for ensuring that regulatory obligations are met across all operations. Compliance Register updated annually.

Overview provided around key risks:

- State Records Act compliance requires the implementation of an in place records management system. Awaiting the execution of a statewide contract by Ministry of Health in early 2024.
- Monitoring of the Business Continuity Plan (BCP) program by the Committee.
- Progress towards implementing an ISO-certified Information Security Management System.
- Ongoing work to clarify the custodianship of tissue for secondary purposes.
- Address the upcoming mandatory notification of data breach scheme, including the need for a clear data breach response plan and team readiness.
- Noted the new Public Interest Disclosure (PID) or whistle-blower regime, which encourages a culture of speaking up and anticipates an increase in whistle-blower complaints. In response to a question regarding training –training has been provided to HR managers and the Ministry of Health is arranging further rollout of training for staff. Clarification was sought around protection from reprisals; noting that protections apply across all key areas of the organisation.
- Corporate Governance Attestation Statement and Corporate Governance Attestation Statement Checklist. Noting that the statement was endorsed by the Audit and Risk Management Committee at the July meeting.
- The updated Enterprise-wide Risk Management Framework (ERMF) and new Risk Management Policy and Procedure.
- The Risk Appetite Statement has been updated and is presented to the Board for endorsement. Privacy and data integrity were discussed in terms of where they fall under compliance and specific areas of compliance The Board **endorsed** the Risk Appetite Statement with the addition of 'privacy by design' as an example within compliance documentation.
- A copy of the presentation slides will be uploaded to the Resource Centre for information.

The Board **NOTED** the update provided.

Quality and Clinical Safety

Report only by exception. No meeting since the last Board meeting.

Clinical Council

Report only by exception. No update provided.

Medical Staff Executive Council

Report only by exception.

Noting:

- Ongoing projects and discussions raised with the Strategic Leadership Team.
- Statewide Rights of Private Practice. Statewide inclusion of medical executive members in Rights of Private Practice.
- Contributions to Pathworks.
- Working with the Clinical Streams to implement the relevant Anatomical Pathology Relative Workload Management Tool.

The Board **NOTED** the update provided.

Medical and Dental Appointments Advisory Committee

The Medical and Dental Appointments Advisory Committee report was taken as read.

Report only by exception. No update provided.

ICT Update

James Patterson and Stephen Braye provided the Board an update on ICT activities and the Fusion Program.

- The overall status of the Fusion program is amber in relation to the timeline for the Statewide Laboratory Information Management System (SWLIMs). Delay in contract sign off for the overarching SDPR Program.
- The requirement for a new rebaseline, given that the original business case was developed on the basis of the replacement of SWLIMs alone. Quality Management Information System to be included.
- There was discussion regarding usage costs, capital costs, licencing fees, and hosting fees. In response to a question around the additional FTE outside of the original business case and how this will be funded given the current and future financial challenges, the Board were informed that it is likely to remain within the original budget allocation, with a slight modification to the components. A revised business case will be presented for consideration to the Executive Steering Committee, followed by the Strategic Leadership Team and the Board for approval.
- The ICT restructure is progressing and will be completed within the next two years to be prepared for Fusion.
- The Quality and Clinical Safety Committee has requested a standing ICT report to be provided at each meeting.

The Board **NOTED** the updates provided.

Board Meeting Offsite

The Board decided not to hold the October Board meeting in Wollongong due to the NSW Health Awards taking place the evening prior. The location of the October Board meeting will be confirmed. It was suggested that consideration to hosting the Board meeting in December in Wollongong.

Board Evaluation

It was noted that work is currently underway to revise the Board evaluation process in an effort to streamline and enhance the evaluation process.

Items without notice

The Board Chair thanked the Board members and NSWHP representatives for their participation in the meeting. With no other business to come before the meeting, the meeting was closed at 1.28pm.

For Information

NSWHP Scorecard

The Scorecard was provided for information and taken as read.

Medical and Dental Appointments Advisory Committee Meeting Minutes

Noted for information.

Quality and Clinical Safety Committee Meeting Minutes

Noted for information.

Finance and Performance Committee Meeting Minutes

Noted for information.

Audit and Risk Management Committee Meeting Minutes

Noted for Information.

Clinical Council Committee Meeting Minutes

Noted for information.

Transformation Program Status Report

Noted for information.

Interim 2023-24 Statement of Service Schedules

Noted for information.









SLT Dashboard

Noted for information.

Endorsed by Dr Nigel Lyons, Board Chair, NSW Health Pathology



Action Log NSW Health Pathology Board

28/06/23 Item 4.	Dr Michael Whiley to provide the Board with a copy of the 2023 Anatomical Pathology Review as part of the August report, specifically addressing the number of cases presented to MDTs.	Michael Whiley		COMPLETED
28/06/23 Item 5.	A copy of the endorsed refreshed Strategic Plan to be provided to the Board.	Martin Canova		COMPLETED
28/06/23 Item 6.	Martin Canova and the Project Team to draft a document outlining the high-level benefits, risks, costs, and savings associated with AP Service Configuration for broader discussion with the MoH, SLT and the Board.	Martin Canova		COMPLETED
28/06/23 Item 14.	The Board Secretariat will coordinate with relevant parties to review and update the Board 's evaluation and process to allow for greater feedback.	Tanya Dunn		COMPLETED
26/04/23 Item 11.	Evaluation of the Statewide Billing Project Audit post implementation to be undertaken. * Update to be provided at the Nov F&P meeting.	Nick Dunn		ONGOING November F&P meeting
26/04/23 Item 5.	The Board will be provided with a copy of the Minister's briefing and value proposition for information.	Vanessa Janissen		ONGOING
26/04/23 Item 5.	There was a request for information regarding access to data regarding the increase in market share or the number of referrals to private pathology, which was taken on notice. * <i>Nick Dunn to further explore PEI data and provide feedback at the Finance and Performance Committee meeting.</i>	Nick Dunn		COMPLETED
26/10/2022 Item 3.	The Tissue Release Policy will be made accessible to the Board once it is officially published. Work is in progress with an update to be provided June 2023.	Tammy Boone		COMPLETED