

Minutes

Board

26 June 2024 | 10:00 AM - 01:30 PM, 1 Reserve Road, St Leonards, and Microsoft Teams

Attendees

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

Apologies: Nil

In Attendance: Vanessa Janissen (Chief Executive), Nick Dunn for Item 3, Deanna Paulin for Item 5 and 6, James Patterson, Juliana Iles-Mann, and Stephen Braye for Item 11.

Observer: Matthew Watts

Secretariat: Tanya Dunn

Welcome, Acknowledgment of Country and Emergency Management

The Chair opened the meeting with Acknowledgement of Country and welcomed all attendees.

Noting the recent appointments of Yvonne Weldon, Board Member and Matthew Watts, Chief Pathologist.

Attendance and Apologies:

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 for the Conflict of Interest Register.

The appointment of Cathryn Cox as the Chair of the Northside Hospital Advisory Board was acknowledged.

The Board **NOTED** the Conflict of Interest Register.

Confirmation of previous Minutes and Review of Action Log

Board members were invited to comment on the minutes.

The draft Board meeting minutes of the 24 April 2024 were approved by the Board members as an accurate record of the meeting. The action log was reviewed, and progress updates were provided. Items that have been completed or are on the agenda for today were also acknowledged.

Noting the Health Minister and Police Minister's upcoming visit to the Forensic Coroner's Court in Lidcombe early July 2024.

Action: The Forensic and Analytical Scientific Services (FASS) Investment Development Decision (IDD) will be presented to the Board at the August Board meeting.

Chief Executive Update

The Chief Executive report was taken as read.

Noting:

- Operational Plan and Budget for FY25 is a significant focus for the Executive Teams.
- Increased demand and complexity in Anatomical Pathology. A workshop was conducted with department heads to discuss challenges and priorities. Acknowledgement of leadership from Elizabeth Salisbury, Matthew Watts, and Wendy Cooper. Immediate action is required to address workforce issues, including the standardisation of training and competency across laboratories, the acceleration of digital pathology, increasing dissection scientists, and the provision of early offers for registrars.
- The pricing approach for Local Health Districts (LHDs) in FY25 will include efficiency targets that will be transferred to LHDs. Positive feedback has been received on the piloted dashboard providing granular information on activity and charges. In July, meetings have been scheduled with each LHD Chief Executive to present the revised dashboard and discuss pricing.
- A range of billing system issues have been encountered related to Medicare compliance billing. To test control processes, an internal audit is being initiated.
- Concerns have been raised relating to the transition of laboratory services at Moree and Narrabri from Sydpath to NSWHP. Challenges in managing consultation during the transition. Acknowledgment of the need for improved community engagement and communication with a focus on sustainability, creating laboratories for the future and the POCT service model.
- Forensic pathology challenges include historical backlogs and workforce shortages due to international shortage of skilled Forensic Pathologists. Board suggested re-evaluating the service model to reduce workflow complexity and to create a more sustainability system to meet expectations. Efforts include training, locums, and international recruitment campaigns. Focus on administrative support, system improvements and Forensic Pathologist wellbeing. Ongoing discussions with the Royal College of Pathologists Australasian (RCPA). Noting that priority visas do not cover Forensic Pathologists or Pathologists in general.
- The appointment of Matthew Watts as the new Chief Pathologist, effective 1 July 2, and Charles (Rob) George as the new Director of Medical Services, effective 15 July 2024.

- A worldwide shortage of blood culture bottles. It is anticipated that the shortage will continue until September 2024. Supply management and conservation initiatives are currently in progress. Ongoing discussions with the Clinical Excellence Commission (CEC) to establish clinical protocols and strategies. Working closely with clinical colleagues and the CEC to disseminate information.
- Focus on the operational plan and budget stabilisation for the next 12 months. Ongoing discussions regarding budget constraints and workforce increases. The Statement of Service (attached to meeting papers) between the MoH and NSWHP must be finalised by the 4 July 2024.
- The Board **NOTED** the update provided.

FY25 Budget, Capital, and Pricing

Nick Dunn, Director, Finance and Corporate Services provided a presentation to the Board regarding the budget, capital, and pricing initiatives for next year. The presentation included an update on recent budget enhancements.

Noting:

- Review of the FY24 results; forecasting an unfavourable net cost of service. Anticipated improvement due to recent activities and adjustments.
- The results were significantly impacted by increased activity across all LHDs and inflationary costs in goods and services. These have been offset by over achievement of the budget stabilisation program targets.
- Private revenue (both inpatient and outpatient) decreased, while LHD charges increased. Working with LHDs to review billing and improve private revenue for FY25.
- The aim is to achieve a balanced budget on a net cost of service basis by the end of FY26.
- Employees expenses for the next financial year will be funded, with a CPI rate of 3.5% (S&W and G&S).
- Pathology intrahealth charges have increased due to additional testing. The total charges increased by 4.6% compared to 6.3% activity levels. The growth is influenced by high triage levels in ED and elective surgery catchup. Public admissions increased, while private admissions decreased in comparison to pre-COVID levels (FY19).
- A productivity efficiency dividend will be allocated to LHDs on a pro-rata basis, based on the growth in charges year on year.
- The resilience funding has been transferred from subsidy to LHDs through NWAU and will be recovered through intrahealth pricing.

- The Anatomical Pathology (AP) services are strained due to changing growth patterns and insufficient pricing tied to the Medicare Benefits Schedule (MBS). Uplifting resources in AP and other critical services is needed to sustain performance.
- The use of activity-based costing data and peer lab comparisons is necessary to address inefficiencies and disparities. Local operations to focus on the implementation of efficient laboratory practices, optimising technology utilisation, and avoid cross-subsidisation. Standard operating procedures, training, and standardised workflows are needed to reduce variance.
- Labour management targets require FTE reduction to achieve efficiency gains.
- Initiatives for budget stabilisation for FY25 will be allocated across operational areas. Progress will be monitored by reporting. Budget principles have been established for operations. Tighter management of goods and services is required in FY25 due to rising supplier costs.
- Ministry will allocate \$10m COVID funding, based on testing levels and system requirements this is likely to be insufficient and will require ongoing discussions.
- The implementation of Fusion will commence in FY26. A need to evaluate the overall cost-benefit balance.
- The Board noted the next steps: evaluate the alignment between the finance strategy and the operational plan (including language used). Address the intra-health charges and the supporting messaging. Revisit the capital reserve strategy and plan. Investments in FY25 need clear business cases and demonstrated benefits.

The Board **NOTED** the update provided and will receive regular progress updates.

Operational Plan FY24/25

- Vanessa Janissen presented an overview of the NSW Health Pathology Operational Plan for FY25 (Plan). The Plan articulates the deliverables in FY25 based on the Board's strategic refresh last year, which was undertaken in response to the changing dynamics and sustainability requirements.
- The focus is on high level priorities for the upcoming year, including the distribution of responsibilities.
- Quality, safety, service delivery (including AP and Genomics), and culture are among the critical areas. Each portfolio will have its own plan, including objectives, deliverables, and accountabilities.
- The Plan is connected to Clinical Streams and includes laboratories.
- The delivery of the Plan is supported through the budget and will be monitoring in service performance reporting.

Operational Plan Priorities:

- Focus on creating laboratories of the future and the management of budget stabilisation.
- Streamlining test profiles through laboratory redesign. Pathology stewardship is a focus area for engagement with the LHDs.
- The workload consequences of increased Anatomical Pathology (AP) activity must be addressed. Valuing AP work and fostering a positive culture are essential.
- Utilising Fusion and the Quality Management Information System (QMIS) to establish a one way of working. Priorities include quality, safety, service delivery, culture, collections, results, and business development.
- Addressing quality concerns regarding laboratory standardisation and supervision.
- Virtual care is a key direction for the future. Prepare for the future by investing in Genomics and Digital Pathology.
- Ensure that the funding and community service obligations are in alignment and pricing is transparent. Align pricing with activity-based costing.
- Consider the impact of the financial environment over the next year. Address complexities associated with funding, messaging, and cost-effectiveness. Simplify communication and improve understanding across all levels. Supporting leaders and investing in foundational areas is priority.
- Aligning the Plan with the overall strategy and financial strategies is critical.
- The Board **NOTED** the overview provided. The Plan will be tracked with regular presentations to the Board.

Action: Review the language used in the Plan, Dashboard and financial strategies ensuring that headings are clear, including the language used throughout.

Technical Officer and Scientific Officer Dispute

- The Board were informed of the most recent developments regarding the Technical Offices and Scientific Officers dispute.

Noting:

- The dispute relates to the classification of Technical Officers with Science degrees and the appropriate classification under two separate awards: Technical Officer (TO) and Hospital Scientist (HS) Awards.
- The arbitration process commenced in June 2024 and reached about 80% completion during the Hearing. Conciliation was proposed as an alternative to arbitration, and the Hearing was paused.

- The Commissioner acknowledged the operational complexities and impact of classifying Science degree holders as HS's. The Commissioner drafted a variation i to potentially resolve the dispute by modifying the Award.
- The focus will be on clarifying the definition and Scope of Practice for HS's and TO's. The existing structures are inconsistent, and require refinement, as well as distinct role definitions.
- Defining relevant and requisite Science degrees requires discussion. A second pathway beyond merit-based recruitment should be considered including rigorous conversion or credentialing. Exploring a statewide peak credentialing body could address challenges.
- A pathway for TOs with qualifications and experience is necessary to balance sustainability and progression.
- The proposed approach is to evaluate each role based on the agreed defined scope. The initial modelling indicated that approximately 30% of positions could be converted to HS's.
- Three financial impact scenarios were provided to the Board.
- The Board **NOTED** the next steps; a meeting has been scheduled with representatives from NSW Health Pathology, Ministry of Health, and the Legal Counsel to agree on principles to guide Conciliation and the Conciliation strategy. In addition, discussion regarding the operational requirement of NSWHP and the standardisation of pay and conditions.
- If Conciliation is unsuccessful, the Hearing will recommence on the 1 August 2024.
- The Board acknowledged and expressed their appreciation for the work undertaken.
- Board members were asked to provide any additional feedback directly to Deanna Paulin.

Culture, Safety and Wellbeing

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

Finance and Performance Committee

The Finance and Performance Committee report was taken as read.

Darren Turner, Chair of the Finance and Performance Committee noted the following:

- The Scorecard did not indicate any incidents of Harm 1 or Harm 2. The Finance and Performance Committee had a positive discussion at today's meeting regarding forensic pathology case turnaround times.
- The upcoming financial year presents challenges, particularly in rising costs. The Finance Team needs to navigate financial constraints effectively.

The Board **NOTED** the update provided.

Audit and Risk Management Committee

The Audit and Risk Management Committee report was taken as read.

Vanessa Janissen, Chief Executive, noted the following:

- Proposed changes to the internal audit plan based on the current state. The data governance audit has been postponed to FY25/26. The overtime and on call audit has been brought forward. The succession planning audit has been replaced with a training and competency assessment audit. The internal billing audit has been brought forward.
- Ongoing issues with NATA accreditation.

The Board **NOTED** the update provided.

Quality and Clinical Safety Committee

Nick Hawkins, Chair of the Quality and Clinical Safety Committee provided an update to the Board.

Noting:

- That the Quality and Safety Team have advised that the supervision issue will be resolved by September 2024. Additional work is required in relation to the roles and responsibilities of designated persons. Heavy workloads have resulted in deficiencies in certain areas. Matthew Watts, incoming Chief Pathologist, will engage with the Directors of Clinical Operations to address this matter. There is concern about relying on NATA to identify these issues instead of internal processes.
- An update on the Mosaic incident highlighted the need for better validation points and communication. The issue arose by an external agency's decision to provide information without informing NSWHP.
- The Committee will engage in ongoing discussions regarding the information provided to the Committee by the Data and Technology Committee. The Committee is interested in the impact of IT on quality and safety, separate from performance or cybersecurity concerns.

Yvonne Weldon left the meeting to attend another commitment.

The Board **NOTED** the update provided.

Clinical Council

Report only by exception. No update provided.

Medical Staff Executive Council

Noting:

- Vanessa will provide an update on a wide range of topics at the MSEC meeting tomorrow evening. Questions from the MSC general membership have been raised, covering topics like staffing, new roles, and organisational structure. These thoughtful and insightful questions will help guide the discussion.
- Elizabeth Salisbury expressed her appreciation for the Medical Staff Council's ongoing involving involvement in sharing communication between the NSWHP Executive Team and clinicians.

- 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.

Fusion and Single Digital Patient Record

James Patterson presented an overview of the Dashboard.

- The program is progressing with third-party systems, including blood bank tender.
- Integration issues has arisen, particularly on the SDPR side, NSWHP are engaged in potential solutions to meet the SDPR timeframes.
- Blood bank and instrument middleware connectivity solutions need a test system by early August to support the implementation timeline. Concurrent contracting and domain setup are underway to meet this deadline.
- There are ongoing discussions regarding third-party procurements. Understanding their impact on the timeline is crucial.
- There are ongoing discussions regarding St Vincent Hospital's proposal to participate in the SDPR program. The focus includes assessing intellectual property implications and evaluating integration considerations.

Juliana Iles Mann provided a Fusion Budget Update.

Noting:

- The Fusion Team is actively collaborating with the SDPR Team. Teresa Anderson, appointed as the Implementation Authority, SDPR. Collaboration and positive working relationships between the Fusion Team and the SDPR Team and participation in forums.
- One of the key focus areas involves streamlining the governance process.
- Challenges exist related to budget, device utilisation, staff backfill, and system integration.
- Rebasing the current program budget: \$173 million, noting that this is still in progress. The mapping outlined shows how costs are accounted for in the revised \$173 million budget.
- Evaluating the realisation of benefits, cashflow, and decommissioning outcomes. Realignment to a product-based structure.
- The aim is to continue the budget review to identify potential cost savings that will bring the budget closer to the initial approved budget of \$148 million. Program changes and modifications may impact costs.
- A workshop has been scheduled to explore other benefits and their alignment with the new sequencing.

- The Board noted the next steps, which involve the implementation of budget adjustments and the agreement on principles. Allowing for contingency and review of the operational budget in the original business case. The Board **NOTED** the update provided.

Items without Notice

The Board Chair invited Board members to raise any items without notice. No items without notice were raised.

Board Evaluation

- The Board Chair thanked Board members for their reflections on today's Board meeting. Board members agreed that the meeting was productive; however, they acknowledged time constraints and the need to simplify complex presentations.
- The Executive Team's hard work was appreciated, and clarity of questions enabled Board members to focus on relevant information.
- David Currow acknowledged staff for providing briefings and presentations.
- It was suggested that the Chief Executive's perspective on the challenging financial environment should be considered in future Board meetings.
- With no other business to come before the meeting, the meeting was closed at 1.26pm.

For Information

NSW Health Pathology Scorecard

The Scorecard was provided for information and taken as read.

Medical and Dental Appointments Advisory 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.

Quality and Clinical Safety Committee Meeting Minutes

Noted for information.

Medical Staff Executive Council Committee Meeting Minutes

Noted for information.

Statement of Service

Noted for information.

Meeting Close

Endorsed by Nigel Lyons, Board Chair, NSW Health Pathology

Action Log NSW Health Pathology Board

Date	Action	Lead	Status
26/06/2024 Item 4.	Review and simplify the language used in the Plan, Dashboard and financial strategies and ensure that the headings are clear, including the language used throughout.	Nicole Tripney	June 2024 Completed

Date	Action	Lead	Status
26/06/2024 Item 2.	The Forensic and Analytical Scientific Services (FASS) Investment Development Decision (IDD) to be provided to the Board at the August Board meeting.	Michael Symonds	August 2024 Completed

Date	Action	Lead	Status
26/10/23 Item 6.	Investigate the salary packaging issues concerning FASS. <i>* NSWHP is working with the Ministry of Health Principal Taxation advisor on the submission to the Australian Taxation Office for a binding private ruling on whether these FASS staff are eligible to salary package. This submission is expected to be lodged with the ATO early in 2024 so we will expect a ruling prior to the end of the financial year.</i>	Nick Dunn	August 2024

Date	Action	Lead	Status
24/04/24 Item 6.	The Board requested a progress update on the paediatric pathology recommendations in six months at the October Board meeting.	Cathryn Cox	October 2024

Date	Action	Lead	Status
24/04/24 Item 4.	The Board requested a progress update on the People Strategy Implementation Plan in 12 months.	Deanna Paulin	April 2025