

**West Moreton Hospital and Health Service**  
**Director General Review Meeting**  
**01 February 2013**

West Moreton Hospital and Health Service

## Current Operating Position

	Q1	October	November	December	YTD December
Revenue	\$96.91M	\$29.21M	\$40.51M	\$31.48M	\$198.12M
Expenditure	(\$99.86M)	(\$31.80M)	(\$32.40M)	(\$32.60M)	(\$196.66M)
Surplus/(Deficit)	(\$2.95M)	(\$2.59M)	\$8.11M	\$(1.12)M	<b>\$1.46M</b>

The current General Ledger operating position is: **\$1.46M**

Current operating position to be adjusted for:

- Revenue phasing adjustment
(\$2.52M)
- Drug costs for OH
(\$0.40M)
- VR Reimbursement
\$1.35M

Adjusted operating position: **(\$0.16M)** Surplus Deficit

## YTD Financial Performance - Summary

- The current underlying deficit of **\$0.16M** for December has reduced from **\$1.88M** for the month of November, to give a full year seasonally adjusted projected deficit of **\$0.33M**
- This is a decrease in the seasonally adjusted projected full year deficit (without accounting for the full effect of the Turnaround Plan) for the first quarter from **\$7.4M** to **\$5.7M** in October, **\$3.6M** in November to **\$0.33M** in December
- These significant results have been realised through the WM Establishment Management Program controls, controls on overtime and firming up of the Turnaround Plan
- Accounting for the **\$4.3M** Commonwealth funding reduction and remaining elements of the Turnaround Plan (**+\$3.3M**) the current full year projected position is a deficit of **\$1.3M**
- West Moreton has developed a number of mitigation initiatives to reduce the impact of the **\$4.3M** Commonwealth funding reduction. The 'low estimate' Dollar savings amount to **\$1.4M**, giving a projected end of year position of **\$0.1M** surplus.

## Overview – Projected End of Year Position

	July 2012	September 2012	December 2012
<b>Projected Expenditure</b>	\$ 393.2M	\$408.3M	\$394.2M
Contract offer	\$373.3M	\$390.4M	\$393.9M
Revenue Gap	<b>-\$19.9M</b>	<b>-\$17.9M</b>	<b>-\$0.3M</b>
Anticipated funding	\$6.7M	\$5.1M	-
<b>Commonwealth Funding reduction</b>			<b>-\$4.3M</b>
Shortfall before initiatives	<b>-\$13.2M</b>	<b>-\$12.7M</b>	<b>-\$4.6M</b>
Turnaround initiatives	\$7.4M	\$6.6M	\$3.3M
Shortfall after Turnaround initiatives			<b>-\$1.3M</b>
Mitigating strategies			<b>\$1.4M</b>
<b>Projected End of Year Position</b>			<b>\$0.1M</b>

Anticipated Turnaround Plan (TP) initiatives.

Total TP Initiatives	\$12.04M
Initiatives undertaken	-\$8.15M
High Risk MH	-\$0.59M
Remaining TP	\$3.30M

## Commonwealth Funding Reduction Initiatives

Initiative		Estimated Dollar Saving	
		High	Low
Voluntary Redundancy Review			
Mental Health	5 x FTE	\$530,000	\$318,000
Operations	4 x FTE	\$240,000	\$240,000
Non-Salary Savings			
Fleet review		\$60,000	\$0
Drugs			
Pathology		\$300,000	\$200,000
Own Source Revenue		\$400,000	\$300,000
Car Park		\$100,000	\$0
Revenue Leakage		\$300,000	\$100,000
Outsourcing HACC			
RN/EN Review (Difference at \$28,000)	44	\$617,000	\$110,000
Barrett Youth Mental Health		\$600,000	\$0
Esk Service Review		\$90,000	\$90,000
Contestability			
Kiosk		\$0	\$0
Workforce rehabilitation		\$0	\$0
Ground maintenance		\$0	\$0
Linen (Rural Facilities)		\$120,000	\$60,000
Pathology		\$0	\$0
Radiology		\$0	\$0
Catering (Food Services)		\$0	\$0
Cleaning		\$0	\$0
<b>TOTALS</b>		<b>\$3,357,000</b>	<b>\$1,418,000</b>

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## Contestability

The Contestability Workshop was held on the 09 January 2013 and facilitated by Paxton Partners (Rob Gilbert and Julian Maiolo).

Due to the complexity of the services identified, the evaluation process requirements and the inter-dependency of stakeholders such as Health Services Support Agency, benefits are not likely to be substantial in this financial year, but would be a key strategy for the next financial year.

A draft 'Contestability Scoping Paper' has been provided by Paxton Partners following the workshop to be reviewed by the HSS to identify specific areas to be taken forwards. The workshop covered the following areas:

- Overview of contestability, including definitions and the key steps in the contestability process
- A review of initial services with potential for contestability
- General considerations, including Queensland Health policy and the impact on other initiatives
- Potential criteria for evaluation

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## Contestability

The specific WMHHS services which were initially identified as potentially benefiting from the contestability process were identified as:

- Food Services – including kiosk and staff cafeteria
- Cleaning / Porterage / Grounds Maintenance
- Security – Patient Security, The Park
- Security – Other
- Infrastructure Management / Biomedical Engineering
- Medical Imaging
- Pathology
- Logistics & Communications – Mail / Patient Transport / Couriers / Switchboard
- HACC Services
- Transcription Services
- Medical Records / Coding / Prison Medical Records

## Financial Audits

Audits have been initiated to review in detail the processes for Revenue and End of Month (with associated processes)

The patient and sundry revenue audit is being conducted by the WM Principle Internal Auditor and commenced work on the 16 January 2013

The End of Month audit is being conducted by Lynette Gill who has considerable commercial skills in this area of financial reporting and commenced on 14 January 2013

The Revenue and End of Month audits will also cover all associated processes, delivering a detailed action plan to improve the efficiency and effectiveness of the Finance Support Unit, and inform the implementation of the service review

Audits have also been initiated to prepare WM for External Audit and will produce mid-year financial audit reports to inform the external auditor.

## Budget Mid Year Review

A mid-year budget review has been conducted in January 2013.

The review concentrated on 3 areas that were incorporated into the budget for the end of January. The areas were:

- Incorporation of the outstanding elements of the Turnaround Plan into the West Moreton HSS Budget
- Targeted Divisional Cost Centre expenditure review to align West Moreton HSS Budget to expenditure profiles based on the last 6 months
- Review of the capital expenditure plan

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## Activity Review

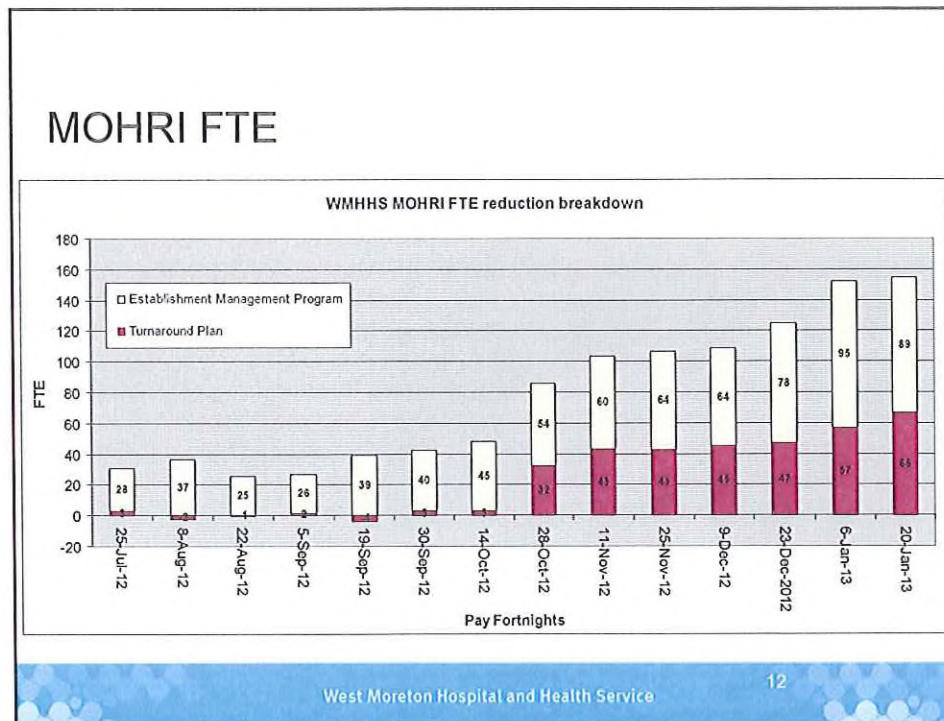
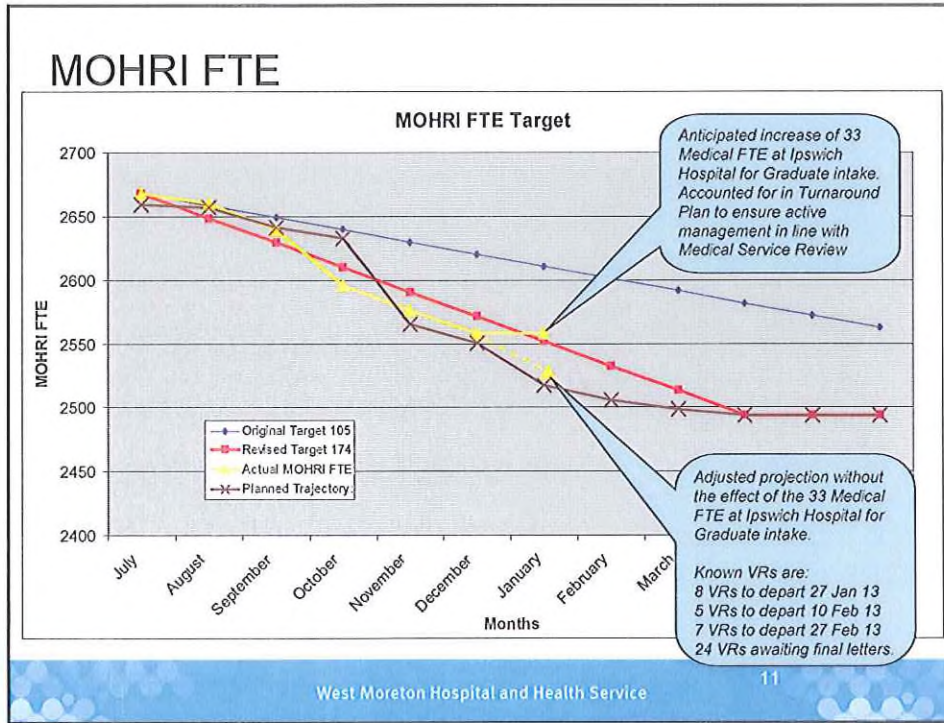
- An initial activity review has been conducted to identify areas where there has been considerable activity over the Service Agreement target
- The inpatient review identified the following areas for further investigation

Purchasing Type	DRG	YTD Weighted Activity Unit	YTD WAU Target	YTD WAU Var	YTD WAU Pct Var
28 Orthopaedics	All DRG Hierarchy	2,327.4972	1,968.4000	359.10	18%
17 Respiratory Medicine	All DRG Hierarchy	1,134.2661	859.8200	274.45	32%
35 Obstetrics	All DRG Hierarchy	1,686.1919	1,506.0800	180.11	12%
14 Neurology	All DRG Hierarchy	541.8362	459.7500	82.09	18%
33 Non Subspecialty Surgery	All DRG Hierarchy	833.1368	769.0700	64.07	8%
32 Vascular Surgery	All DRG Hierarchy	161.1396	104.4200	56.72	54%
19 Non Subspecialty Medicine	All DRG Hierarchy	357.0354	302.1500	54.89	18%

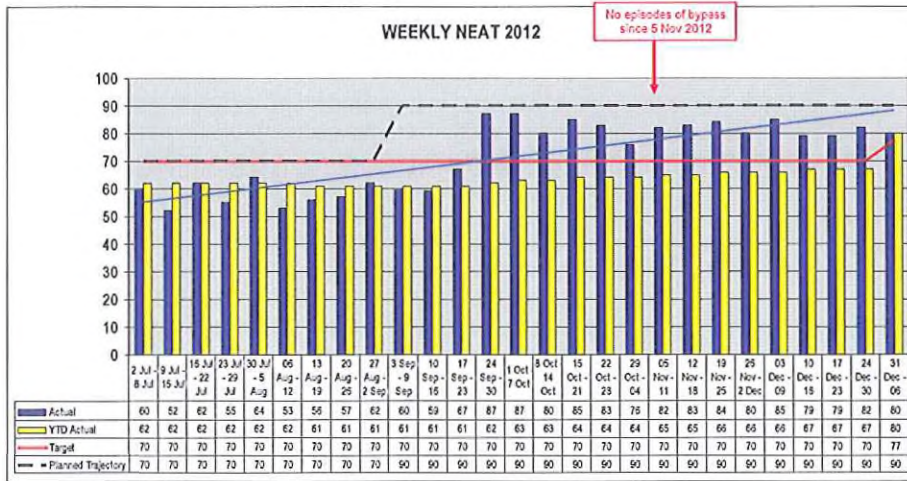
Purchasing Type	DRG	YTD Weighted Activity Unit	YTD WAU Target	YTD WAU Var	YTD WAU Pct Var
28 Orthopaedics	I04B Knee Replacement W/O Cata	349.9691	197.2600	152.71	77%
35 Obstetrics	O01A Caesarean Delivery W Cata	225.0799	113.2800	111.80	99%
17 Respiratory Medicine	E62A Respiratory Infections/In	252.3544	149.0900	103.26	69%
17 Respiratory Medicine	E65A Chronic Obstructive Airwa	171.6724	106.3900	65.28	61%
28 Orthopaedics	I08A Other Hip and Femur Proce	156.8527	101.0600	55.79	55%
40 Tracheostomy	A06B Trach W Vent >95 hours W/	140.4070	89.9600	50.45	56%
28 Orthopaedics	I12A Infec/Inflam of Bone and	50.3310		50.33	

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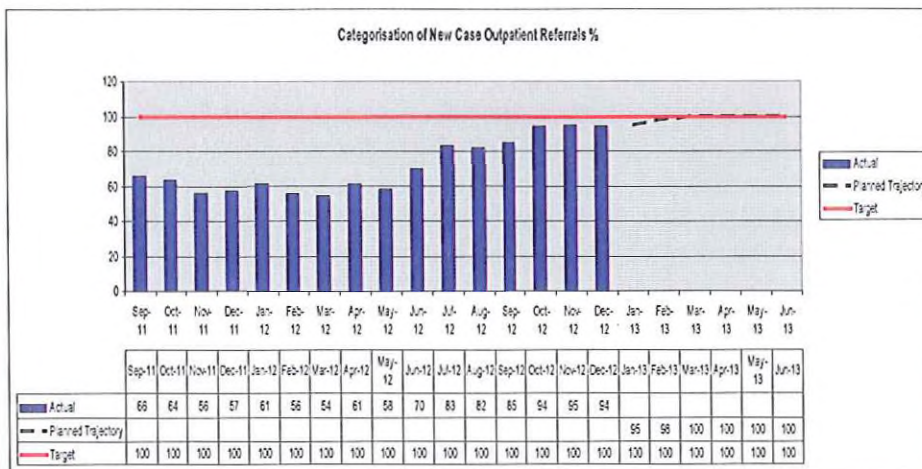
## WEEKLY NEAT 2012



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## Outpatients

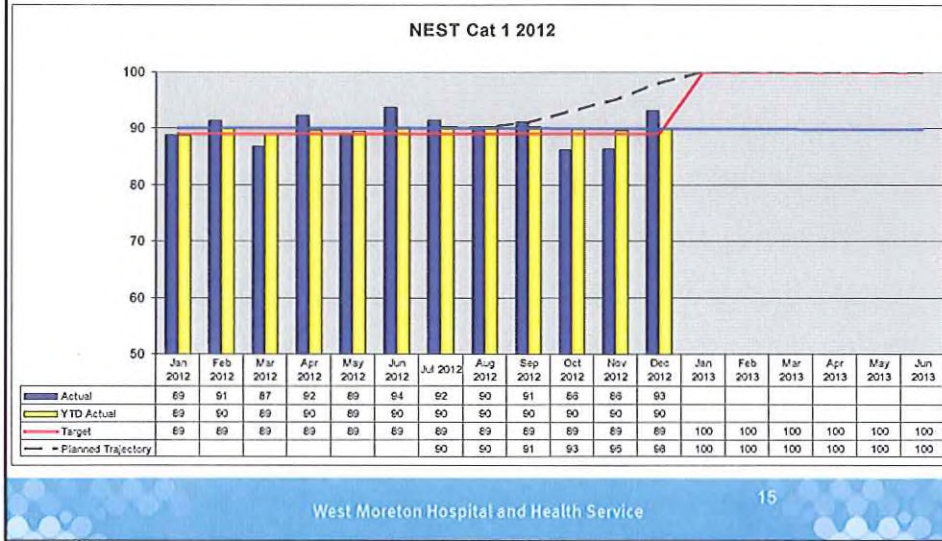


*one extra clinic added which has not been streamlined*

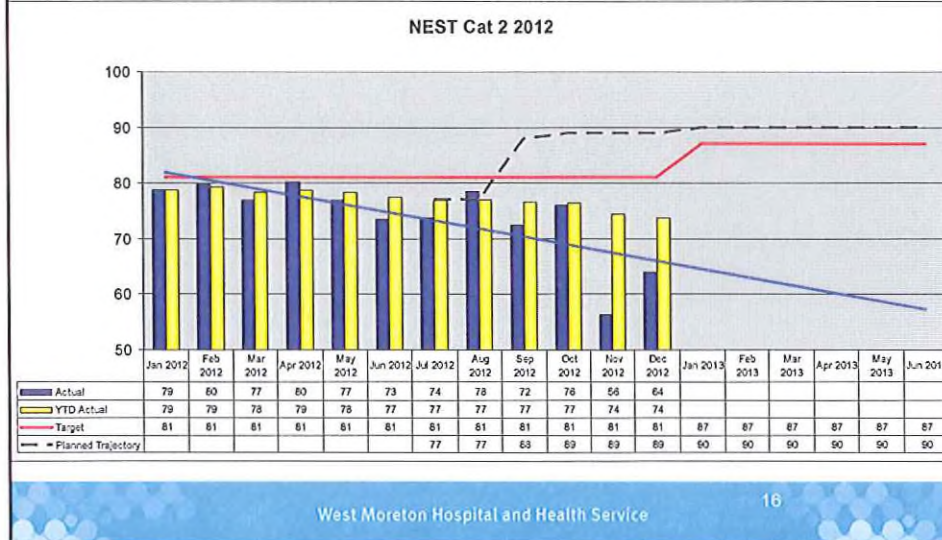
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## NEST Cat 1

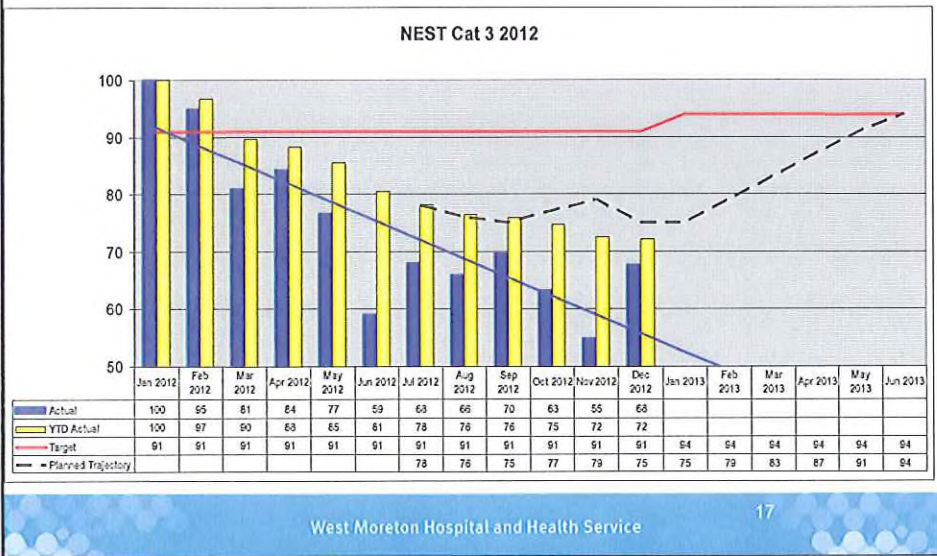


## NEST Cat 2





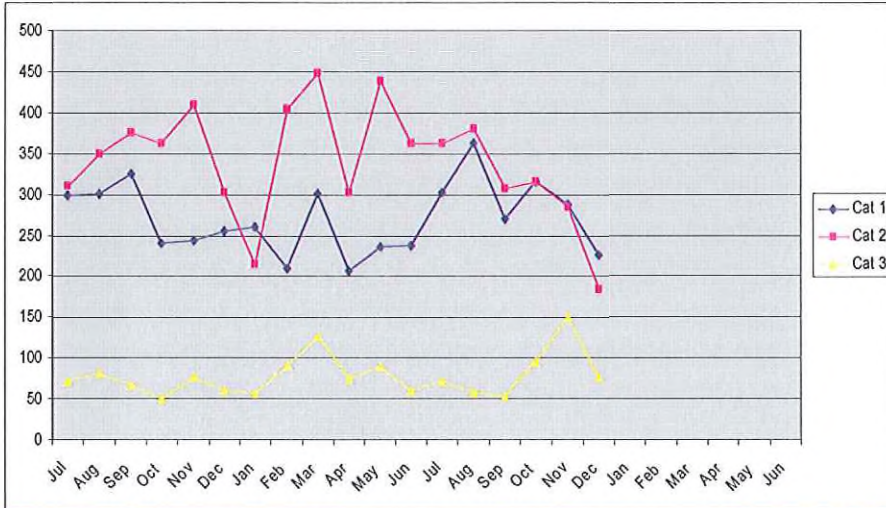
## NEST Cat 3



## Achievements To Date

- Categorisation: Review and agreement to default categorisation base on NSW
- Reinforce and motivate focus on Long waits
- Surgery Connect referrals
- Weekly Peri Op meetings
  - Thurs multi-discipline meeting
- Checklist Education
  - Focus on individual surgeon sessions with CARU
- Review of Pre-admission process
  - 7 recommendations
- Telephone Audit Tool developed
  - 22 referrals to Surgery Connect
  - 48 patients removed
- Centralised SBU reporting folder
- Provisional allocation of Theatre 7 session

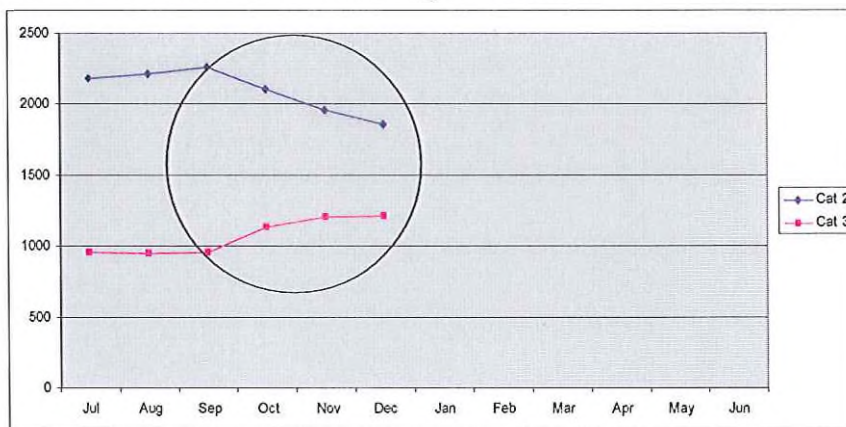
### Actions to Date – Additions to PWL



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### Actions to Date – Categorisation Review

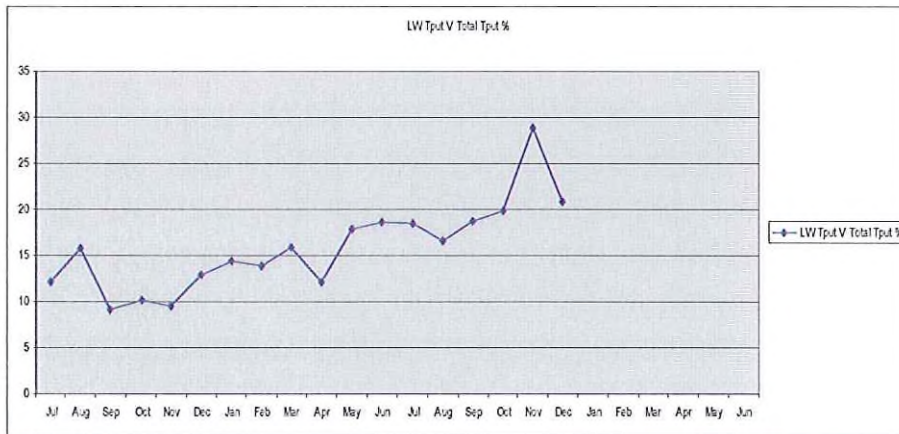


462 Chart reviews  
 240 conversions from Cat 2 to Cat 3 - 51.4% conversion

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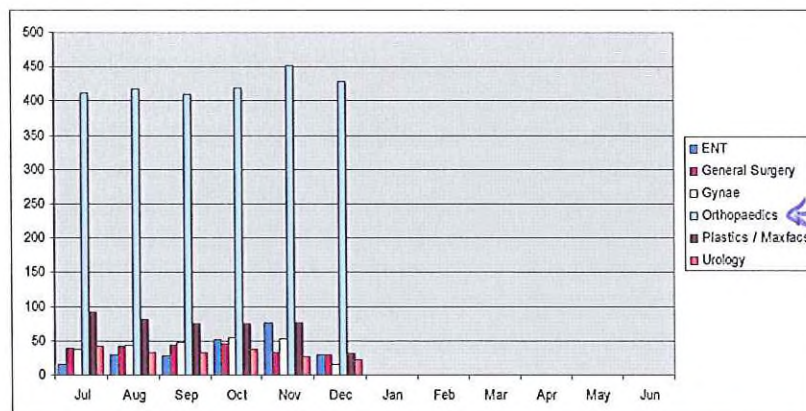
### Actions to date: % LW Throughput July 2011 to date



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### Challenges: Long Waits by Discipline



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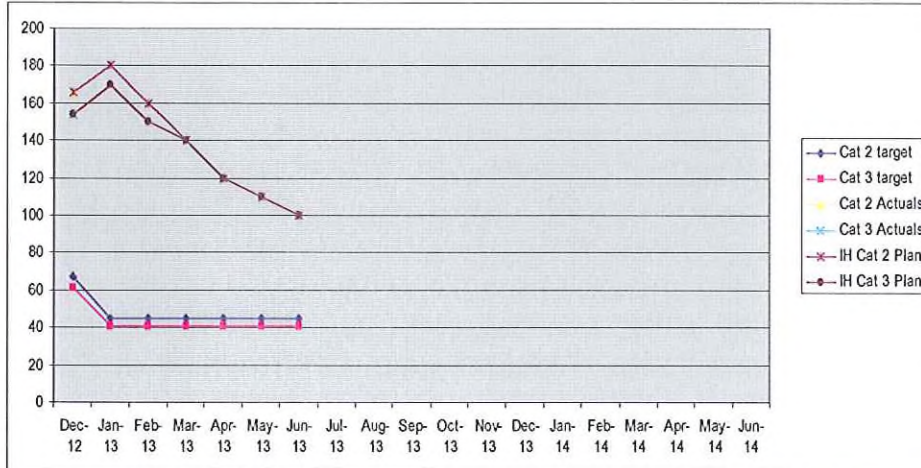
## Performance

- Average Overdue Days Long waits
  - For All specialties
    - Cat 1 0
    - Cat 2 142
    - Cat 3 127
  - For Orthopaedics
    - Cat 1 0
    - Cat 2 166
    - Cat 3 154
  - For All excluding Ortho
    - Cat 1 0
    - Cat 2 76
    - Cat 3 89

## Targets

- All disciplines excluding Ortho
  - Reduce long wait days for Cat 2 and Cat 3 to 67 and 61 days respectively by 30 April 13
  - Reduce long wait days for Cat 2 and Cat 3 to 40 days by 30 June 13
  - Meet 60% in time booking by discipline by 30 April 13
- Orthopaedics:
  - Reduce long wait days for Cat 2 and Cat 3 to 120 days by 30 April 13
  - Reduce long wait days for Cat 2 and Cat 3 to 100 days by 30 June 13
  - Improve in time booking to >40% by 30 April 13
  - Improve in time booking to >60% by 30 June 13

## Orthopaedic - Long Wait Days Target trajectory



## Mental Health Service Review

### Drivers for change

- Opportunity to review the services and ensure that as a full Mental Health Division they are being provided in the most efficient, contemporary and best practice manner
- Reflecting the state mental health plan and opportunities for partnership with non government and other agencies
- A need to review the cultural climate and ensure proactive actions are taken

## Mental Health Service Review

What have been the solutions - implementation to commence mid February

Leadership of the mental health division

- Clear and accountable
- Consumer voice direct to ED
- Safety quality and risk accountable directly to ED

Service area redesign

- Reflective of future partnerships and service models
- Aligned to actual budget allocations not historical establishments
- Reduction of position duplication
- True to the intent of schedule 9

## Mental Health Service Review

Nursing staff skill mix for The Park

- move to increase EN/ENAP with reduction RN positions (25 -30)

Staffing efficiencies

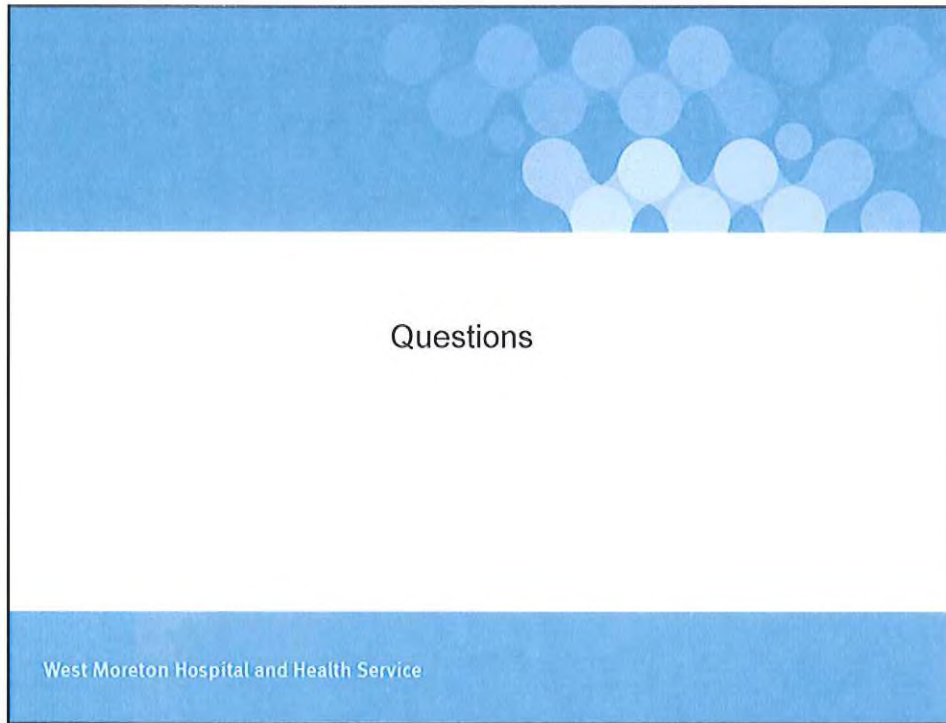
- Change to long held overtime practices
  - Overtime now below state average
  - Significant reduction in cost
- Introduction of rotating rostering
  - For introduction April
  - QNU support

Future challenges

- Barrett Adolescent Services
- Extended Treatment and Forensic Rehabilitation Opening (security of program)
- Review of provision of security services

What does this mean

- Reduction in budget over allocation of \$2 million
- Reduction of 50 FTE across division



Questions

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