

Central Coast Local Health District

ORGANISATIONAL SUSTAINABILITY

2020 – 2023



Health
Central Coast
Local Health District



Acknowledgement of Country

Central Coast Local Health District acknowledges that we are located on the lands of Australia's first people. The traditional custodians of the land covered by our District are the Darkinjung people.

We pay respect to these lands that provide for us. We acknowledge and pay respect to the Aboriginal ancestors that walked and managed these lands for many generations before us.

We acknowledge and recognise all Aboriginal people who have come from their own country and who now call this country their home. We acknowledge our Elders, both past and present, our elders are our knowledge holders, teachers and pioneers.

We also acknowledge our Aboriginal youth who are our hope and who are our future leaders.

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Executive Summary

Our Caring for the Coast Strategy 2019- 2024 sets objectives for the next five years. It sets out a blueprint for what we want to achieve, a roadmap for how we intend to get there, and the elements that we will need to adapt to. Our overarching goal is to provide safe, consistently high quality health services that reflect the health needs and preferences of the individual patient and consumer.

Central Coast Local Health District (CCLHD) aims to be a high performing and accountable healthcare service that meets our Service Agreement and operates to Australian benchmark standards. This requires achievement of financial sustainability to enable service provision to meet community needs, while supporting investment in improvement and innovation.

Our Organisational Sustainability Plan (OSP) is a detailed strategy with realistic goals to meet this aim. It will be implemented over the next three years to drive the best patient care within our funded resources and return the organisation to a balanced budget position.

The delivery of the program and achievement of its objectives throughout the organisation has been mandated by the District Board to be implemented. The Chief Executive provides leadership to the program and is responsible to ensure sound governance, management and communication.



**Dr Andrew Montague,
Chief Executive**

Central Coast Local Health District



**Mr Paul Tonkin,
Board Chairperson**

Central Coast Local Health District

1. Primary Objectives



The OSP is a key strategy in place to ensure CCLHD continues to be a high performing and accountable organisation, delivering exceptional care, enhancing the health and wellbeing of our community. Underpinning this objective we believe the approach of delivering value based healthcare and integrated care will improve health outcomes that matter to patients.

The primary goals the OSP aims to ensure:

- CCLHD is delivering improved patient outcomes and performing at/or better than peers across all specialties by December 2023
- CCLHD's unfavourable variance to budget will be eliminated by December 2023

The primary objectives of the OSP are intended to achieve these goals by aligning with the District's primary objectives as set out in the Caring for the Coast Strategy 2019-2024:

1. *CCLHD becomes a high performing and accountable organisation.*
2. *Our culture, systems and processes support the provision of high quality, safe, person centred care.*
3. *We collaborate with our community and partners to improve the health and wellbeing of the community.*
4. *Our staff are energised and motivated, have a shared sense of belonging and have pride in their workplace and the services they provide.*
5. *Financial sustainability to enable service provision to meet community need and support investment and innovation.*
6. *A responsive innovative, learning organisation underpinned by research, education and partnerships.*
7. *Governance and performance management systems support the delivery of health services.*
8. *Resources are maximised through value management practices – responsible and accountable use of resources.*
9. *Effective demand management with care delivered in the most appropriate place, maximising available capacity - balancing demand for service, supply and maintaining patient flow.*
10. *Investment and disinvestment decisions are based on evidence and robust evaluation*

2. Performance Overview (Current State)

The OSP will focus on addressing not only District financial performance, but also the performance in key safety, quality and accessibility indicators.

2.1 Financial Overview

CCLHD needs to transition from an unfavourable forecast variance to budget to a balanced budget by 2022/23. The initiatives in this plan will provide a framework for required cost reduction, control and financial performance improvement. We estimate that based on the actions and assumptions outlined in this plan, CCLHD's unfavourable

Financial Year	Estimated Budget Allocation	Required Savings	Estimated Expense Including Savings	Estimated Deficit
2020/21	887.6m	30.0m	918.7m	31.1m
2021/22	921.3m	15.0m	937.2m	15.9m
2022/23	956.3m	15.0m	956.3m	0.0m

2.2 Key Safety, Quality and Access Performance Indicators

Whilst the District continues to see increasing demands for its services the following key safety, quality and accessibility indicators will be a focus for improvement within the OSP:

Patient Safety First

The District continues to focus on reducing the incidence of Hospital Acquired Complications (HACs). Whilst overall performance has improved, falls and pressure injuries remain outside limits and above state peers. The District's Healthcare Quality Committee continues to monitor the implementation of improvement initiatives for these high priority areas and has set performance indicators as follows:

- Reduce falls harm to 4:1000 bed days by June 2021
- Reduce pressure injury harm to 1.5 per 1000 bed days by June 2021

Further areas identified for focused action include:

- Reduce the number of patients who re-admit themselves to hospital within 28 days to less than 6.3% of all admissions
- Provide a more structured governance process for Morbidity & Mortality meetings to ensure we can appropriately obtain lessons learnt and follow-up on actions, as identified in the Annual Safety and Quality Account

Emergency Treatment Performance (ETP)

The District's ETP declined during 2019 to 55.7% (target 81%). CCLHD experienced an 8.9% increase in Emergency Department presentations in October 2019 (12,580) compared to October 2018 (11,554). This has required the ongoing utilisation of unfunded beds to enable flows through Gosford Hospital. Plans have been developed to reconfigure beds in 2020 to address specialty capacity issues.

Transfer of Care (TOC) Performance

The District's TOC performance remains below benchmark at 83% in December 2019 (target 90%). There has been a steady improvement in this rate over the past months. Performance improvement has occurred month on month despite year on year growth of 4.6% in Ambulance presentations.

Elective Surgery Access Performance (ESAP) & Overdue Elective Patients Numbers

CCLHD met ESAP category 1 throughout 2019, with ESAP 2 and 3 performance not meeting targets. As a result of COVID-19 and the need to cancel elective surgery, ESAP2 and 3 performance has deteriorated. There is an agreed plan (funded by the Ministry of Health) to reduce the overdue elective patient numbers.



3. Organisational Sustainability Plan (Future State)

3.1 District Mandate

The delivery of the program and achievement of its objectives throughout the organisation has been mandated by the District Board to be implemented. The Chief Executive provides leadership to the program and is responsible to ensure sound governance, management and communication.

3.2 Governance Framework

3.2.1 OSP Steering Committee

To ensure the delivery of this program, governance has been established to ensure oversight at all operational levels. The OSP Steering Committee commenced during the diagnostic phase of the plan. It is anticipated this will continue throughout 2020 to ensure mitigation and rectification actions occur to manage any program slippage.

The proposed structure and administration of the program is managed by the Manager of the Organisational Sustainability Program with the support of the Health Care Improvement Team. The OSP Steering Committee (the Committee) has been established to oversee the development and implementation of the Program. This Committee will:

- Ensure that there are plans in place to enable the District to stay within its allocated budget;
- Ensure establishment of an effective program, targets and monitoring framework for sustainability plans that will position the organisation as a leader and achieve service agreement targets;
- Provide advice and make recommendations on operational decisions with regard to sustainability, cost and safety;
- Identify and facilitate opportunities to create greater value and deliver safe, reliable care;
- Ensure risks and opportunities associated with quality, safety and finances are being identified, assessed and treated to an acceptable level;
- *Refer to appendix for Governance structure.

3.2.2 Performance Review Meetings

A key District accountability tool is the regular Performance Review meetings held with the District Executive and each of their Operations Directorates and services. To ensure the integration of the OSP within the District, opportunities and performance against the strategy will be included as a standard item in these meetings. If performance against allocated OSP initiatives is unsatisfactory, frequency of these meetings will be increased. If Directorate or service performance is well-performing against the allocated initiatives then these meetings may become less frequent.

3.3 Due Diligence Phase

An important step in the development of the OSP was the facilitation of a due diligence phase. This stage provided an opportunity for all District staff to identify opportunities to contribute to the OSP. Initiatives explored were identified through Directorates, services and via individual staff through the Your Ideas Portal set up on the CCLHD intranet. Upon assessment, initiatives were either not recommended to be pursued further or were included as part of the OSP. While an initial due diligence phase was conducted at the commencement of the program, the OSP will continue to assess and consider all opportunities as they arise.

3.4 Key Areas of Sustainability

The OSP is aligned to four key areas:

1. Service delivery and efficiency
2. People culture and governance
3. Information, evidence and insights
4. Finance, cost and revenue management

In addition, clinical care, as well as patient safety and outcomes will be key focus areas informing decision making across all four key areas.

Initiatives have been scoped and prioritised with key stakeholders based on those that will have the greatest impact on the financial and clinical performance of the District, and that align to the strategic direction or are essential enablers of change across the District:

	Intent	Approach	Actions
Service Delivery and Efficiency	<ul style="list-style-type: none"> Put patient outcomes at the centre of decision making Structure the delivery of services to be efficient and well planned Reduce inappropriate clinical variation Recognise and manage towards expectations of clinical performance making 	<ul style="list-style-type: none"> • Implement productivity improvement initiatives • Establish procedural efficiencies and appropriate management tools • Form clinical pathways • Streamline patient flow including improve discharge practices • Support alternative access strategies • Implement Leading Better Value Care programs • Ensure an integrated approach is taken to operational planning and management • Support strategies to improve patient outcomes • Implement non-traditional models of service delivery 	<ul style="list-style-type: none"> • Explore efficiencies/cost savings and resource utilisation • Benchmark against peers/develop improvement plans • Implement Demand and Capacity 6 key priorities • Identify clinical pathways to reduce clinical variation • Implement models of care that reflect best practice (Rehab, vascular, stroke) • Directorates to manage against agreed staffing levels (e.g. align staffing to nurse planner, nursing staffing mix) • Implement partner model to support initiatives • Implement strategies to reduce patient falls • Implement strategies to support the District meeting ESAP 2 and 3 performance targets • Renew the focus on the recommendations of the Unplanned Readmission Project to reduce unplanned readmissions • Implement a sustainable long-term telehealth program • Develop a environmental sustainability plan • Manage against agreed KPI's for monthly Directorate Performance meetings and consequences for non-performance • Initiate 1:1 meetings between Directorate Director and Manager OSP to review high value initiative performance

	Intent	Approach	Actions
People Culture and Governance	<p>Create a culture of leadership and accountability at all levels</p> <p>Continue to improve workforce engagement</p>	<ul style="list-style-type: none"> • Increase workforce engagement • Leverage the organisational structure to encourage accountability • Strengthen workforce functions and controls • Develop environmental sustainability plan 	<ul style="list-style-type: none"> • Engage the workforce (e.g. Staff Forums, newsletter etc.) and ensure access to the OSP • Partner with clinical operations to deliver strategic recruitment campaigns • Improve the financial/business acumen of leaders • Implement people management coaching sessions • Align staffing to nurse planner rosters and optimise staff-mix • Implement tools to support leave management, attendance management, My Contribution and Development and performance processes • Develop and implement a wellbeing framework for CCLHD to support a safe workplace and create supportive working environments • Review opportunities to build in-house training capability and reduce use of external training. • Review and provide approval oversight to all recruitment and backfill requests • Directorates to actively manage excess annual leave • Implement robust overtime approval controls • Ensure efficient management of WHS injured worker return to work and claim process
Information, Evidence and Insights	<p>Improve accuracy and provision of relevant data and information</p> <p>Focus reporting on key performance indicators to enable evidence based decision making at all levels</p>	<ul style="list-style-type: none"> • Ensure single source of truth • Deliver concise, relevant and visual data reporting • Implement clinical coding strategy and education • Apply internal and external benchmarking • Ensure consistent and timely performance reports • Explore available best practice technology providers 	<ul style="list-style-type: none"> • Develop strategy for data management and delivery • Define data functions, structure, skills and capabilities • Deliver education and training to up-skill clinicians and nurses • Optimise reporting and analytics capabilities • Explore available best practice technology providers • Explore predictive reporting • Ensure staff are skilled in data analytics and using data • Improve the quality of data collection, data error detection and correction and auditing for missed opportunities for SNAP and NAP classifications
Finance, Cost and Revenue Management	<p>Develop and implement robust financial decision making and controls across the organisation</p> <p>Maximise available revenue</p>	<ul style="list-style-type: none"> • Implement block funding management • Optimise public and private revenue • Establish contract management controls • Establish cost management controls • Ensure control of clinical and non-clinical service costs • Improve staffing efficiencies 	<ul style="list-style-type: none"> • Establish recruitment rostering and payroll controls (staff recruitment, nursing staff rostering and payroll, staff payroll processes and systems) • Implement contract management controls • Undertake cost analysis of supply of goods and services to identify savings as part of Procurement Strategy Plan • Reduction in TMF expenses • Review all staffing vacancies as they arise • Progress own source revenue strategy

3.5 Cash Release Saving Initiatives

In addition to our four key areas of sustainability, it is recognised that to deliver a balanced budget position by 2023 a significant focus will need to be placed on cash releasing saving initiatives. Cash releasing initiatives are those which directly reduce expenditure and/or budget (i.e. better pricing through contract negotiations, non-recruitment to a vacant position). Whilst productivity and revenue initiatives will complement building a sustainable, safe and efficient organisation, it will be the realisation of cash releasing initiatives that will primarily contribute to the eradication of the District's unfavourable budget position.

The OSP cash releasing initiatives will be overseen by the OSP Manager, reporting directly to the Chief Executive. Cash releasing targets and associated initiatives will be assigned across the organisation and reflected in the budget build for each Directorate. The OSP Manager will then actively monitor target performance with the Directorate and report on success and/or risks of achievement to the Chief Executive and the OSP Steering Committee. In turn, performance challenges will be addressed at the next scheduled Performance Review Meetings by the LHD Executive with the Directorate.

When a productivity initiative is progressed to a point where it demonstrates cash releasing benefits, it will be transferred to the OSP Manager. Until then, productivity initiatives will be supported and delivered by the Healthcare Improvement Unit and the relevant Operation's Directorate.

Throughout the financial year, new cash releasing initiatives are likely to be identified. The due diligence process undertaken will determine the phasing of benefits realised. For some initiatives the ease of implementation may result in benefit realisation occurring within the current financial year. This realisation will be taken into account as part of the budget build for the next financial year for the Directorate.



3.6 Ease of Implementation verse Benefit

For each cash releasing initiative, an assessment of ease of implementation should be undertaken and the following action should be taken:

- Where cash releasing 'Quick Win' initiatives can be realised these should be implemented by the relevant Directorate immediately.
- All 'high' or 'very high' should be implemented and reported to the relevant monthly Directorate Performance meeting.
- All 'very high' initiatives will be overseen by the OSP Manager as outlined in section 3.5.

Identifying challenges through this process assist in developing the implementation plan and risks to mitigate against.

Value of Cash Release Savings	Very high ≥ \$300K	1a	1b	3a	3c
	High ≥ \$150K to ≤ \$300K	1c	1d	3b	3d
	Moderate ≥ \$50K to ≤ \$150K	2a	2b	4a	4b
	Low ≤ \$50K	2c	2d	4c	4d
		Must Do		Challenges	
		Quick Wins		Low Priority	
		Very easy	Easy	Moderately difficult	Very Difficult
		Ease of implementation			



3.7 Summary of High Priority Cash Releasing Initiatives

As part of the due diligence phase, the District has identified a number of high value cash releasing initiatives that will be implemented.

Those initiatives that have commenced prior to 2020/21 are already factored into the budget as savings required. Verified over-achievement of saving initiatives will either off-set any underperformance of other initiatives or will be reflected favourably in budget out-years for that Directorate.

Additional high value strategies will need to be identified for 2020/21 and out-years of OSP to achieve the balanced position.

3.8 OSP 2020/21 Budget Build

To achieve the required OSP balanced budget position, all Directorates were tasked with re-building their budget. This process resulted in each Directorate receiving a 2020/21 budget for their area, less their proportion of the OSP savings requirement. OSP savings requirements will be allocated over the next three financial years.

3.9 Risk Assessment

An important approach undertaken with each OSP initiative is a detailed assessment of risk. OSP uses the enterprise NSW Health Risk Management system. These include, but are not limited to: political risks where the Ministry or Government expectations or policy does not align with program initiatives; risk to the reputation and image of the District through inability to realise savings and productivity benefits; the risk of key and influential internal stakeholders not supporting or inhibiting initiative implementation and therefore a limit on the strategy realising its outcomes.

For each OSP strategy risk treatment and controls will be identified and monitored for effectiveness.

Appendix 1: Governance Structure





