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Northern NSW LHD Foundation Review August 2023

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EXECUTIVE SUMMARY

Northern NSW Local Health District (NNSWLHD) provides public health services in north eastern NSW of to an estimated population of 304,857 residents. Services are provided through 8 hospitals and 4 multi-purpose services, 20 community health centres and other facilities. The district employs over 5,500FTE staff.

This catchment covers four Local Government Areas: Ballina, Byron, Clarence Valley, Kyogle, Lismore, Richmond Valley and Tweed. The Northern NSW LHD key strategic priorities of the District are:

1. Value, Develop and Empower Our People
2. Our Community Values Our Excellent Person-Centred Care
3. Empowering Aboriginal Health
4. Integration Through Partnerships
5. Effective Clinical and Corporate Accountability
6. Champions of Innovation and Research.

Like all health services, Northern NSW LHD faces cost pressures to deliver services within the funding provided. The LHD must make choices that result in high quality care being equitably accessible across the district. An emerging issue in achieving the District strategic objectives is the delivery of an end-of-year unfavourable financial performance in 2022/23 of $50.1m (UF) against a budget of $985m. This result included $59m in additional once-off budget support provided by the MoH.

Table 1: NNSWLHD FY23 Result & MoH Budget Support

NNSWLHD	FY23 $M	FY23 % Var to Budget	MoH Budget Support $M
Expenditure	(50.1)	-4.5%	59
Own Source Revenue	(3.9)	-3.8%	-
Net Cost of Service	(54.0)		

It is recognised that the LHD has historically delivered on-budget results and has faced challenges associated with a number of natural disasters, however, contributing to this position has been a growth in FTE which has outpaced the increase in funded activity.

A further risk to the financial sustainability is that a $723m Tweed Hospital redevelopment which is scheduled for opening in 2024 and will provide a wide range of new and enhanced services. Historically, unforeseen costs can emerge with such large redevelopments and could compound the financial sustainability issue of the district if not adequately addressed prior. In addition, efficiencies are sought from across all NSW Health and NSW Government entities in FY24 and the LHD is not immune and will be required to deliver on these additional savings.

In order to assist the District return to financial suitability a review was undertaken by Ministry of Health System Sustainability and Performance Division in partnership with the LHD. As a result a number of recommendations are provided in the areas of:

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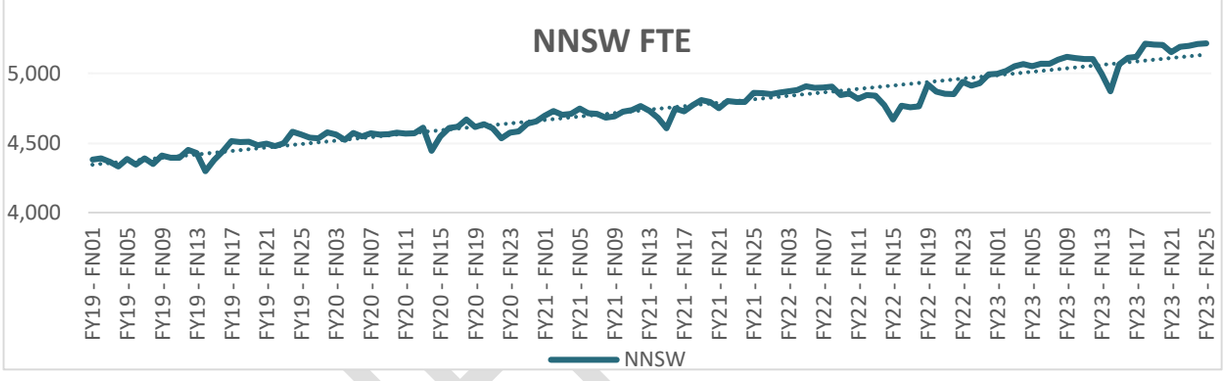
1. Governance and Leadership
2. Workforce Efficiencies
3. Quality Improvements and Model of Care Initiatives
4. Structural and Non-workforce Efficiencies

Although the new Chief Executive (CE) commences in August 2023, it is important that the A/CE and Executive accelerate the adoptions of the review recommendations. This will give the new CE time to understand the District as well as to develop a financial recovery plan that returns the LHD to an on-budget position over a three year period.

FTE and Activity Growth

The review analysed FTE data from over a 5-year period from FY19 to FY23. Covid, Commonwealth and own-source-revenue funded FTE was omitted from the data set. During the financial years analysed the LHD grew from 4,434 FTE in FY19 to 5,095 FTE in FY23, a total of 661 FTE (14.9% growth). FTE growth has occurred through NWAU funding, dedicated funded initiatives such as NHPPD and Workforce Resilience funding as well as through internal CE approved enhancements.

Graph 1: Growth in FTE



Significant growth was experienced in major staffing categories as follows:

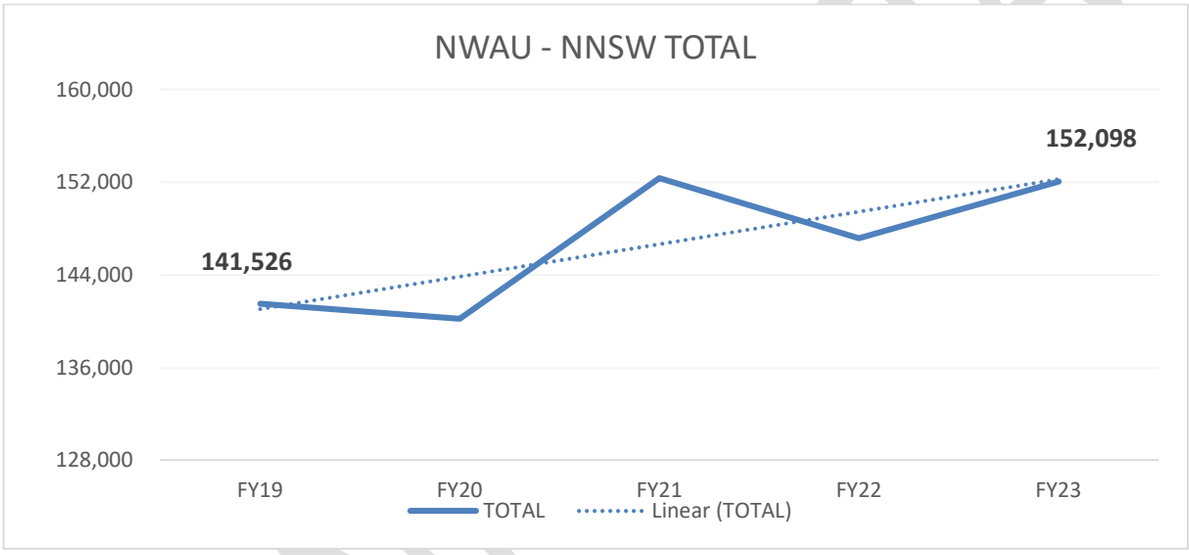
- Nursing & Midwifery – 364 FTE (16.3% growth)
- Medical – 100 FTE (24% growth)
- Health Service Managers – 61 FTE (27.2%)

Table 3: Growth in FTE by Major Facility/Service

Major Facility / Service	FTE FY19	FTE FY23	FTE Variance	% Growth
Lismore	1,000	1,182	182	15%
Tweed	945	1,158	213	18%
Grafton	344	426	82	19%
Community	437	473	36	8%
Mental Health	382	404	22	6%

It should be recognised that the LHD exceeded its total activity target for FY23 with a year-on-year for acute and sub-acute inpatient services, emergency department services, dental and hospital non-admitted. For the review period overall NWAU grew by 7.5%. Significant under-activity variance was reported within non-admitted Mental Health and Drug and Alcohol (D&A) service activity. For D&A it was recognised that this reflects a change in opioid treatment protocols moving from daily dosing to much less frequent and therefore resulting in fewer occasions of service. MoH will undertake a baseline adjustment (as requested by the district) to the 2023-24 target to correct this. This change in operations may also create the opportunity to review costs in line with decreasing activity. Further work is being undertaken to assess the Mental Health variance. Clinical documentation audits and reviews are being undertaken by the District to improve reporting. The LHD should provide an analysis of the mix of in-scope for ABF and out-of-scope activity over time (5 years) and work with MoH System Information and Analytics Branch to ensure all activity that is in-scope for ABF is correctly captured and counted.

Graph 3: NWAU Activity FY19 to FY23



FTE Realignment to Outputs

Whilst activity has grown by 7.5% over the five financial years reviewed, it has been out-paced by the growth in FTE (14.9%) and it is therefore recommended that NNSWLHD achieve a conservative reduction of 300 FTE over three years. This reduction will enable the LHD to return to an on-budget position and an 'affordable' FTE profile. Returning to this level will provide approximately $36.939m in expense relief based on the LHD's average salary of $123,131.

Table 2: Affordable FTE

Financial Year	Existing FTE Profile	Required FTE Reduction Target	End of FY FTE
2023/24	5,095 FTE	100 FTE	4,995 FTE
2024/25	4,995 FTE	100 FTE	4,895 FTE
2025/26	4,895 FTE	100 FTE	4,795 FTE

Increasing NWAU Complexity Reporting

The LHD should continue to undertake audit and education activities to improve NWAU coding. Increasing complexity reporting would enable NNSWLHD and the State to attract further ABF funding from the Commonwealth and lead to lower cost.

Efficiency Improvement Plans

There is a robust efficiency improvement plan (EIPs) process embedded across NSW Health. For FY23, the LHD delivered $3.974m against a target of $4.484m. At the time of the review the LHD was progressing the submission of a range of EIPS that will contribute to expense savings and revenue increases. This review is not designed to encapsulate EIPs developed by the District to date, but it needs to be noted that the reviewers identified significant risk in the achievability of the initially submitted $30M EIP targeting reduction of nursing premium labour costs for a District of this size. The A/CE and Executive as a result have since reviewed and revised this EIP to target $23.5M in savings and the LHD will develop a Foundational Review EIP to capture additional recommendations made through this review. The delivery of EIPs along with targeted FTE reductions should enable the District to return to financial sustainability.

GOVERNANCE AND LEADERSHIP

A key to the delivery of savings and efficiencies is ensuring appropriate governance is in place. A challenge for organisations and services is that the focus on other BAU activity dilutes the needed approach on delivering cash savings as frequently these discussions are incorporated into existing meetings and compete against other agenda items i.e. access and flow, clinical risk and productivity initiatives, and general finance.

Key Observation

The following key observations were made:

1. The Executive Leadership Team have recently implemented a weekly governance committee overseeing efficiencies, enhancement requests and reviewing opportunities to deliver on expense savings. This has addressed transparency issues where previously not all ELT, including the Director of Finance, had visibility of some enhancements being approved.
2. Whilst it is evident senior management understood the LHDs financial position, not all staff spoken with were aware of the issue or its magnitude. It will be important that staff understand the situation and their role in creating a prudent culture of minimising wastage, disinvesting in areas not providing benefit, lower cost service delivery and assessing return-on-investment when considering new enhancements.
3. There is no dedicated resource to support the delivery of the efficiency and savings program. In some LHDs where significant financial recovery has been required, benefit has been derived from appointing a senior role reporting to the Chief Executive or an ELT member with authority to identify, coordinate, monitoring and report on savings. Such roles also identify other opportunities and strategies being successfully implemented in other LHDs and ensure continued focus on achieving financial sustainability. This mitigates the issue of placing this responsibility on a staff member who has already daily BAU tasks. Consideration of establishing such a role should be given which could be time-limited to the agreed recovery time-frame.

Recommendations

The following recommendations are made:

1. Executive Leadership Team

Maintain the ELT focus on the delivery of expense efficiencies and minimise wastage. In particular:

- Identify and agree on conservative FTE reduction targets and/or limiting growth in cost and allocate financial efficiency outcomes across the services and facilities to be delivered and factored in to FY24 and out year projections.
- Ensure return-on-investment (ROI) is well understood on any service enhancement request and furthermore that benefits realisation is appropriately evaluated in a well understood framework.
- That clinical service enhancements are aligned to the clinical service plan and applicable workforce plan (i.e. medical workforce plan)
- Monitor closely the implementation steps of EIPs to ensure they are implemented on time and that any risks are mitigated.
- Review and identify opportunities for service disinvestment where savings can be used to meet the recovery target or off-set required enhancements.

2. Board and Finance and Performance Committee

- That the Board understand the approach and communicate support for the CE and ELT in achieving the required savings.
- The CE provide a regular update on recovery activity and achievements as part of the CE Board report.
- That the DOF provide F&P Committee with a regular report on all recovery activity.

3. Dedicated Recovery Project Officer

Consider developing a senior project officer role which is responsible for leading and supporting Executive with the recovery plan.

WORKFORCE EFFICIENCIES

The fundamental issue to be addressed is the unfunded growth of FTEs over multiple financial years. Whilst patient safety will always remain the priority in the decision making on position retention or otherwise, the LHD has quality data at its disposal which identifies clearly where this growth has occurred over the last five years and this should be utilised to inform the decisions made in the return to sustainability.

Recommendations

The following recommendations are made:

1. Affordable FTE Profile

It is imperative that NNSWLHD work towards an affordable FTE profile. The DOF should identify with the ELT at a service and cost-centre level how the agreed FTE reductions will be assigned. These should be communicated to managers who are responsible to managing their services to the affordable FTE profile. The FTE target is the number of FTE based on an average LHD salary that matches the gap to the available budget. The average salary has been determined at $123,131 and the initial target for the LHD is a reduction of 300 FTE ($36.939m). Transition to Affordable FTE targets may need to occur over one – three years.
As strategies are implemented and employee related expense is reduced the affordable FTE profile will need to be revisited as some FTE will be at higher salary cost (i.e. medical, senior nursing) and some FTE lower than

this average (i.e. support and admin staff). This profile needs to be understood by all managers, monitored and met by services within the timeframe of the recovery plan. Whilst additional budget supplementation or other own source income come with obligations for additional service delivery and advancing patient outcomes that must be met, each should be looked at as an opportunity to close the gap on Affordable FTE.

2. Enhancement Approvals

A number of district officers advised of approval of new funding commitments without a clearly designated funding source. As such it is recommended that a register of these expenditure commitments be developed and regularly reviewed to assess their delivery of the proposed return on investment used for justifying the expenditure approval, be that funding source identification or contributing to the Districts improved performance, e.g., ED access, patient flow, etc. Enhancements of material values must have DoF review and ideally be considered by the broader Executive.

3. Review of temporary and expiring contracts

A key to recovery will be returning to an affordable FTE position. A recommended approach is to regularly review all expiring contracts and temporary positions to identify opportunities to achieve FTE savings without displacing ongoing roles.

4. Review of all vacant positions

The LHD should review all vacant positions and consider deleting any position which has been vacant for 6 months or more. A risk to the LHD is that if these vacant positions are subsequently recruited to the expense associated with the salary and wages will add further to the current budget unfavourability.

5. Increase knowledge and accuracy of use of HealthRoster

Priority should be given to ensure all HealthRoster demand templates for rostering are within affordable FTE and agreed upon staffing establishment/staff profile. Increasing rostering knowledge and compliance will deliver a reduction in overtime and other penalties, will reduce unnecessary FTE, improve compliance with the Nursing Award and improve patient flow through freeing up shifts to flexibly meet high-demand times or weekend requirements. Currently just over 50% of the LHD rosters are published on time, 43% of rosters have unfilled demand hours and 19% unused contracted hours providing the LHD an opportunity to increase its efficient use of staffing. Accurate rostering demand templates, ensuring all staff rostered to the contracted hours and publishing rosters on time in HealthRoster, will allow executives and managers to plan staffing levels and identify potential issues in staffing availability ahead of time to allow contingency planning to proactively fill roster vacancies to improve patient flow. An annual plan for addressing rostering best practice should be established with support from the MoH Rostering Best Practice Unit. An annual internal audit plan should be developed for the District with input from senior executives and management to measure the success of implementation and identify gaps to address.

Graph 4: Rostering Best Practice Metrics

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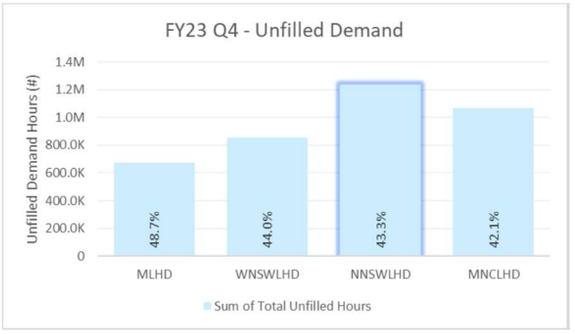


6. Nursing Specials

Significant growth has occurred in the use of Nursing Specials over the review period resulting a 68% increase in cost. This cost is an additional $4.4m in expense or equivalent of 37 FTE against the average LHD FTE salary. It is recommended that the District DON:

a) Expedite as a priority the review and update of the LHDs policy on use of nursing specials and that the policy and approval steps should be well communicated to NUMs and routinely audited for compliance.

b) That a target be set for to deliver 30% reduction on nursing specials in FY24 on the baseline of expenditure in FY23. Further this figure should be targeted to return a 50% reduction in FY25 on the base year of FY23. The reduction in specials expenditure should form a routine component of the LHDs reporting on recovery.

7. Nursing Hour per Patient Day

The LHD should continue to monitor NHPPD usage and ensure that the award requirements are met but not exceeded. Improving HealthRoster literacy and compliance with the LHDs Nursing Special policy are integral to achieving this as well exploring NHPPD data reporting tools in use at other LHDs which provide NUMs with more timely information to support decision making.

8. Benchmark Review of CNCs, CNEs and CNSs

That District DoNM review all CNC, CNS and CNE positions to ensure they contributed to direct patient care and outcomes in order to give the Chief Executive confidence that all those roles should remain as structured. Whilst FTE is not at the same level of FTE as compared to some other regional LHD's the growth in CNCs and CNEs has been significant.

Table 5: NNSWLHD CNC, CNE and CNS average FTE and benchmark comparisons (2020 StaffLink data)

	FY19	FY20	FY21	FY22	FY23	Variance FY19 to FY23	CCLHD	NBMLHD	ISLHD
CNC	50	47	54	58	66	16	84	76	115
CNE	44	51	49	52	57	13	58	48	47
CNS	65	71	73	73	77	12	256	171	241

9. Position Regrading

Discussions with key stakeholders indicated that there occurred a high number of position regrading's. The ensuring process for regrading can frequently bi-pass Finance and considered whether budget is available. It is recommended that for a process be established to include in the regrading process of positions an obligation

for a proponent of any regrade to not only establish industrial obligations and service needs but to identify the funding source for any successful regrading.

10. Review Medical Heads of Department Arrangements

A review of senior medical heads of department remunerations and contribution arrangements should be undertaken across the District, so these contributions are consistent and remuneration relevant to the time taken to fulfil these roles.

11. Locum Rates

The reviewers were advised of instances of individual hospitals within the NNSWLHD bidding up locum rates for senior medical staff between hospitals within the District. There should be clear direction to ensure that within the District this does not occur. It is further noted that work is underway to manage the occurrences of different LHDs bidding up locum rates against other LHDs across the NSW health system.

12. Review Health Service Management Positions/FTE

A review should be undertaken on the opportunity to reduce HSM FTE. HSMs have grown by 61 FTE (27.2%) through the review period to an overall 285 FTE. This appears high compared to benchmarking done previously between Regional LHDs using 2020 StaffLink data. Furthermore, the LHD have a high number of HSM 6 roles in comparison to many of the regional LHDs.

Table 6: HSM FTE (LHD Benchmark data StaffLink 2020)

	HSM 6 FTE	HSM FTE
NNSWLHD	8	285
CCLHD	2	108
ISLHD	2	117
NBMLHD	9	146

13. Mental Health NDIS Role

The reviewers were advised of temporary funding support for a NDIS mental health support officer. MOH to clarify and advise the District.

14. Voluntary redundancy program opportunities

Each year the MoH write to LHDs outlining the approval process for VR programs. Stage one of a three stage process requires LHDs to provide an indicative estimate only (often by the end of October). It is recommended that NNSWLHD submit one to support recovery. Discussions should be held with MoH Finance and Workforce to obtain special consideration and support to enable recovery. Approved programs enable the site to receive MoH funds for the VRs.

QUALITY IMPROVEMENTS and MODEL OF CARE INITIATIVES

It is recommended that District consider a number of model of care changes. These changes could assist in improving patient flow and provide savings efficiencies. Ultimately improving flow, benchmarking, analysing LOS and patient DRGs accompanied with workforce efficiencies already outlined will lead to lower costs of episodes of care and improved NWAU.

1. Virtual Care

Whilst there was limited time to fully understand and consider the role of virtual care services in NNSWLHD the Ministry will engage with the District to review what those opportunities may be, the returns to the District on supporting the development on such services and where the Ministry may be able to assist and support.

2. Financial Literacy and Leadership Education

That the District introduce a compulsory Strategic Financial Management education program for all Executive, Managers and Leaders to raise the overall knowledge base of the LHD and develop a consistency of language across this group. The District should also continue to promote staff take up of education programs like those offered by AIHSM, ACHSE etc to keep aspiring future leaders contemporary on Health issues and management, and support a leadership culture of continuous learning.

3. Medical Workforce Plan

As a result of the natural disasters faced by the LHD disruption to the supply of medical workforce has been evident. This challenge has resulted in the LHD facilities competing with each other on incentive offers when trying to attract medical staff as well as historical network partnerships between sites like Lismore and Grafton being diluted. These challenges have led to a reliance on an expensive locum workforce which is contributing to the $7.8M growth in VMoney costs since FY19. To address this there is a fundamental need to establish a medical staff profile to better manage medical staff costs as well as to inform the appropriate recruitment strategy, i.e., staff specialists/VMO/CMO or other status. It is recommended that this be led by the District DMS should as a priority work with all facility DMS's and the LHDs workforce directorate. This plan will enable the establishment of a baseline for recruitment actions to be measured, coordinate medical staff recruitment, drive improvement to reduce locum use, ensure good roster skill mix is in place, and focus on more efficient practices for travel and accommodation for medical staff. To support this the MOH will facilitate introduction to the SNSWLHD contact who has recently finalised a similar medical staff profile and recruitment plan.

4. Clinical Services Plan

The LHD should complete the development of the Health Care Services Plan (HCSP) which is a foundational piece of documentation. The HCSP will provide a clear reference point for Executive when considering service enhancement requests which should be focused on supporting the Plan.

5. Quinquennium Review

It is understood that a VMO quinquennial process has just finished on 30th June 2023. The District should ensure that the opportunity created by five yearly quinquennial reappointment processes be informed by the Districts clinical service plan and its medical workforce plan that is supported by budget availability.

6. VMoney Audit

The LHD should consider implementing a bi-annual internal audit of VMoney claims and payment system to ensure all claims are compliant with policy and Medicare.

7. Pharmacy

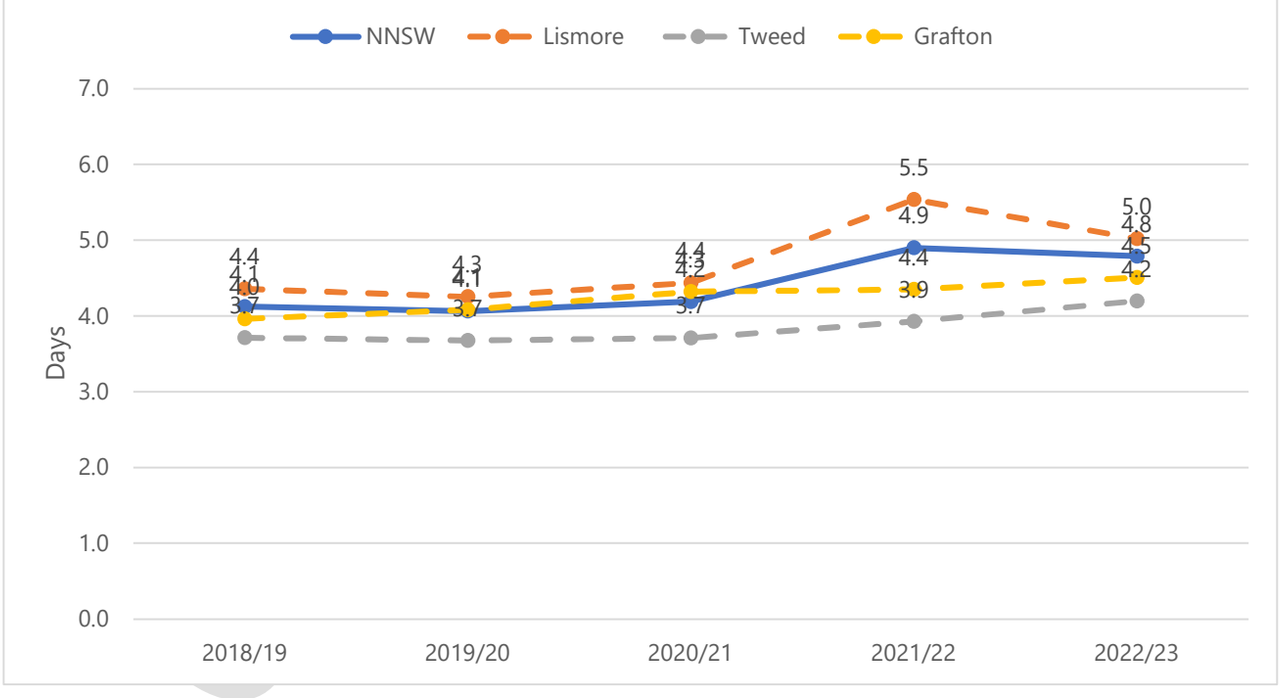
The LHD does not have aseptic/chemotherapy manufacturing within its facilities. Instead the LHD has a contracted service provider who provides an oncology pharmacy service (clinical and supply). As a result of this arrangement the LHD does not directly receive a range of rebates from the chemotherapy manufacturer off of the State contract that other LHDs would receive. It is estimated that these rebates are approximately $2.5m per annum. As a result of this and due to concerns with the clinical pharmacy service provided by the contractor LHD pharmacy managers have requested the LHD consider implementing an alternative model where clinical oncology services are established in-house. The LHD needs to carefully consider the ROI and

other benefits gained from altering the current approach. In particular the ability to convert rebates to off-set operating required to establish an in-house oncology service as well as ROI of any on-site manufacturing. The latter is a costly exercise and requires capital and operating expenditure to establish (manufacturing equipment, raw materials and staff costs) as well appropriately trained production pharmacy staff. For example, Central Coast LHD undertook a cost-benefit analysis of their pharmacy manufacturing in 2021 which identified that the cost per unit outsourced was one third of the cost of producing this unit in-house. As a result CCLHD set a target of increasing cytotoxic outsourcing by 15% which resulted in reduced expense (savings) and additional revenue gained. It is recommended that the LHD review the pharmacy model options with assistance from the PMO.

8. Reduce Length of Stay

A review of LOS data reveals that the LHDs acute activity is largely isolated from Aged Care exit block and is being reflected in the sub-acute LOS, there is a variance of 0.5 bed days usage above state average. A program to reduce this variance to the NSW State average should be implemented. If the LHD then chose to close beds there would be an expense savings or if the beds remained open there would be a productivity benefit as well as associated goods and service (consumables) expense reductions. The projected average G&S cost per Acute Overnight Stay in NNSW is $342.69.

Graph 5: Overnight Acute Length Of Stay FY19 to FY23



9. Low Activity Plans

Management should use historical activity data patterns to identify periods of lower activity i.e. October school holidays and some parts of Xmas and New Year holidays. Plans should be developed in advance to ensure resourcing is reduced. This can include reducing ward bed stock in pods of four so as to still maintain services but ensure staffing is lower if closing wards is not an option. Minor refurbishment of wards (i.e. painting) can also be undertaken to maximise non-use of these beds as well as providing an improved environment for patients and staff when activity returns to BAU.

STRUCTURAL and NON-WORKFORCE EFFICIENCIES

Whilst the reviewers were not provided a scope to review the structure of the organisation in identifying barriers to achieving efficiencies some considerations have been put forward.

1. **Consider the District DON for nursing/midwifery have financial performance accountability for nursing specials and NHPPD and this be clearly communicated to facility managers.**

This would ensure the CE has accountability for nursing workforce and activity in one senior expert role. The District DON can ensure that critical work such as nursing specials policy compliance, the planned reduction is use of agency nursing and NHPPD compliance is consistently implemented.

2. **Community & Allied Health management restructure**

Whilst interrupted by the pandemic the District should facilitate the finalisation of restructuring community and allied health which will generate some expenditure reductions but will also have a positive impact on staff morale as well as overall system efficiency. In completing this restructure benefits realisation, particular expense savings, should be assessed and quantified.

3. **Patient Liaison officers**

Consideration be given to expediting the proposed Finance Restructure as it relates to Patient Liaison Officer roles and administration staff who have a responsibility for revenue generation through private health insurance conversion. These roles should report to the new District Revenue Manager role in order to maximise revenue opportunities.

4. **Data Reporting**

It is recommended that the District ensure that Executive and Managers have access to timely reports on agreed recovery activities, in particular FTE, NHPPD, agency and locum usage. The District should be encouraged to centralise data collection and reporting units as is currently proposed in order to have a standard reporting framework across the district and that there is only "one source of truth". In noting that a significant EIP has been created for reduction of nursing premium labour in FY24 that the Ministry should assist NNSWLHD to consider nursing data systems such as that operated by SLHD.

5. **Goods and Services Expenditure Benchmarking**

While the largest part of the budget savings requirement will be obtained through workforce efficiencies all opportunities for savings in non-salary areas should be undertaken. MoH Finance provided a benchmark analysis of expenditure against peer LHDs. The LHD should explore opportunities to reduce expenditure to peer levels in drugs, prosthetics and RMR which are at higher levels than peers.

Table 7: Peer LHD Expenditure Analysis FY23

Key Account Categories	MLHD	NNSWLHD	WNSWLHD
G&S Drugs (excl HCD)	13,149,553	19,870,974	16,649,940
G&S Med and Surg Supplies	20,502,590	34,574,358	24,975,384
G&S Prosthetics	10,014,711	16,075,585	11,735,938
G&S Admin	22,759,353	96,352,180 ^	30,923,057
G&S Other	91,750,106	80,925,384	74,705,575

Intra Health Pathology Expense	16,818,795	22,880,477	23,393,643
Intra Health Expense	296,073	375,294	1,097,805
Repairs & Maintenance	19,866,814	23,253,310	19,017,941
Private Hospital Activity Payment	7,012,753	4,884,926	1,908,262

^ Includes $74M in Nursing and Medical Agency expenses

6. After-Hours On-Call Arrangements

The LHD reinstate the requirement for all after-hours nursing and security patient specials to be approved by the Executive On-Call.

SUMMARY of RECOMMENDATIONS

Topic Area	Recommendation
Governance	
FTE Realignment to Outputs	NNSWLHD achieve a conservative reduction of 300 FTE over three years.
NWAU Complexity Reporting	• The LHD should provide an analysis of the mix of in-scope for ABF and out-of-scope activity over time (5 years) and work with MoH System Information and Analytics Branch to ensure all activity that is in-scope for ABF is correctly captured and counted. • The LHD should continue to undertake audit and education activities to improve NWAU coding.
Efficiency Improvement Plans	Review nursing premium labour reduction EIP to ensure it is achievable
ELT Governance	Maintain the ELT focus on the delivery of expense efficiencies and minimise wastage and monitoring and reporting on financial recovery activity and targets
Board and Finance & Performance Committee	Ensure reporting on recovery plan and activity is in place.
Dedicated Recovery Project Officer	Consider establishing role
Workforce Efficiencies	
Affordable FTE	Establish and report on an affordable FTE profile
Enhancement Approvals	Establish a register of enhancement approvals and that all requests are regularly reviewed on ROI and have DoF review and broader Executive review
Temporary Contracts	Regularly review all expiring contracts and temporary positions to identify opportunities to achieve FTE savings
Vacant Positions	Review all vacant positions and consider deleting any position which has been vacant for 6 months or more.
HealthRoster	• Priority should be given to ensure all HealthRoster demand templates for rostering are within affordable FTE and agreed upon staffing establishment/staff profile. • Develop an annual plan for addressing rostering best practice with support from the MoH Rostering Best Practice Unit. • Develop an annual internal audit plan to measure the success of implementation and identify gaps to address.
Nursing Specials	• Expedite as a priority the review and update of the LHDs policy on use of nursing specials

	• That a target be set for to deliver 30% reduction on nursing specials in FY24 on the baseline of expenditure in FY23. Further this figure should be targeted to return a 50% reduction in FY25 on the base year of FY23.
NHPPD	• Monitor NHPPD usage and ensure that the award requirements are met • Explore NHPPD data reporting tools in use at other LHDs
Benchmark Review of CNCs, CNEs and CNSs	Review all CNC, CNS and CNE positions to ensure they contributed to direct patient care and outcomes. Benchmark with peers.
Position Regrading	Established a regrading process of positions with an obligation for a proponent of any regrade to not only establish industrial obligations and service needs but to identify the funding source for any successful regrading.
Medical Heads of Department Arrangements	A review of senior medical heads of department remunerations and contribution arrangements should be undertaken across the LHD, so these contributions are consistent and remuneration relevant to the time taken to fulfil these roles
Locum Rates	Issue clear direction to ensure that facilities within the LHD are not to bid-up locum rates for senior medical staff.
Review Health Service Management Positions/FTE	Review the opportunity to reduce HSM FTE
Mental Health NDIS Role	MOH to clarify and advise the District on funding arrangements for this role.
Voluntary Redundancy program	It is recommended that NNSWLHD submit a VR program to support recovery.
Quality Improvements & Model of Care Initiatives	
Virtual Care	The Ministry will engage with the District to review what Virtual Care opportunities may be, the returns to the District on supporting the development on such services and where the Ministry may be able to assist and support
Financial Literacy and Leadership Education	That the District introduce a compulsory Strategic Financial Management education program for all Executive, Managers and Leaders to raise the overall knowledge base of the LHD and develop a consistency of language across this group.
Medical Workforce Plan	• The LHD as a priority to establish a medical staff profile to better manage medical staff costs as well as to inform the appropriate recruitment strategy. • The MOH will facilitate introduction to the SNSWLHD contact who has recently finalised a similar medical staff profile and recruitment plan.
Clinical Services Plan	The LHD should complete the development of the Health Care Services Plan (HCSP) which is a foundational piece of documentation.

VMoney Audit	The LHD should considering implementing a bi-annual internal audit of VMoney claims and payment system to ensure all claims are compliant with policy and Medicare.
Pharmacy	The LHD review with the MoH PMO the ROI and other benefits gained from altering the current Oncology Pharmacy model.
Reduce Length of Stay	Implement a program to reduce ALOS variance to the NSW State average.
Low Activity Plans	Management should use historical activity data patterns to identify periods of lower activity i.e. October school holidays and some parts of Xmas and New Year holidays. Plans should be developed in advance to ensure resourcing is reduced.
Structural & Non-Workforce Efficiencies	
Site DONs Reporting	Consider the District DON for nursing/midwifery have financial performance accountability for nursing specials and NHPPD and this be clearly communicated to facility managers.
Community & Allied Health Management	Finalise the restructure of community and allied health in order to generate some expenditure reductions and assess benefits realisation.
Patient Liaison Officers	Consideration be given to expediting the proposed Finance Restructure as it relates to Patient Liaison Officer roles and administration staff who have a responsibility for revenue generation through private health insurance conversion.
Data Reporting	The District should be encouraged to centralise data collection and reporting units as is currently proposed in order to have a standard reporting framework across the district and that there is only “one source of truth”.
Goods and Services Expenditure Benchmarking	The LHD should explore opportunities to reduce expenditure to peer levels in drugs, prosthetics and RMR which are at higher levels than peers
After-Hours On-Call Arrangements	The LHD reinstate the requirement for all after-hours nursing and security patient specials to be approved by the Executive On-Call.

STAKEHOLDERS CONSULTED

- Lynne Weir, A/Chief Executive
- Peter Carter, Board Chair
- Michael Carter, Chair Finance & Performance Committee
- Brett Skinner, Director of Finance
- Stephen Manley, Director Cancer and Innovation
- Paul Green, District Medical Imaging Manager
- Robert Stein Director of Pharmacy Lismore
- Orlaith McLaughlin Director of Pharmacy Tweed
- Joe McDonald, General Manager Tweed Hospital
- Adam Reid, Director of Nursing Tweed Hospital
- Dr Grant Rogers, Director Medical Service Tweed Hospital
- Casey Begg, Senior Business Manager Tweed Hospital
- Richard Buss, Director of Workforce
- Katharine Duffy, District Director of Nursing
- Peter Clark, Associate Director Finance
- Rebeca Burton, Revenue and Efficiency Manager
- Lisa Beasley, General Manager Community and Allied Health
- Kathryn Watson, Director of Integrated Care & Allied Health Services
- Ian Hatton, General Manager Lismore Base Hospital
- Narelle Gleeson, Director of Nursing Lismore Base Hospital
- Dr Katherine Willis-Sullivan, Director Medical Services Lismore Base Hospital
- Sarah Thodey Business Manager Lismore Base Hospital
- Dee Robinson, General Manager Mental Health Alcohol and other Drugs
- Vanessa Tyler, Director of Nursing Mental Health Alcohol and other Drugs
- Dr Richard Seamark, Medical Clinical Director Mental Health Alcohol and other Drugs
- Flevy Crasto, Senior Business Manager Mental Health Alcohol and other Drugs
- Dan Madden, General Manager Grafton Hospital
- Sharon Wright, Director of Nursing Grafton Hospital
- Dr Harvey Lee, Director Medical Services Grafton Hospital
- Tony Crayton, Business Manager Grafton Hospital
- Matthew Long, District Director Corporate Services