

Special Commission of Inquiry into Healthcare Funding

Statement of Lee Gregory

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Occupation: Chief Executive, Nepean Blue Mountains Local Health District

1. This statement made by me accurately sets out the evidence that I would be prepared, if necessary to give to the Special Commission of Inquiry into Healthcare Funding as a witness. The statement is true to the best of my knowledge and belief.

A. BACKGROUND

Role and professional background

2. I am the Chief Executive of Nepean Blue Mountains Local Health District (**NBMLHD**) and currently have a term appointment until September 2024. In this role, I have overarching responsibility for standards, service delivery and strategic priorities within NBMLHD. I report to the Chairperson of the NBMLHD Board and the Secretary of NSW Health.
3. I commenced in this position in September 2023, before which I held various executive and managerial roles within Northern Sydney Local Health District and its predecessor over a period of 19 years, including most recently as Executive Director of Operations. A copy of my CV is exhibited to this statement (Exhibit 1 in NSW Health Tranche 4 Consolidated Exhibit List).
4. NBMLHD is responsible for providing primary, secondary and tertiary level health care to the 384,000 people living in the Blue Mountains, Hawkesbury, Lithgow and Penrith local government areas, and tertiary care to residents of the Greater Western Region. NBMLHD provides health care across approximately 9,000 square kilometres, from Portland in the west to St Marys in the east. NBMLHD has an annualised budget of just over \$1.056 billion in the 2023-2024 financial year.
5. Nepean Hospital provides tertiary-level care, and is supported by district-level hospitals (Blue Mountains District ANZAC Memorial, Lithgow and Hawkesbury Hospitals), with sub- and non-acute care provided at Springwood Hospital and Portland Tabulam Health Centre.
6. Challenges and drivers for NBMLHD include:

- a. its large Aboriginal population, comprising 4.7% of the NBMLHD population;
 - b. its mix of metropolitan, regional and rural localities;
 - c. a lack of private hospital capacity relative to other Metropolitan Local Health Districts; and
 - d. the return of the Hawkesbury District Health Service to operational control of NBMLHD from St John of God Health Care in June 2024.
7. In the period 2018-2023, NBMLHD:
- a. opened the new 14-storey Nepean Hospital clinical tower, following extensive community consultation for the design;
 - b. received NSW Premier's Award for the Patient Experience pilot in Nepean Hospital Emergency Department;
 - c. established a dedicated joint mental health emergency response with the Police Ambulance Clinical Early Response team;
 - d. rapidly expanded telehealth and virtual care to support better connectivity between patients and clinicians; and
 - e. implemented the Koori Kids program and Aboriginal traineeships to build our Aboriginal workforce.

Scope of statement

8. This statement addresses Term of Reference B concerning governance and Term of Reference D concerning wastage, but on direction from the Inquiry does not address workforce governance, which I understand is to be dealt with at a future hearing.

B. CORPORATE GOVERNANCE

The Legal Framework

9. Pursuant to the *Health Services Act 1997* (***Health Services Act***), NBMLHD is constituted as a body corporate with responsibility for facilitating the conduct of public hospitals and health institutions and for providing health services for residents within its defined geographical area for the primary purpose of:

- a. providing relief to sick and injured persons through the provision of care and treatment; and
 - b. promoting, protecting and maintaining the health of the community.
10. The *Health Services Act* also sets the key functions of LHDs, and each LHD is subject to the governance, oversight and control by the Secretary.
11. The Board is appointed by the Minister and has the following functions prescribed under the *Health Services Act*:
 - a. to ensure effective clinical and corporate governance frameworks are established to support the maintenance and improvement of standards of patient care and services by the LHD and to approve those frameworks;
 - b. to approve systems to support the efficient and economic operation of the LHD, ensure the LHD manages its budget to ensure performance targets are met, and to ensure the LHD resources are applied equitably to meet the needs of the community served by the LHD;
 - c. to ensure strategic plans to guide the delivery of services are developed for the LHD and to approve those plans;
 - d. to provide strategic oversight of and monitor the LHD's financial and operational performance in accordance with the State-wide performance framework against the performance measures in the performance agreement for the LHD;
 - e. to appoint, and exercise employer functions in relation to, the chief executive of the LHD;
 - f. to ensure that the number of NSW Health Service senior executives employed to enable the LHD to exercise its functions, and the remuneration paid to those executives, is consistent with any direction by the Health Secretary or condition referred to in section 122(2) of the *Health Services Act*;
 - g. to confer with the chief executive of the LHD in connection with the operational performance targets and performance measures to be negotiated in the service agreement for the district under the National Health Reform Agreement;

- h. to approve the service agreement for the LHD under the National Health Reform Agreement;
 - i. to seek the views of providers and consumers of health services, and of other members of the community served by the LHD, as to the LHD's policies, plans and initiatives for the provision of health services, and to confer with the chief executive of the LHD on how to support, encourage and facilitate community and clinician involvement in the planning of LHD services;
 - j. to advise providers and consumers of health services, and other members of the community served by the LHD, as to the district's policies, plans and initiatives for the provision of health services;
 - k. to endorse the LHD's annual reporting information for the purposes of the *Government Sector Finance Act 2018*;
 - l. to liaise with the Boards of other LHDs and specialty network governed health corporations in relation to both local and State-wide initiatives for the provision of health services; and
 - m. such other functions as are conferred or imposed on it by the regulations.
12. The *Health Services Act* provides statutory criteria for the selection of Board members. These include having an appropriate mix of skills and expertise; limits to the term of a Board member's appointment (not exceeding five years); provision for removal of a Board member by the Minister; and provision for removal of all Board members with appointment of the chief executive of the LHD or any other specified person as an administrator.
13. As the chief executive, I am not a Board member, but I am invited to Board meetings alongside the chair of the Medical Staff Executive Council, Chairs of Hospital Medical Staff Councils and ten LHD executive staff.
14. In the 2022-2023 financial year, the NBMLHD Board consisted of a Chair and nine members appointed by the Minister and met ten times.
15. Interaction with the Board comes through formal Board sub-committees. I also meet weekly with the Board Chair and have informal contact on a frequent basis, as well as with the clinician members of the Board.

16. The *Health Services Act* provides that the Secretary may make Model By-Laws for LHDs. The NSW Health LHD Model By-Laws, which are Exhibit 60 in NSW Health Tranche 4 Consolidated Exhibit List, require LHDs to establish a number of clinical governance bodies and provide for a number of functional and advisory committees including:
- a. Committees of the Board, being:
 - i. Audit and Risk;
 - ii. Finance and Performance, and
 - iii. Quality and Safety,
 - b. Medical Staff Councils and Medical Staff Executive Councils;
 - c. Mental Health Medical Staff Councils;
 - d. Hospital Clinical Councils and/or Joint Hospital Clinical Councils;
 - e. a Local Health District Clinical Council; and
 - f. Medical and Dental Appointments Advisory Committee.

NSW Health Frameworks

Performance Framework

17. In accordance with the strategic priorities of NSW Health which flow from Commonwealth and State funding agreements, the *NSW Health Performance Framework (Performance Framework)* (Exhibit A.11 SCI. 0001.0007.0001) stipulates performance improvement approaches, responses to performance concerns and management processes at all levels extending to facility and clinical network/stream levels within LHDs.

The Service Agreement

18. An annual service agreement with the Secretary is the primary mechanism for facilitating NBMLHD's accountability to government and the community for service delivery and funding within the *Performance Framework*. A copy of NBMLHD's Service Agreement 2023-2024 (**Service Agreement**) is Exhibit 20 in NSW Health Tranche 4 Consolidated Exhibit List.

19. Section 1.5 of the Service Agreement sets out requirements for corporate, clinical and procurement governance within NBMLHD by reference to various policy documents and the *NSW Health Corporate Governance and Accountability Compendium (Corporate Governance Compendium)*, (Exhibit A.12 SCI.0001.0008.0001).
20. The governance requirements include:
- a. **Clinical governance:** NSW public health services are accredited against the *National Safety and Quality Health Service Standards*, a copy of which is exhibited with this statement (Exhibit 22 in NSW Health Tranche 4 Consolidated Exhibit List). The Organisation will complete a *Safety and Quality Account* inclusive of an annual attestation statement as outlined in the Standards (Version 2.0) by the 31 October each year. A copy of NBMLHD's *Safety and Quality Account 2023-2024* is exhibited to this statement (Exhibit 23 in NSW Health Tranche 4 Consolidated Exhibit List).
 - b. **Corporate governance:** NBMLHD must ensure services are delivered in a manner consistent with the *Corporate Governance Compendium*.
 - c. **Procurement governance:** The relevant overarching policy is *PD2024_009 NSW Health Procurement (Goods & Services) Policy* and this is supported by additional guidance on procedures, policies, training, resources, and use of professional services (Exhibit 53 in NSW Health Tranche 4 Consolidated Exhibit List).
 - d. NBMLHD must also apply the *NSW Health Aboriginal Procurement Participation Strategy* to all relevant procurement activities (Exhibit 103 in NSW Health Tranche 4 Consolidated Exhibit List).
 - e. **Public health emergency preparedness and response:** NBMLHD must comply with standards set out in *PD2024_002 Public Health Emergency Response Preparedness* and adhere to the roles and responsibilities set out in *PD2024_005 Early Response to High Consequence Infectious Diseases*. Copies of these are exhibited with this statement (Exhibits 24 and 25 respectively in NSW Health Tranche 4 Consolidated Exhibit List).
 - f. **Performance framework:** Service agreements are a central component of the *NSW Health Performance Framework*, which documents how the Ministry of Health monitors and assesses the performance of public sector health services to

achieve expected service levels, financial performance, governance and other requirements.

21. Section 6 of the Service Agreement provides that NBMLHD's performance is assessed against six key performance indicators and milestones, each of which is comprised of various metrics on which NBMLHD is obliged to report either quarterly, half-yearly or by a particular date.
22. The Service Agreements provide a clear overarching framework for the LHDs role within NSW Health and internally provides the basis for our performance monitoring framework. The LHD is periodically invited to provide comment on the Service Agreement and there is a comprehensive process to discuss issues in the annual renewal process.

The Attestation Statement

23. The *Corporate Governance Compendium* requires that NBMLHD publish an annual statement attesting to its compliance with seven corporate governance standards. A copy of NBMLHD's *2022-2023 Corporate Governance Attestation Statement (Attestation Statement)* is exhibited to this statement (Exhibit 26 in NSW Health Tranche 4 Consolidated Exhibit List).
24. The Attestation Statement is prepared by the Chief Audit and Risk Executive, tabled at an Audit and Risk Management Committee meeting, endorsed by the Board and signed by the Board Chairperson.

NBMLHD Framework

25. NBMLHD is in the process of finalising changes to its governance structure, as outlined in a document tabled before the Board in February 2024, a copy of which is exhibited to this statement (Exhibit 27 in NSW Health Tranche 4 Consolidated Exhibit List).

Community Engagement

26. NBMLHD has in place a consumer (anyone who has or potentially will experience the health system as a patient, carer, or family member) and community engagement plan to facilitate broad input into the strategic policies and plans. Involving consumers in governance is identified in the *National Safety & Quality Health Standards* as an essential element in partnering with consumers. This is done via consumer involvement in defined governance roles (as members of governing committees of the LHD, for example the Safe Care Board Sub-Committee) and ensures that consumer perspectives

are identified early and often. Ensuring broad and meaningful engagement of consumers across the LHD is achieved via consumers receiving information, being consulted, being involved in workshops/ panels, and co-design of solutions for LHD implementation.

Consumer Advisory Committee

27. NBMLHD has formed a Joint Consumer Advisory Committee with Wentworth Healthcare (the relevant Primary Health Network (**PHN**) provider). A range of consumers and the members of the Advisory Committee are involved in key NBMLHD committees and structures. Members from the Advisory Committee are also members of a Patient and Carer Experience Board Sub-Committee.

Mental Health Consumers and Carers

28. NBMLHD has a Mental Health Consumer and Carers Charter. This was developed in partnership with our Mental Health Consumers and Carers and formalises the vital role that they play in shaping our Mental Health service.

Aboriginal Community Controlled Health Services

29. NBMLHD has a Formal Partnership Agreement with Greater Western Aboriginal Health Service, which is our local Aboriginal Community Controlled Health Organisation. The partnership agreement was signed in January 2024, a steering committee has been established and partnership objectives agreed.

Staff Engagement

30. NBMLHD has a range of staff engagement focused initiatives and activities in place. These include a Wellbeing Strategy, the Retention and Engagement Plan, a Leadership Strategy and the Diversity & Inclusion Strategy.

NBMLHD staff are also advised of policies, plans and initiatives via internal communication channels. Staff can access key documents and provide comment via the intranet.

C. FINANCIAL GOVERNANCE

Conditions of Subsidy

31. The Service Agreement requires that the NBMLHD complies with the conditions of subsidy set out in the *Financial Requirements and Conditions of Subsidy (Government*

Grants) (**Conditions of Subsidy**), a copy of which is exhibited to this statement (Exhibit A.56 SCI.0001.0048.0001). I am responsible for ensuring that there are appropriate measures in place to ensure sound financial management and compliance with Ministry and government policies regarding financial and budgeting practices.

NBMLHD Finance and Performance Committee

32. The Board has established a Finance, Performance and Planning Committee to assist the Board and the Chief Executive to ensure that the operating funds, capital works funds, resource utilisation and service outputs required of NBMLHD are being managed in an appropriate and efficient manner. The Committee receives monthly reports that include:
- a. financial performance of each major cost centre;
 - b. subsidy availability;
 - c. the position of Restricted Financial Asset and Trust Funds;
 - d. activity performance against indicators and targets in the performance agreement for NBMLHD;
 - e. advice on the achievement of strategic priorities identified in the performance agreement for NBMLHD; and
 - f. year-to-date and end-of-year projections on capital works and private sector initiatives.

Audit and Risk

33. The *Accounts and Audit Determination for Public Health Entities in NSW* (Exhibit B.23.035 MOH.0001.0278.0001) requires myself and the Board to ensure that:
- a. the proper performance of accounting procedures including the adequacy of internal controls the accuracy of our accounting, financial and other records;
 - b. the proper compilation and accuracy of our statistical records; and
 - c. observance of the directions and requirements of the Secretary and the Ministry of Health set out in policy directives and procedure manuals issued by the Minister, the Secretary, and the Ministry of Health.

34. *PD2022_022 Internal Audit* describes the internal audit procedures and governance practices that NSW Health organisations must implement and maintain to ensure objective oversight of the organisation's activities. A copy of this *Policy* is exhibited with this statement (Exhibit B.23.158 MOH.0001.0265.0001). The *Internal Audit Policy* requires NBMLHD to:
- a. have an effective and adequately resourced internal audit function that is operationally independent from the activities it audits and appropriately positioned within the Organisation's governance framework to work with external audit and internal business units;
 - b. appoint a Chief Audit Executive, who must ensure an Audit Charter is in place, consistent with the content of the Health Model Charter, and endorsed by myself;
 - c. conduct ongoing monitoring, periodic assessment, and at least annual self-assessments against International Professional Practices Framework mandatory requirements; and
 - d. submit an annual Internal Audit and Risk Management Attestation Statement to the Ministry confirming compliance with the *Internal Audit Policy* and *PD2022-023 Enterprise-Wide Risk Management*, a copy of which is exhibited to this statement (Exhibit B.23.165 MOH.0001.0272.0001) and which describes the requirements for NSW Health organisations to establish, maintain and monitor risk management practices.
 - e. *PD2022-023 Enterprise-Wide Risk Management* key requirements include that NBMLHD have an enterprise-wide risk management procedure, appoint a Chief Risk Officer, undertake regular review of risk appetite and tolerance, ensure decision makers accountable for risk management, maintain an Enterprise Risk Management register, manage strategic risks and ensure a positive risk culture across the organisation.
35. I appoint an Audit and Risk Management Committee, which provides independent advice to the Board and myself. All Members (including the Chair) must be independent and sourced from NSW Treasury's Prequalification Scheme: Audit and Risk Committee Independent Chairs and Members, on the NSW Procurement website.

36. The Board is responsible for approving the LHD's risk management framework, including levels of risk appetite and tolerance, and for seeking appropriate assurance on the effectiveness of the framework.
37. The Enterprise Risk Manager supports me and is responsible for:
- a. the oversight and promotion of risk management within the organisation;
 - b. designing the organisation's enterprise-wide risk management framework; and
 - c. the oversight of activities associated with coordinating, maintaining and embedding the framework in the organisation.
38. Senior executives are responsible for managing specific strategic risks, managers and decision makers at all levels are accountable for managing risk in relation to the decisions they take, and all staff are accountable for managing risk in their day-to-day roles including carrying out their roles in accordance with policies and procedures, identifying risks and inefficient or ineffective controls and reporting these to the appropriate level of management.
39. Policies and procedures are in place to facilitate the reporting and management of public interest disclosures within NBMLHD in accordance with state policy and legislation, including establishing reporting channels and evaluating the management of disclosures. However, during the 2022-2023 financial year, NBMLHD reported no public interest disclosures.
40. NBMLHD prepares annual reporting information in accordance with the *Government Sector Finance Act 2018*. The LHD also has audit and risk obligations as set out in the NSW Treasury Policy TPP20-08 *Internal Audit and Risk Management Policy for the General Government Sector* a copy of which is exhibited to this statement (Exhibit 122 in NSW Health Tranche 4 Consolidated Exhibit List).

Asset Management and Environmental Sustainability

41. NBMLHD is required to comply with *PD2022_044 Asset Management*, a copy of which is exhibited to this statement (Exhibit B.23.043 MOH.0001.0150.0001). The *Policy* promotes a consistent and improved approach to asset planning and delivery that is underpinned by the consideration of asset lifecycle costs, performance, risk and economic modelling to support the strategic priorities of NSW Health and requires that asset-related decisions:

- a. represent a balance of cost, risk and performance, including environmental performance;
 - b. based on current and future contribution of the asset to service provision, and
 - c. use a whole-of-lifecycle approach.
42. The *Policy* extends to the management of all non-financial assets under the control of NBMLHD. It requires NBMLHD to ensure governance systems are in place in line with the NSW Health Asset Management Framework, including having a Strategic Asset Management Plan and an Asset Management Plan (**AMP**). It requires LHDs to report annually on asset portfolio performance and compliance.
43. The *Policy* requires that LHDs to comply with *PD2012_039 Real Property Disposal Framework*, a copy of which is exhibited to this statement (Exhibit 111 in NSW Health Tranche 4 Consolidated Exhibit List which sets out the management requirements for property assets considered surplus).

Delegation

44. In accordance with *Health Services Act*, NBMHD delegates functions to approved positions and for approved purposes. This is outlined in *Finance and Administrative Delegations* published by NBMLHD in October 2023 (the **Delegations Manual**), a copy of which is exhibited to this statement (Exhibit 32 in NSW Health Tranche 4 Consolidated Exhibit List).

D. CLINICAL GOVERNANCE

NSW Health Framework

45. The *National Model Clinical Governance Framework* was developed by the Australian Commission on Safety and Quality in Health Care to support the delivery of safe and high-quality health care for patients in the acute sector, a copy of which is exhibited to this statement (Exhibit 75 in NSW Health Tranche 4 Consolidated Exhibit List). The *Framework* is based on 8 National Safety and Quality Health Service (**NSQHS**) Standards.
46. It is mandatory for all Australian hospitals to be assessed through an independent accreditation process to determine whether they have implemented the NSQHS Standards.

47. Under *PD2023_011 Australian Health Services Safety and Quality Accreditation Scheme in NSW Health facilities*, NSW Health services must be assessed against the NSQHS Standards over a three-year cycle. A copy of that policy is exhibited to this statement (Exhibit 35 in NSW Health Tranche 4 Consolidated Exhibit List).

The Compendium

48. NBMLHD ensures that it provides clinical management and consultative structures that are appropriate to its needs and its consumers in accordance with section 2.3.2 of the *Compendium*. In particular:
- a. clear lines of accountability for clinical care are established and are communicated to clinical staff and staff who provide direct support to them;
 - b. the authority of facility/network general managers is clearly understood;
 - c. a Medical and Dental Appointments Advisory Committee is established to review and make recommendations about the appointment of medical staff and visiting practitioners;
 - d. a Credentials Subcommittee makes recommendations to the Medical and Dental Appointment Advisory Committee on all matters concerning the scope of practice and clinical privileges of visiting practitioners or staff specialists; and to advise on changes to a practitioner's scope of practice;
 - e. an Aboriginal Health Advisory Committee including representatives from Aboriginal Community Controlled Organisations and/or other Aboriginal community organisations has clear lines of accountability for clinical services delivered to Aboriginal people;
 - f. there is a systematic process for the identification, and management of clinical incidents and minimisation of risks;
 - g. an effective complaint management system is in place;
 - h. effective forums are in place to facilitate the involvement of clinicians and other health staff in decision making at all levels;
 - i. appropriate accreditation of healthcare facilities and their services is achieved;
 - j. licensing and registration requirements are checked and maintained; and

- k. the *Decision Making Framework for Aboriginal Health Workers to Undertake Clinical Activities* (Exhibit 208 in NSW Health Tranche 4 Consolidated Exhibit List) has been adopted to ensure that Aboriginal Health Workers are trained, competent, ready and supported to undertake clinical activities.
49. Section 5 of the *Corporate Governance Compendium* deals with clinical governance and is divided into Clinical Governance Entities, Health District/Service Clinical Management and Advisory Structures, and Quality Assurance Processes.

Patient Safety and Clinical Quality Program

50. The *NSW Patient Safety and Clinical Quality Program* was established in 2005 to establish a framework to ensure patient safety and excellence in healthcare in NSW. A copy of *PD2005_608 Patient Safety and Clinical Quality Program* is exhibited with this statement (Exhibit 33 in NSW Health Tranche 4 Consolidated Exhibit List). Its key components are:
- a. systematic management of incidents and risks to identify remedial action and systemic reforms;
 - b. the Incident Information Management System;
 - c. the establishment of Clinical Governance Units;
 - d. the development of a Quality Systems Assessment; and
 - e. the Clinical Excellence Commission to promote and support better clinical quality.
51. I note that, as of March 2024, the aims of this program are now governed by *PD2024_010 Clinical Governance in NSW* (Exhibit 76 in NSW Health Tranche 4 Consolidated Exhibit List).

Incident Management

52. It is an underlying principle of the *NSW Patient Safety and Clinical Quality Program* that the public health system must operate in an environment of openness about failure, where errors are reported and acknowledged without fear or inappropriate blame placed on staff and where patients and their families are told what went wrong and why.
53. *PD2020_047 Incident Management*, a copy of which is exhibited to this statement (Exhibit 34 in NSW Health Tranche 4 Consolidated Exhibit List), outlines the roles and

responsibilities across the NSW Health system with respect to the management of both clinical and corporate incidents.

54. To support the implementation of the policy and program, the electronic Incident Management System plus (**ims+**) has been developed and implemented throughout NSW Health. The **ims+** has been established to provide a system for notification of all incidents.
55. In accordance with the *Incident Management Policy* and the *Health Administration Act 1982*, I appoint a team to undertake Serious Adverse Event Reviews (**SAERs**) of all Harm Score 1 and selected Harm Score 2 - 4 Reportable Incident Briefs. SAERs reports are due for submission to the Ministry within 60 days of notification for all NSW public hospitals.

Accreditation

56. Under *PD2023_011 Australian Health Services Safety and Quality Accreditation Scheme in NSW Health Facilities*, NSW Health services must be assessed against the NSQHS Standards over a three- year cycle.
57. All NBMLHD sites and services underwent assessment in May 2023. NBMLHD was awarded Accreditation until 6 September 2026.

NBMLHD Framework

58. The NBMLHD's committee and reporting structure enables an improvement in quality and safety in response to trends, recommendations, key performance indicators and consumer/patient feedback. This structure supports the *NSW Patient Safety and Clinical Quality Program* and is detailed in the *NBMLHD Safety and Quality Account 2023-2024*, a copy of which is exhibited with this statement (Exhibit 23 in NSW Health Tranche 4 Consolidated Exhibit List). Specifically, the way in NBMLHD's committee and reporting structure enables improvements is as follows:
 - a. The Board is ultimately responsible for ensuring NBMLHD delivers safe, high-quality care. The Board leads the culture of organisational accountability for clinical outcomes.
 - b. The *Safe Care Committee* is the peak safety and quality committee for NBMLHD and is a sub-committee of the Board. The Committee is chaired by a member of

the Board with a membership of senior facility and service representatives, Board members, Executive, clinicians, consumers, and Clinical Governance Directorate.

- c. The Clinical Governance Directorate provides strategic leadership and expertise in patient safety and clinical improvement methodologies. The Directorate assists with the monitoring and assessment of clinical activities to ensure ongoing improvement occurs across all levels of the organisation. This occurs through KPI monitoring and application of clinical risk systems (morbidity & mortality reviews and incident management systems) to identify variations in practise.
- d. Patient Safety and Quality Managers provide advice and guidance on all aspects of contemporary clinical governance and act as a liaison for specialist advice from within the Clinical Governance Directorate to facilities and services.
- e. National Standard Governance Committees oversee compliance and monitor adherence to the NSQHS. Representatives from across the District are involved in each Committee, which enables engagement in relevant district wide initiatives, supports assessment of compliance, development and execution of action and support or education and engagement of frontline staff of the intent of standards.
- f. Facility and Service Patient Safety and Quality Committee meetings are held on a regular basis and report to NBMLHD's Safe Care Committee. Service initiatives are identified and considered based on priority to patient outcomes and quality indicators such as rates of hospital acquired complications, incidents (IMS+, Harm Score 2-4 reviews, SAERS), Quality Audit Reporting System results Service Agreement key performance indicators, compliance with the NSQHS and complaints and compliments.
- g. Patient safety and quality plans are aligned with the facility/service and NBMLHD business plan and priority initiatives. Facility/service teams contribute to the formalisation of business plans, focusing on projects that provide high quality and safe health care to our community.
- h. NBMLHD implements a standardised approach to Morbidity and Mortality meetings in line with *CEC Guidelines for Conducting and Reporting Morbidity and Mortality/Clinical Review Meetings* (Exhibit 186 in NSW Health Tranche 4 Consolidated Exhibit List) which reflects contemporary safety and quality principles, guided by human factors science to support robust processes that improve learning and system improvement.

Pillar Support

59. Clinical governance within NBMLHD is supported by pillar organisations: the Clinical Excellence Commission (**CEC**), the Agency for Clinical Innovation (**ACI**) and Bureau Health Information (**BHI**).
60. The CEC provides clinical governance leadership, as well as incident management policy and reports. The CEC is the provider of the state quality audit reporting system and quality information data system. Both systems form the basis of accessing data to improve care.
61. The ACI develops clinical guidelines and models of care, generates clinical evidence, research and innovation, implementation support and patient engagement through the patient reported measures program. NBMLHD works with ACI on the Leading Better Value Care program with specific clinical conditions.
62. The BHI provides detailed reports and tools to aid comparative analysis of service performance within the health system and also provide in depth analysis on particular areas of performance. In addition BHI facilitates the NSW Patient Survey program and the provides all LHDs with the results.

E. SYSTEM PLANNING

63. The central planning activities and strategic direction set by the Ministry of Health provides a clear direction for District and Network planning and allocation of resources.
64. For example, as a District we have aligned our *Strategic Plan* with NSW Health's roadmap for the system, *Future Health: Guiding the next decade of care in NSW 2022-2032* (Exhibit A.14 SCI.0001.0010.0001).
65. The District's new *Strategic Plan* outlines how the District will contribute to NSW Health's vision of a sustainable health system that delivers outcomes that matter most to patients and the community, is personalised, invests in wellness and is digitally enabled.
66. As system manager the Ministry has oversight and approves all major District/Network plans and strategies. This governance arrangement provides additional rigour and oversight of local planning initiatives and enables the Ministry and NBMLHD to apply a statewide perspective to local planning.

Strategic Plan

67. NBMLHD is currently implementing a *Strategic Plan 2023-2028*, a copy of which is exhibited with this statement (Exhibit 36 in NSW Health Tranche 4 Consolidated Exhibit List). This *Strategic Plan* is the result of inclusive consultation, including 16 sessions with clinical and non-clinical staff and key private partners, and separate sessions with consumer and community advisory committees.
68. The *Strategic Plan 2023-2028* will be implemented through the annual operational planning process, with progress reported quarterly to the District Executive and Board. Feedback is also provided to staff about progress against their services' plans.

In the October-December 2023, Quarter 2 report, there were a total of 469 actions included across the six strategic outcomes. 150 of the actions were completed and 319 were in progress.

Research Strategy & Implementation Plan

69. NBMLHD is currently implementing a *Research Strategy & Implementation Plan 2022-2025*, a copy of which is exhibited with this statement (Exhibit 37 in NSW Health Tranche 4 Consolidated Exhibit List).
70. The development of this *Plan* was governed by the NBMLHD Board Research Subcommittee with additional oversight provided by the LHD Executive Team and the Strategy and Planning Board Subcommittee.
71. The strategic aims of this *Plan* are to:
 - a. partner with the community to undertake research that is inclusive, engaging, accessible and addresses expressed local needs;
 - b. build staff capacity and support research embedded in health services that improves patient satisfaction and outcomes;
 - c. invest in research infrastructure and build funding sources that are sustainable and equitable;
 - d. build collaborations and partnerships with universities, education partners, research institutes, industry and the community that are productive, strategic and transparent; and

- e. provide effective, efficient and transparent research governance.
72. The NBMLHD Board Research & Innovation Subcommittee monitors progress on implementation of the *Plan*. The Director, Allied Health, Research and Strategic Partnerships has responsibility for implementation and monitoring of the Plan. Reporting of progress occurs quarterly at the NBMLHD Board Research Subcommittee, with outcome reports completed annually.

Asset Management

73. NBMLHD makes evidence-based decisions about investing in and maintaining healthcare assets including buildings, medical and non-medical equipment and ICT and digital assets in accordance with *PD2022_044 NSW Health Asset Management Policy*, a copy of which is also exhibited with this statement (Exhibit B.23.043 MOH.0001.0150.0001). The AMP is a 5 year plan submitted annually to the Ministry of Health. A practical example of work included in the implementation of the AMP is the annually forecasted priority list for medical and non-medical equipment required for procurement under the Minor Works and Equipment program.

Sustainability Plan

74. NBMLHD has implemented a *Sustainability Plan 2019-2023*, a copy of which is exhibited with this statement (Exhibit 38 in NSW Health Tranche 4 Consolidated Exhibit List). This *Plan* contains NBMLHD's methodology for meeting the mandatory targets set by the *NSW Government Resource Efficiency Policy*, a copy of which is exhibited to this statement (Exhibit B.23.022 MOH.0001.0324.0001). The Sustainability Plan 2024-2028 is in draft and due for endorsement. Outcomes of the 2019-2023 *Plan* include 81% of the LHDs passenger fleet is hybrid, installation of over 2,000 solar panels and over 12,000 LED lighting upgrades completed. NBMLHD has identified targets that work towards NetZero carbon emissions, climate resilience and resource efficiency.

Aboriginal Health Plan

75. NBMLHD is currently implementing its *Aboriginal Health Plan 2021-2026*, a copy of which is exhibited to this statement (Exhibit 40 in NSW Health Tranche 4 Consolidated Exhibit List). This development of this *Plan* has been informed by consultation with Aboriginal people living in NBMLHD (via Sharing and Learning Circles), Aboriginal community and health organisations in the District, and the Aboriginal workforce within our organisation. Sharing and Learning Circles are a gathering of local Aboriginal

community members to gain insights into their health needs and establish health priorities specific to their local areas. The Aboriginal community and health organisations consulted include local Aboriginal community services groups e.g. Koolyangara Aboriginal Neighbourhood Services, the Greater Western Aboriginal Health Service, and the Closing the Gap Team at the Nepean Blue Mountains PHN.

76. Services across the NBMLHD are required to develop Action Plans to address the priorities in the *Aboriginal Health Plan* and to achieve the key performance indicators (KPIs) and performance deliverables as set out in the Service Agreement with the Ministry of Health. Progress on these Action Plans is reported to the Aboriginal Health Committee (Board Subcommittee) on a regular basis. All eight main facilities and services have established an Aboriginal Health Committee. There are a large range of Service Agreement KPIs relating to Aboriginal people, for example unplanned hospital readmissions for aboriginal persons or discharge against medical advice for Aboriginal in-patients. Performance deliverables relate to specific programs such as 'Close the gap by prioritising care and programs for aboriginal people'. Deliverables include ensuring a Director of Aboriginal Health reporting to the Chief Executive and increasing the number of Aboriginal specialists and clinicians through support of training and development.
77. The Aboriginal Health Plan and local Action Plans focus on practical outcomes to improve the health of Aboriginal people within NBMLHD. Example outcomes include re-establishment of the Mootang Tarimi Outreach Service, which takes health services and health promotion activities to Aboriginal communities, and improved capacity of Blue Mountains and Lithgow Hospitals to engage and manage Aboriginal patient presentations and referrals through the establishment of Aboriginal Liaison Officers at those facilities.

Healthcare Services Plan

78. The development of the new *Healthcare Services Plan* began in 2020. However, due to the COVID-19 response and extensive flooding within the District, the project was temporarily placed on hold to facilitate staff redeployments. The project resumed in March 2022, but once again paused to support the response to the 2023 accreditation recommendations for the District.
79. The new *Healthcare Services Plan* will be a living document that can be regularly updated as new population data becomes available.

80. The project recommenced in January 2024. The District plans to submit a draft *Healthcare Services Plan* to the Ministry in June 2024.

F. WASTE MINIMISATION AND EFFICIENCY

Efficiency Improvement Plan

81. NBMLHD is required to develop efficiency improvement plans (EIP) in accordance with the *Conditions of Subsidy*. The EIP ensures that NBMLHD meets its annual cost savings target, which is communicated by the Ministry on an annual basis. This plan represents the value of all saving measures required to deliver all service requirements.
82. The EIP is broken down into individual strategies, each of which focuses on improvements or savings in one of the following three areas: productivity, revenue, and expenses.

Low-Value Care

83. A key policy document relating to low-value care is the clinical practise guide 'Value-based Surgery' released by the ACI's Surgical Network in November 2023. The guide identifies based on agreed clinical evidence those procedures that offer little or no benefit to certain cohorts of patients and procedures recommended to be undertaken on a day-stay basis as opposed to the patient having an overnight stay.
84. The NBMLHD Clinical Director of Surgery was a co-author of the guide and the District has for some time had a process in place which enables prior review of those referrals for admission that potentially are low value surgery or is a procedure that could be performed on a day-stay basis but an overnight stay is being requested.

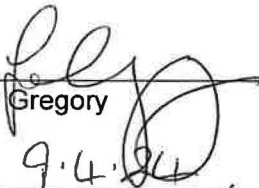
Procurement Reform Program

85. NBMLHD is participating in the NSW Health Procurement Reform program. The key programs are DeliverEASE, SmartChain – Traceability and the Statewide Master Catalogue.
86. DeliverEASE will provide streamlined clinical storerooms, better clinical product management, more efficient stock levels and a streamlined ordering process.
87. SmartChain – Traceability will provide a more streamlined ordering process for Operating Theatres and better tracking of implantable items to patient for patient safety.

88. The Statewide Master Catalogue will provide better visibility of products available across the state.

G. OPPORTUNITIES


89. There are opportunities within the Health System to minimise waste and efficiency. These include adoption of new models of care, expansion of environmental and decarbonising initiatives, and adoption of technology.
90. An example of a new model of care is the promotion of peri-operative medicine to screen prospective surgical patients for frailty, to ensure that they are in optimal condition for surgery. This reduces the patient length of stay, improves patient outcomes and improves the patient experience.
91. Other examples include the wider and more consistent adoption of inpatient Medical Assessment Units or similar models. This evidence-based model has been shown to reduce length of stay, increase patient access performance and improve the patient experience.
92. Examples of promoting environmental sustainability include working with suppliers to reduce packaging, improving the energy efficiency of our building stock and reducing single use items.
93. Virtual care is an example of the adoption of technology to increase efficiency and reduce waste whilst also improving the patient experience. Whilst not suitable for some patients, a significant cohort of patients can avoid the need to physically travel for appointments or staff can avoid the need to travel to patients. These models can also contribute to avoiding the need for patients to attend Emergency Departments.
94. Other examples of technology adoption include automation of workflows across a range of processes. Examples include the patient booking process, patient communication, data collection for clinical registries and clinical audits and recruitment processes.



 Lee Gregory

 9.4.24

 Date



 Witness:

 9/4/24

 Date