Special Commission of Inquiry into Healthcare Funding

Statement of Matthew Daly

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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 (**the Inquiry**) as a witness. The statement is true to the best of my knowledge and belief.

A. INTRODUCTION

2. I am a Deputy Secretary of NSW Health, a role I have held since July 2022. I currently have responsibility for the System Sustainability and Performance Division (**the Division**) which has been known by that name since 20 March 2023. Prior to that, the Division was referred to as the Patient Experience and System Performance Division. The change in name reflected an internal alignment of functions that brought various programs aimed at hospital avoidance and virtual care together under a single portfolio, as well as transitioning responsibility for patient experience to the Health System Strategy and Patient Experience Division (previously known prior to 20 March 2023 as the Health System Strategy and Planning Division) to support a more integrated focus on human experience in broader health policy.

3. I hold a bachelor's degree in Business Administration and an Associate Diploma in Health Administration.

4. Between 2012 and 2022 I held roles as the Secretary of the Department of Health and Human Services Tasmania and as a Group Executive in a private sector ASX 150 company.

5. Prior to 2012 I had extensive experience in NSW Health, including as Chief Executive Northern Sydney and Central Coast Area Health Service, and Chief Operating Officer of the Health Reform Transitional Organisation Southern responsible for the transition of the former Area Health Services in the Southern geographic area of the state into the newly designated Local Health Districts which is the structure that is now in place.

6. A copy of my curriculum vitae is contained at Exhibit 5 NSW Health Tranche 4 Consolidated Exhibit List.

7. The Ministry of Health is the "system manager" of the NSW public health system and purchases services on behalf of the state from Local Health Districts (**LHDs**), Specialty Health Networks (**SHNs**), and statewide services such as NSW Ambulance, Pillars and shared service organisations. The System Sustainability and Performance Division provides the front-end system management by leading the annual purchasing process, and monitoring and supporting overall system performance.

8. In my current portfolio I manage the following branches:

   a. The System Purchasing Branch, which:

      i. is responsible for developing and operationalising the Purchasing Framework for NSW Health by leading the development and negotiation of annual Service Agreements with LHDs, SHNs and NSW Ambulance, Performance Agreements with NSW Health's Pillar organisations and Statements of Service with NSW Health's statewide shared service organisations, that sets out the service delivery, performance expectations and funding for each organisation; and

      ii. provides expert policy advice and targeted support in surgical services, ambulatory (outpatient) care, environmental sustainability, efficiency improvement, and establishment of Urgent Care Services across NSW by June 2025.

   b. The System Management Branch, which:

      i. is responsible for the NSW Health Performance Framework and monitoring performance against annual Service Agreements with LHDs, SHNs and NSW Ambulance through regular performance meetings held quarterly at a minimum, as well as Performance Agreements with Pillar organisations and Statements of Service with statewide shared service organisations, and identifies performance concerns and interventions to improve performance; and

      ii. supports and monitors system wide patient flow performance in real time, patient safety and quality, and supports the State Health Services Functional Area Coordinator (**HSFAC**) and the NSW Health system in preventing, preparing for, responding to, and recovering from a range of emergencies, incidents and hazards that may impact the health system.

c. The System Performance Support Branch, which:

i. provides expert advice on issues that may impact on health system performance, identifies opportunities for performance improvement, and assists health services in the development and implementation of improvement plans; and

ii. leads implementation of state-wide initiatives that aim to improve patient flow and access to care for patients, including through virtual care modalities, as well as in partnership with primary care providers to reduce preventable hospital presentations and admissions in partnership with primary care providers.

d. The System Information Analytics Branch, which:

i. supports the Ministry of Health's system management role by providing high quality data, analysis and performance reporting to inform NSW Health's purchasing and performance management functions; and

ii. ensures that NSW Health meets its state and national reporting obligations and maintains high standards of public accountability and transparency in the health system.

9. The governance and accountability structure of NSW Health derives from disparate sources: legislative, policy and historical custom and practice. Where I refer to source documents, the source document speaks for itself, but I describe my understanding of the effect of the source document. Where I refer to the manner in which things are done according to a historical custom or practice, I will endeavour to make that distinction clear.

10. The Division has frequent interaction with the operational side of the NSW Health system through a variety of formal and informal means with the objective of facilitating the best performance outcomes for patients in NSW.

11. I am a member of and attend the following forums:

a. The Senior Executive Forum (**SEF**);

b. Ministry Executive Meeting (**MEM**);

c. NSW Aboriginal Health Transformation Committee;

d. Health System Strategy Group (**HSSG**) Meeting;

e. NSW Health System Advisory Council;

f. Future Health Strategic Outcome 2 Steering Committee;

g. Rural Health Committee;

h. Health System Performance Monitor Committee;

i. NSW Health Environmental Sustainability Steering Committee;

j. Virtual Care Steering Committee;

k. Savings Leadership and Comprehensive Expenditure Review (CER) Steering Committee;

l. Urgent Care Services Governance Committee;

m. Clinical Risk Action Group (**CRAG**);

n. Capital Strategy Meetings (**CSG**);

o. Reconciliation Action Plan Advisory Committee;

p. Emergency Department Taskforce, and

q. Self-Reported Information (**SRI**) Steering Committee.

B. THE SYSTEM PURCHASING BRANCH

12. The System Purchasing Branch (**SPB**) takes the lead role in developing the annual Service Agreements between the Ministry of Health and the LHDs, SHNs and NSW Ambulance, Performance Agreements with NSW Health's Pillar organisations and Statements of Service with statewide shared service organisations.

13. Service Agreements with districts and networks include the:

a. level and mix of services being purchased (such as acute, non-admitted, mental health etc), expressed using the Nationally Weighted Activity Unit (NWAU) model;

b. corresponding price (expressed as a price per NWAU);

a. funding and reporting mechanisms;

b. performance indicators;

c. quality and service standards expected for the delivery of purchased services;

d. relevant legislative or policy frameworks that are relevant to comply with; and

e. Items included are aligned and linked to the NSW Health Future Health Strategy, NSW Premier's Priorities and Outcome Budgeting.

14. This annual process takes over nine months, starting in September with planning and commencing formally in December with the Purchasing Workshop held with LHDs and SHNs. The SPB works consistently on the purchasing process in consultation with LHD and SHNs through to the issuing of the Service Agreements on or around NSW State Budget Day which is usually in June the following calendar year. An important feature of this process is the detailed discussion with each district, network and organisation. These discussions enable the escalation of local issues that may be systemic in nature or issues that require special consideration (such as the opening of a major hospital redevelopment).

15. While there are discussions locally with LHDs and SHNs, an important tenet of the current devolved governance structure is that there are local budgets for local decision making. The Ministry is responsible for allocating the available budget to LHDs and SHNs (based on the best available data and evidence), and it is up to LHDs and SHNs to prioritise which services are provided based on local need.

16. As part of this, the purchasing of services from Affiliated Health Organisations (**AHOs**) is managed by the respective LHD in which they sit, other than St Vincent's Hospital Sydney Limited (St Vincent's Health Network) (**St Vincent's**) which is managed by MOH in the same manner as a LHD or SHN, under local Service Agreements administered by the respective district, recognising that the services provided by AHOs vary in scale and scope and that these organisations have their own legal status and governance structures outside of the control of NSW Health.

17. The *NSW Health Purchasing Framework* guides the proposed budget allocations for the next financial year (Exhibit 194 NSW Health Tranche 4 Consolidated Exhibit List).

18. Activity purchased under the Framework is done using NWAU, which is the same model developed by the Independent Hospital and Aged Care Pricing Authority, which drives the Commonwealth Contribution to NSW for public hospital services.

19. The core components of the purchasing model are population, ageing and equity.

    a. Population – factors in population growth within a particular region;

    b. Ageing – factors in demand increases as the population ages; and

    c. Equity – an increase in purchased activity to increase the health service utilisation of a population (relative to the state average).

20. The combination of these three elements generally make up the bulk of an LHD's and SHN's activity allocation, from which services can be enhanced or commenced based on local prioritisation.

21. Some statewide services are specifically funded (such as heart/lung transplants) as they provide value to residents in all of NSW, rather than a local population, and hence budget is allocated accordingly.

22. Activity purchased (expressed as an NWAU) through this process is multiplied by the State Efficient Price, calculated annually by the Activity Based Management Branch. The State Efficient Price calculation utilises the most recent costing data from public hospitals in NSW, averaged across the state and indexed for the upcoming year.

23. Throughout this process, the Key Performance Indicators (**KPIs**) are reviewed to ensure appropriateness and alignment with the strategic focus of NSW Health. This is done in conjunction with the policy owners within the branches in the Ministry of Health.

24. The proposed KPI allocations to LHDs and SHNs are provided to the Ministry Executive Meeting (**MEM**) for approval. Once approved, the KPIs are included in the Service Agreement where they are managed by the System Management Branch under the Performance Framework throughout the relevant financial year.

C. THE SYSTEM MANAGEMENT BRANCH

25. The System Management Branch (**SMB**) has the lead role in monitoring the performance of LHDs, SHNs and NSW Ambulance against the requirements of the annual Service Agreements. Performance of support organisations (Pillar and statewide shared service

organisations) are managed through a partner relationship between a nominated Deputy Secretary and the Chief Executive of the support organisation against the requirements of Performance Agreements or Statements of Service. Performance of AHOs is managed by the respective LHD in which they sit, other than St Vincent's which is managed by MOH in the same manner as a LHD or SHN.

26. The *NSW Health Performance Framework* (***Performance Framework***) incorporates the strategic priorities for the NSW Health system which flow from Commonwealth/State agreements, including implementation of the National Health Reform Agreement. A copy of the *Performance Framework* is exhibited with this statement (Exhibit A.11 SCI.0001.0007.0001).

27. The *Performance Framework* includes the performance expected of LHDs, SHNs, NSW Ambulance and support organisations to achieve the required levels of health improvement, service delivery and financial performance. It specifies what is required:

    a. Service Agreements with LHDs, SHNs and NSW Ambulance, and Performance Agreements/Statements of Service with support organisations, include clearly stated performance requirements including Strategic Priorities and governance requirements;

    b. the roles and responsibilities of LHDs, SHNs, NSW Ambulance the NSW Ministry of Health and support organisations;

    c. KPIs and their performance thresholds that, if not met, may raise a performance concern and the process through which these concerns are identified and raised;

    d. transparent monitoring and reporting processes both internally to boards and externally to government;

    e. expectations of responses to unsatisfactory performance or significant clinical issues or sentinel events, and

    f. robust governance processes through which escalation or de-escalation of responses is determined.

28. The *Performance Framework* applies to:

    a. the 15 geographical LHDs, NSW Ambulance; Sydney Children's Hospitals Network; and Justice Health and Forensic Mental Health Network;

b. St Vincent's, as an AHO, is subject to the same process of performance assessment as LHDs and SHNs and NSW Ambulance; and

c. NSW Health support organisations comprising Pillar organisations and statewide shared service organisations: Agency for Clinical Innovation, Bureau of Health Information, Cancer Institute NSW, Clinical Excellence Commission, Health Education and Training Institute, HealthShare NSW, eHealth, Health Infrastructure, and NSW Health Pathology.

29. The *Performance Framework* requires that each health service is to have in place an effective internal performance framework that extends to facility and clinical network/stream levels for monitoring performance and identifying and managing emerging performance issues.

30. Regular communication on performance for LHDs and SHNs includes quarterly Performance Meetings between the Ministry and health service executives in accordance with the *Performance Framework* and provision of monthly Health System Performance Reports produced by the Ministry which outlines performance against KPIs. The Ministry assigns a performance level, which requires a corresponding response, as set out in the below table:

Performance level	**Description**	**Response**
0	Nil performance concerns	Participation in recovery activities designated by Ministry branches responsible for underperforming KPIs. More serious performance issues will result in broader and more intensive programs, including monthly recovery meetings with the Ministry for under-performing KPIs, reviewing implementation of a comprehensive recovery strategy.
1	Under review	
2	Under performing	

3	Serious under-performance risk	Monthly recovery meetings with the Ministry, reviewing implementation of a comprehensive recovery strategy. The Ministry may appoint a representative to assist the Board to effectively oversee necessary performance improvements, including attending Board meetings for that purpose.
4	Health service challenged and failing	Action determined by the nature of the performance issues. They may include, but are not limited to, commissioning an independent review; requiring the Board to demonstrate the Chief Executive is able to achieve turnaround in a reasonable time; the Minister determining to change membership of the Board.

31. SMB monitors LHDs and SHNs for achievement of agreed KPIs and deliverables as set out in the Service Agreements in accordance with the requirements of the *Performance Framework*. Where under performance is identified, the Ministry and LHDs/SHNs work collaboratively to remediate the issue in accordance with the requirements of the *Performance Framework*.

Patient Safety First

32. The Patient Safety First Unit (**PSFU**) oversees and monitors emerging patient safety risks and clinical quality issues. This ensures line of sight of serious incidents and risks by the health system manager. The PSFU works in close collaboration with the Clinical Excellence Commission (**CEC**) who has principal responsibility for leading, supporting, promoting and monitoring safety and quality in clinical care across the NSW Health system.

33. The PSFU was established in 2016 to enable the Ministry and CEC to jointly interrogate and respond to critical incidents in a more structured and defined way, including whether specific incidents represented broader system risk.

C. SYSTEM PERFORMANCE SUPPORT BRANCH

34. The System Performance Support (**SPS**) Branch works closely with LHDs/SHNs to develop an understanding of performance and factors affecting performance, in the operation of these organisations.

35. SPS supports performance recovery within LHDs/SHNs through implementation of a range of improvement strategies including the Whole of Health Program (**WOHP**) that provides hospitals with strategies to improve patient flow by offering support with diagnostics, solutions, implementation and evaluation.

Whole of Health Program

36. The WOHP specialises in the areas of patient flow and access to care.

37. The WOHP team members are from a diverse clinical and non-clinical backgrounds with varied and broad expertise, skills and experiences. The team also draws upon subject matter expertise from across MOH and Pillars, including individuals and teams working to improve access to surgery/theatres, the Emergency Department and mental health services.

38. The MOH WOHP team supports local WOHP Leads and managers in each LHD and SHN to ensure change is locally designed and led. This is underpinned by the following principles:

    a. knowledge sharing of innovation and successful improvement strategies;

    b. capability development to ensure local leads have the skills and expertise to implement sustainable change (a capability framework details how this is delivered); and

    c. performance support and subject matter expertise including diagnostics, program support, implementation and evaluation in relation to patient flow.

39. For example, the WOHP team supported Central Coast LHD when it was on Performance Level 3. In 2021 the team commenced work with District Executives and

improvement leads to develop an improvement plan and governance structure. This included extensive data analysis, an emergency department (**ED**) peer review and the establishment of a local improvement program 'IMPACT' with coaching of local teams to implement change. The district achieved improvements in patient access and flow KPIs, and the district's performance level was de-escalated in line with their improved performance. Central Coast LHD has since presented and attended knowledge sharing forums such as 'Masterclass' to network and share local innovation across NSW.

40. Since 2022, the WOHP team has supported Illawarra Shoalhaven LHD with their Access Improvement program. Support provided to the district included detailed data and diagnostics to identify local patient flow challenges and key priorities for improvement. WOHP have also engaged with the local teams to support solution design workshops, implementation, capability development, revising models of care and connecting local teams with exemplar patient flow models across NSW. WOHP continue to engage with ISLHD executives and local improvement leads to provide ongoing targeted support for patient flow. Since 2022, Illawarra Shoalhaven LHD has seen significant increased performance in several access and flow KPIs.

41. The WOHP Team utilises several data sources and reports to develop data diagnostic packs. These packs support better understanding of challenges and opportunities contributing to poor performance and access. Alongside trended data, the packs benchmark LHD/SHNs and facilities on a number of measures to understand where an organisation sits compared to peers. Benchmarking identifies where individual facilities or LHD/SHNs may be a particularly good or poor performer on a specific contributing measure. Example measures benchmarked include: Emergency Department activity, Tier 1 KPIs, length of stay, Relative Stay Index (**RSI**), weekend discharges, discharge by time of day and transit lounge utilisation. Where appropriate, based on the data, insights and recommendations are added for consideration.

D. SYSTEM INFORMATION AND ANALYTICS

42. The System Information and Analytics (**SIA**) Branch's role is to ensure that NSW Health meets its state and national reporting obligations and maintains high standards of public accountability and transparency in the health system. SIA also leads the NSW Health Data Governance Reform Program and is responsible for the NSW Health GL2019_002 Data Governance Framework, Exhibit 81 in NSW Health Tranche 4 Consolidated Exhibit List.

43. SIA is responsible for creating and supporting statewide data collections, developing data collection standards and policies, maintaining data quality and governance frameworks and managing the Ministry of Health's data warehousing platforms - Health Information Exchange (**HIE**) and the Enterprise Data Warehouse (**EDWARD**).

44. SIA leads the Lumos program, designed to address the fragmentation of data about patient journey across different care settings, including outside the NSW Health system. It is Australia's largest privacy preserving data linkage that brings together de-identified primary care evidence through the Secure Analytics Primary Health Environment (**SAPHE**) platform and NSW Health ambulatory and acute care, establishing a data asset to provide a more comprehensive view of patient pathways. The *Lumos Data Governance Framework* and *Lumos Monitoring and Evaluation Framework* are Exhibits 88 and 89 in NSW Health Tranche 4 Consolidated Exhibit List.

45. SIA provides the Ministry of Health with data on performance and service utilisation, as well as data analysis including activity forecasting and modelling of health services. Analytical techniques are also used to predict hospital bed demand, and to monitor and evaluate outcomes for strategic priority programs to support the health system's forward planning. For example, SIA has established an electronic data source for the tracking of the 102 Future Health KPIs with a consistent data collection methodology and codes for data extraction.

46. SIA also responds to information requests from other health system stakeholders and represents NSW Health on relevant state and national committees and working groups for data governance and performance reporting, and leads the NSW Health Data Governance Reform Program.

E. PROGRAMS / INITIATIVES THAT SUPPORT SYSTEM PERFORMANCE

Out of Hospital Care

47. The NSW Health Out of Hospital Care (**OHC**) Program supports patients discharged from NSW public hospitals and preventable hospital admissions by delivering short and medium-term packages of non-clinical care. An outline of the OHC Program is Exhibit 197 NSW Heath Tranche 4 Consolidated Exhibit List.

48. It administers three types of packages:

    a. Community Packages (ComPacks);

b. Safe and Supported at Home (SASH): and

c. End of Life (EoL).

49. These packages offer low to medium levels of care which include non-clinical case management and home care services such as assistance with personal care, housework, meals, transport, respite and social support. Eligible patients may also transition between package types depending on their changing needs. Outlines of each of these packages provided to LHDs are at Exhibits 198, 199 and 200 of the NSW Health Tranche 4 Consolidated Exhibit List respectively.

Hospital in the Home (HiTH)

50. Hospital in the Home (**HITH**) is a clinical model that provides admitted acute and sub-acute care in the patient's home as a substitute for in-hospital care. While HITH is used to support early discharge from a physical hospital bed, HITH participants are classified as inpatients. To be eligible for HITH patients must receive daily clinical care or clinical review from a member of a multidisciplinary team.

State Operational Data Store

51. The State Operational Data Store (**ODS**) is NSW Health's repository that supports a real time single digital patient view sourcing data from Patient Administration Systems, Electronic Medical Records, Ambulance Computer Aided Dispatch (**CAD**), non-emergency transport CAD as well as other systems used across the State. The ODS team in partnership with all Districts/Networks, Pillars and State-wide services provide digital solutions to assist in monitoring the performance of health services and underpin numerous NSW Health patient flow policies. The applications using the State ODS are used across all NSW public hospitals with over 26,000 active users per month compromising of LHD and Hospital executives as well as staff who perform administrative, clinical, health system operations e.g. patient flow and care coordination, billing and/or revenue duties. In addition to the LHDs, staff from the Ministry of Health, Ambulance NSW, the Pillars (Agency for Clinical Innovation) and state-wide services (eHealth and Health Share NSW), Third Schedule Hospitals and Networks also utilise the State ODS application suite.

52. The ODS is responsible for functions including:

a. Overseeing the Patient Flow Systems framework which incorporates best practice methodology that contributes to good patient flow;

b. Providing the Patient Flow Portal which is NSW Health's enterprise patient flow and care coordination system that supports numerous functions such as real time monitoring of the NSW Health system, non-emergency transport bookings, inter hospital transfers and patient delay management. This will be extended to support the NSW Health Patient Allocation Matrix in the future; and

c. Providing a data source to execute complex patient risk and population-based algorithms to identify patients who are at risk of hospitalisation and other factors.

Urgent Care Services

53. 25 Urgent Care Services are being rolled out across NSW by mid-2025 to provide short-term, one-off care for people with urgent health care needs that are not life-threatening (such as wounds, minor burns, infections, sprains, minor breaks, gastroenteritis, rashes and conjunctivitis).

54. Urgent Care Services in NSW are being delivered in collaboration between LHDs, SHNs, Primary Health Networks and GPs and are designed to ease pressure on EDs by providing an alternative pathway to care for patients with low acuity clinical conditions.

55. NSW is implementing a range of Urgent Care Service models that take into account the care needs of the population and existing services available in local areas. These include:

a. GP-led urgent care clinics (supported via the PHNs);

b. LHD-led urgent care clinics;

c. Geriatric outreach models run by LHDs; and

d. Statewide virtual services (such as VirtualKIDS).

56. All services will be connected to HealthDirect.

Healthdirect and the NSW Single Front Door)

57. Healthdirect Australia (**Healthdirect**) is the national health advice service in Australia funded by the Australian Government and all state and territory governments.

58. Healthdirect was established in August 2006 under an agreement by the Council of Australian Governments (COAG) to improve public access to free health information. The agreement recognised that the existing model of jurisdictionally managed health phone lines should be centralised to create a national service with improved clinical consistency and economic efficiency, reducing administrative duplication.

59. Healthdirect provides a number of 24/7 health helplines to all Australians including the health information and access service, which is a national 24/7 nurse triage service whereby callers to the helpline are triaged by registered nurses who ask a series of clinical questions and provide advice on the type of medical help they need, including connecting them to the appropriate health service. Other digital triage and health access services such as the symptom checker and service finder are also available through their website and the Healthdirect App.

60. NSW Health is partnering with Healthdirect to establish the NSW 'Single Front Door' for people with non-life threatening urgent healthcare needs to provide callers with access to a wider range of services, such as GPs, community services, pharmacy support, virtualKIDS, virtualGP services or the NSW Ambulance Virtual Care Centre which can further triage callers including those from Residential Aged Care Facilities.

61. The Single Front Door will also provide the access point to the 25 Urgent Care Services as they are being established.

62. Callers can access Healthdirect at anytime from anywhere, including from their place of residence, and avoid a visit to an ED, where an appropriate alternate service is identified.

63. In 2023, Healthdirect received more than 315,000 calls from the NSW public, of which only 35.5 per cent were referred to an ED, with the remaining callers connected to other providers of care.

Surgical Care Governance Taskforce

64. The NSW Government established a time limited Surgical Care Governance Taskforce in March 2023 to identify improvements for surgical services in NSW and had a specific focus to reduce the number of people waiting longer than clinically recommended for their planned surgery to pre-pandemic levels as quickly and safely as possible. Membership of the Taskforce included surgeons, anaesthetists, nursing and allied health clinicians from regional and metropolitan locations as well as LHD, SHN, NSW Ministry

of Health and Agency for Clinical Innovation executive representatives. The Taskforce Terms of Reference are Exhibit 196 NSW Health Tranche 4 Consolidated Exhibit List.

65. The first meeting of the Taskforce was held in May 2023 and the Taskforce held its final meeting in March 2024 following the return of overdue planned surgery patient numbers in December 2023 to pre-pandemic levels. At end March 2023, the number of patients who had been waiting longer than the clinically recommended timeframe for their surgery was 14,059 and this had reduced by 85 per cent to 2,133 by end December 2023.

66. The Taskforce will now transition to a strategic governance committee, with a broader focus on sustainability with a broader focus on the sustainability of planned surgical services within the NSW public health system. The new Committee will meet early in the 2024/25 Financial Year.

Emergency Department Taskforce

67. The NSW Government established the Emergency Department Taskforce to improve wait times, access to care and to explore innovative solutions to divert pressure from our hospitals. The Taskforce has representation from metropolitan, rural, and regional NSW as well as a range of expert clinical representatives including nursing, medical, allied health, Aboriginal health, hospital executive and NSW Ambulance. The priority of the Taskforce is to enhance state-wide collaboration, provide cohesive leadership and to identify improvements for EDs in NSW.

68. The Taskforce is co-chaired by Dr Trevor Chan, emergency physician and Clinical Director, Emergency Care Institute and me. It held its first meeting on 8 February 2024. The Taskforce Terms of Reference are at Exhibit 195 NSW Health Tranche 4 Consolidated Exhibit List.

Real time Patient Flow monitoring

69. The Patient Flow Portal is a real time dashboard that is used to manage patient flow and care coordination across hospitals, LHDs, SHNs, statewide as well as with ACT Health and Network with Victoria. Real time data includes ambulance arrivals and waiting times to offload patients (transfer of care), emergency demand including number of patients waiting in EDs by triage category, patients in the ED who have been admitted and waiting for a bed, bed availability and occupancy by ward.

70. The System Flow function within SMB monitors patient flow and demand across the state in real time. System Flow Officers are rostered 10 hours per day/ 7 days per week and provide a liaison point between the NSW Ministry of Health, NSW Ambulance and LHDs/SHNs to monitor key patient flow metrics, including ambulance arrivals at hospitals and action ambulance matrix adjustment requests in periods of peak demand, ensuring LHDs/SHNs have plans in place where there are delays. The System Flow Officers and, after hours, the Ministry of Health executive on call, monitor ambulance arrivals at hospitals to assist with coordination of whole-of-system patient flow, 24 hours per day/7 days per week.

71. The Peak Activity Team is an operational huddle led by me in my role as the Deputy Secretary, System Sustainability and Performance with Chief Executives from all LHD/SHNs across the state, NSW Ambulance and the HealthShare NSW Patient Transport Service to discuss operational demand in real time using live data from the patient flow portal and immediate actions being taken by LHDs/SHNs to maintain patient flow. The Peak Activity Team is stood up as needed at times of peak demand. This could be 1-2 days per week or it could escalate to 4-5 days for example during winter when demand is high, and has been stood up 7 days per week particularly during the demands of the COVID-19 pandemic.

D. FURTHER OPPORTUNITIES

Increase link with purchasing framework and clinical best practice:

72. There is an opportunity to strengthen the link between clinical best practice and NSW Health's purchasing model to reduce low value care for procedures that, in certain patient cohorts or clinical presentations, offer little or no benefit to the patient. This could take the form of prescribed models of care that are agreed and approved by statewide clinical governance groups and then inserted into the purchasing model. An example includes the work on same-day surgical models from the Surgical Care Governance Taskforce, where targets for same-day surgery are currently being inserted into the purchasing model. This could be further strengthened through links with funding (where clinically safe and appropriate to do so) such as a reduced payment for incorrect delivery of care (eg where same-day rates for specific surgeries are below benchmarks).

NSW Health Performance Framework

73. Opportunities have been identified to strengthen the *NSW Health Performance Framework* to provide better performance management of both NSW Health's Pillar and statewide shared service organisations, and AHOs.

74. Performance meetings are held every six months with NSW Health's Pillar and statewide shared service organisations to discuss performance against the requirements of their individual Performance Agreement/Statement of Service. However, a performance level assessment is not currently applied to these support organisations in the same way it is applied to LHDs, SHNs and NSW Ambulance, and this is a matter that the Ministry will be addressing.

75. For AHOs, the respective LHD is responsible for monitoring and managing the performance of their AHO(s) in accordance with the requirements of the local Service Agreement established between the LHD and the AHO. While recognising the different legal status and governance of AHOs, as well as the variance in scale and scope of services offered, improvements can be made to the *NSW Health Performance Framework* to provide stronger guidance for LHDs when assessing AHO performance.

E. WASTE MINIMISATION AND EFFICIENCY (TOR D)

Efficiency Improvement and Support Team

76. The Efficiency Improvement and Support Team (**EIST**) (formerly known as the Program Management Office), now located within the SPB, supports strategic change and sustainability in NSW Health.

77. The EIST is the administrator of *the Efficiency Improvement Plan program* which is a requirement of the *NSW Health Conditions of Subsidy* (Exhibit 28 NSW Health Tranche 4 Consolidated Exhibit List) for all health entities to provide the Ministry of Health (via the EIST) with efficiency improvement plans (EIPs) which address efficiency dividends and any underlying deficits carried forward from the previous financial year.

78. The EIST works with LHDs and SHNs to:

    a. Provide expertise in financially sustainable health service delivery;

    b. Identify and develop efficiency initiatives and financial recovery strategies;

c. Share, scale and enhance LHD and SHN initiatives that successfully reduce inefficiency throughout NSW Health. Examples of these initiatives include reducing premium labour costs through targeted recruitment, reduction in inappropriate diagnostic orders, realignment of IT licencing to reduce expenses and other expense reduction programs.

79. By way of example, in 2020/21 Central Coast LHD was able to rapidly turn around a significantly unfavourable budget position of over $60m. This was done by having a strong governance structure wrapped around over 200 efficiency improvement plans and a strong Chief Executive focus. The EIST team supports LHDs and SHNs to replicate this success. This significant financial recovery occurred concurrently to improvements being made to the district's access performance KPIs.

80. The EIST benchmarking reports assist LHDs and SHNs to understand how their staffing levels compare with those of other sites relative to activity. These reports include staffing levels by grade (such as numbers of clinical nurse consultants, health managers etc), and also length of stay benchmarks by patient cohorts (such as specialty, or NDIS or aged care facility residents).

Climate Risk and Net Zero

81. In alignment with the NSW Government's *Climate Change (Net Zero Future) Act 2023*, NSW Health is committed to significantly reducing our emissions in the short-term; with the ambition of reducing emissions by 50% by 2030.

82. The Climate Risk and Net Zero (**CRNZ**) Unit, located within the System Purchasing Branch, works in partnership with LHDs, SHNs, pillar organisations, and other NSW Health entities, as well as with external stakeholders including the NSW Department of Climate Change, Energy, the Environment and Water to lead and coordinate the transition to a high quality, low carbon, climate resilient health system. The CRNZ Unit provides strategic leadership and coordination of NSW Health's net zero response. It established and now manages the NSW Health Sustainability Network and is embedding sustainability throughout existing clinical, quality improvement and redesign networks and programs. CRNZ Unit also leads on staff engagement, education and training, carbon measurement, reporting and performance indicators for environmental sustainability.

83. The NSW Health Environmental Sustainability Steering Committee, which I chair in my role the Deputy Secretary, System Sustainability and Performance, has been

established to ensure integration and alignment across other health reform priorities including virtual care, value based healthcare, procurement, data and digital.

84. System planning to align with these other health reform priorities is critical in facilitating a low-carbon system. Focusing on value-based care would reduce waste and emissions from unnecessary investigations and procedures. Examples of projects include reducing use of unnecessary non-sterile gloves, appropriately reducing unnecessary pathology tests in EDs. An example of sustainable procurement strategies is the removal of desflurane, a highly polluting and expensive anaesthetic gas, from the NSW Health Formulary, with clinical equivalent alternative anaesthetic gasses available for use that are less carbon emitting and cheaper. By implementing sustainable procurement strategies, suppliers are encouraged towards reusable items to reduce waste and packaging. Increasing use of digital technology reduces travel-related emissions and costs.

Matthew Daly	Witness: Catherine Hill
09/04/2024	09/04/2024
Date	Date