

Paying for Tomorrow's Health

7 – 8 June 2007

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Managing A Deficit

Sustaining a long term financial plan and at the same time operating
as a District Health Board and encouraging innovation

Balancing the demands of Deficit Reductions, Innovation and
Investment

C&C DHB

- Wellington, Porirua & Kapiti sites
- Provides a comprehensive range of Hospital and Clinically Based Services:
 - Community Services
 - Hospital Based – Secondary Care
 - Specialist Services – Tertiary Care
- Services for 250,000 people in this district and 900,000 people regionally
- Approximately 4,500 internal staff

1987 – First Year in Management

“You have less than 3 months to spend \$600,000 – spend it however you like.....”

1988

The Health Sector must be more efficient!

2% reduction in funding across the board
9 years later - 27% reduction

2007

Current Challenge is to sustain a long term Health Outcomes Plan linked to financial capacity in a short term focused environment

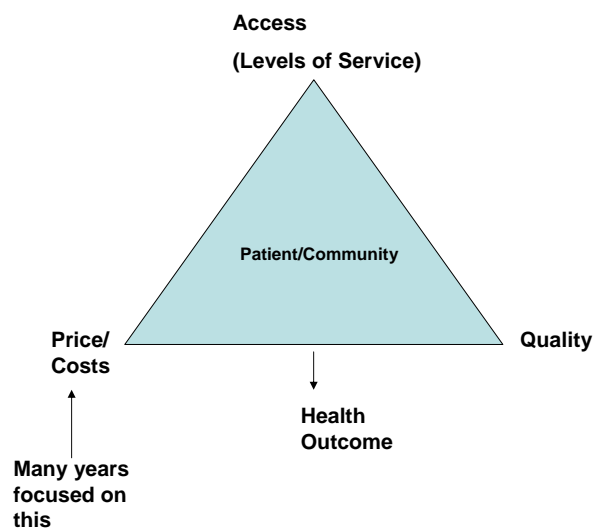
“Tyranny of annual performance vs medium to long term sustainability”

Challenges, Challenges, Challenges.....

Challenge of Increasing:

- Expectations
 - Consumer
 - Political
- Demand
- Challenging Demographics/Disparities
- Training Required post graduation
- Compliance, audit, review, certification, accreditation, College Standards, MECA's
- Specialisation
- Technology
- Staff Costs
- Supply Costs

Current Challenges



Current, Short Term Approaches

Stroke service
Implementation of Interrai
Integrated laboratory system
After hours
Mental Health TJF- New acute unit and crisis services
Mental Health TJF - Information and coordination service
Mental Health TJF - Addiction service
Mental Health TJF - Improving access to primary & mental health services
Mental Health TJF - mental health promotion & prevention
Mental Health TJF - working towards recovery
Chronic disease management framework
Acute medical journey
Older Persons stream of acute medical journey
Cardiothoracic journey
Kenepuru model
Floor based development 2-7

Cont'd

Nursing model of care development
Admin development
Voice and data communications (Mobile Phones – cost reduction)
Predictive Tool Planning/Rostering/HR online
Community & Allied Health review
Organisational re-structure - corporate review
Organisational re-structure - Snr nursing review
Organisational re-structure - management level 4
Electronic Health Record
PACS
FMIS
Data-warehouse
Non clinical support services development (hotel/support services)
NRH devices
Intranet
Communications programme (internal/external)

Medium Term Options: Models of Care

Innovative models of care may help overcome constraints:

- Designing processes around integrated patient flows
- Aligning information flows with patient flows
- Matching staff skills with clinical tasks
- Efficient use of space and equipment

Medium Term Options: Lean Thinking

- Devolves decisions and accountability as close as possible to the people who will deliver the service
- Equips staff to lead and solve the problems through information, resources and training
- Lean Thinking provides an approach that is coherent and well understood that utilises organisational development principles

Medium Term Options: Improving the Patient Journey – Concepts

Health Services are provided by professionals who are experts in their part of a patient care process

Typically no one has insight into the whole process and no one is actively managing the whole process

So.....

Engage clinical staff and management to redesign processes to banish waste time

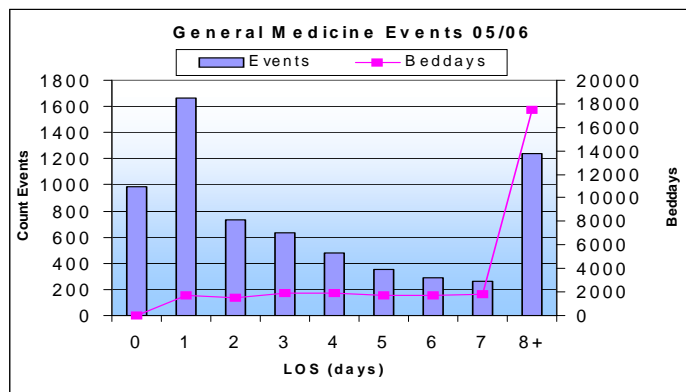
And.....

Saving patients time saves the company time and money

Improving the Medical Patient Journey – progress

- Engagement with clinicians - big picture workshop mapping high level patient flows
- Seeing through the patients' eyes: 82 patients followed through their hospital journey
- Understanding the different types of patient journeys: short and long
- Designing an improved model of patient flow
- Working with clinicians to design new models of care
- Reducing Tail in Length of Stay

Length of Stay Analysis



Improving the Medical Patient Journey – outcomes

Expected results of redesigning patient flows include:

- Streaming of patients with similar journeys
- Early transfer to geriatric care for appropriate patients
- Acute medical clinic service for Primary Care
- Assertive management of short stays with predictive discharge and discharges occurring early in the day
- Priority access to diagnostics
- Dedicated ward based medical teams

Expected outcomes of improving patient flows include:

- Avoidance of marginal value diagnostic tests
- Reduced admissions
- Reduced lengths of stay saving over 8000 bed days
- Patient discharges occur earlier in the day avoiding early afternoon bed block

Medium Term Options: Improving Surgical Capacity – planned activity

- Separate acute and elective processes as much as possible
 - Maximise delivery of electives at Kenepuru Hospital that does not provide acute surgical care
- Ensure enough acute capacity is available so that it does not 'spill into' elective lists
 - Commission a second acute theatre
- Redesign processes to remove wasted time:
 - Develop robust production planning
 - Actively manage list start times
 - Manage theatre and bed capacity together

Improving Surgical Capacity – expected outcomes

- Cancellation of lists reduces to less than 5% overall
- Capacity available when surgeons are on leave is known well in advance and is utilised
- Day of surgery cancellations less than 8% of cases within one year and less than 5% within two years
- Patient cancellations due to lack of available beds is rare
- All of the \$5m of additional elective revenue is earned and ESPI targets are met

Medium Term Options:

- Health Service sustainability
- Key sector group meetings
- Developing a joint medium term strategy
- Benchmarking
 - Critical
 - Why
 - Voluntary comparison
 - Search for difference
 - No right or wrong
 - Opportunity focus
 - Gradual fine tuning

Medium Term Options cont'd

- Challenge..... 21 DHBs
- Areas
 - Theatres
 - ED
 - Ward Nursing
 - Allied Health
- Providers
- Gains
 - NHPPD
 - Productivity Allied Health 30-80%

Regional & National Opportunities

- Accelerate Regional and National Approaches
- Leadership of Colleges and Universities
- Influence demand (supply and financial requirement)
- Approach to IM/IT/IS
- Procurement/Standardisation
- Regionalisation of Services
 - **Has taken far too long**
 - **21 x DHB – different opinions**
 - **Need to deliver on this short to medium term**
- Partnerships to innovate workplaces involving unions, employers and Government.

Innovation and Investment is Critical

- \$2M p.a. plus additional \$ Govt
- NRH \$343M
 - Leading to:
 - reduction in hospital admissions (SSU)
 - better care co-ordination/packages of care
 - restorative health in community
 - Improved provision Mental Health Service – right time, right place.....
 - Enhanced after-hours services
 - Reduction in people with amputations
 - Reduction in pregnancies
 - Better attendance/services diabetes



Where are the greatest gains???... Taking a "Whole of Government" approach to funding and innovation

Healthy Eating, Healthy Action

- Schools, workplaces, local government
- Kapiti Physical Activity Strategy
- Porirua Health Cluster –iwi, PCC
- WCC – Push Play, Culture Kicks etc
- Leaders Forum,
- Wellington Regional Council –transport policy
- HPS and Fruit in Schools
- Sport Wellington, WRIIG



Taking a "Whole of Government" approach to funding and innovation

PATHS

- Reducing the impact of illness and disability in income and employment, social participation, inclusion
- Improving access, navigation
- Currently 114 clients with 3 in fulltime employment, 13 part time employment, 3 study, 4 voluntary work; 91 receiving health interventions

Taking a "Whole of Government" approach to funding and innovation

Housing and Health

- Recent publications from Healthy Housing projects (WSM and CMDHB) underline benefit
- Insulation projects in Kapiti, Porirua and Wellington
- Homelessness Prevention Strategy
- Injury prevention - safety and city housing

Will the day come when Health will transfer Vote Health \$ to other Government Agencies – because of potentially better impacts and health outcomes?

Or vice versa.....

Changes needed over the next 20 years to gain maximum cost efficient Health Benefit

- Better care management – most appropriate care environment and best suited carer, better integration
- Community care, self care
- Sustainable Hospital Services – numbers, location, reduction in duplication
- Assessing and improving the competence of learning institutions
 - Flow on effect to health services
 - Having a role in schools
 - Providing input on decision-making affecting health outcomes – e.g. products that create addiction

Change needed over the next 20 years

- Prioritisation in relationship to financial capacity
- Workforce – Right staff, Right place, Right time
- Investment up front – funding innovation early to reduce costs and improve health outcomes
- Funding areas that have greatest impact on health outcomes
 - thereby influence demand/staff and financial challenges e.g. decrease pregnancy, amputations
- Population Health approaches strengthened