

# Where to Now?

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# HEALTH WAIKATO

## Where to Now?

### Introduction

Two major external reports published recently show it's time for major changes at Health Waikato. The 'Kricker' Report and the 'Communio' Review of Governance have highlighted our structures, processes and accountabilities are in need of a drastic overhaul.

Health Waikato has failed to meet both financial and contractual performance targets for a number of years; and the Governance Review highlighted the lack of focus on quality. These situations can not continue.

Consultant Bill Kricker impressed on us the need to build and develop an accountable organisation while the Governance Review showed Waikato District Health Board (DHB) needs to ensure that clinical and non-clinical staff work together for the good of patients.

Understanding what happens in Health Waikato, Waikato DHB's hospital and health services provider arm, is critical to that.

It is time for change and in order to quickly implement the recommendations within these two reports, I propose a number of structural changes which are detailed within this document.

### Structure review

The Health Waikato structure has changed little in years. At an operational management level it thrives on a clinical and managerial partnership which, from a theoretical viewpoint, works well. However, there is an imbalance within the relationship with managers taking accountability for the financial and operational management decisions often in isolation from their clinical partners. This causes frustration and a sense of isolation from the day to day decision making of the clinicians in clinical unit leader (CUL) roles. This is one area noted as requiring attention in the Governance Review.

The CUL / manager partnership reports to the General Manager Health Services (GMHS), resulting in a large number of direct reports which is both unsustainable and operationally inefficient. Previously, they reported to the Manager: Waikato and District Hospitals.

The Manager Rural Services position was established in November 2005 and it was also decided the position of Manager: Waikato Hospital would be re-established. That position has yet to be filled and in the interim those who would have reported to it, have reported to me. The subsequent large number of direct reports is a focus of both the 'Kricker'\* Report and the Governance Review.

Each CUL and service manager role is varied and reflects, to differing degrees, both the current organisational requirements of those staff, but more importantly the believed requirements of the roles when originally introduced. The practical reality of how the roles actually work will be somewhat different and in order to move Health Waikato forward, change is required.

\* Kricker, W (2007) The Health Waikato Improvement Plan. Internal Document

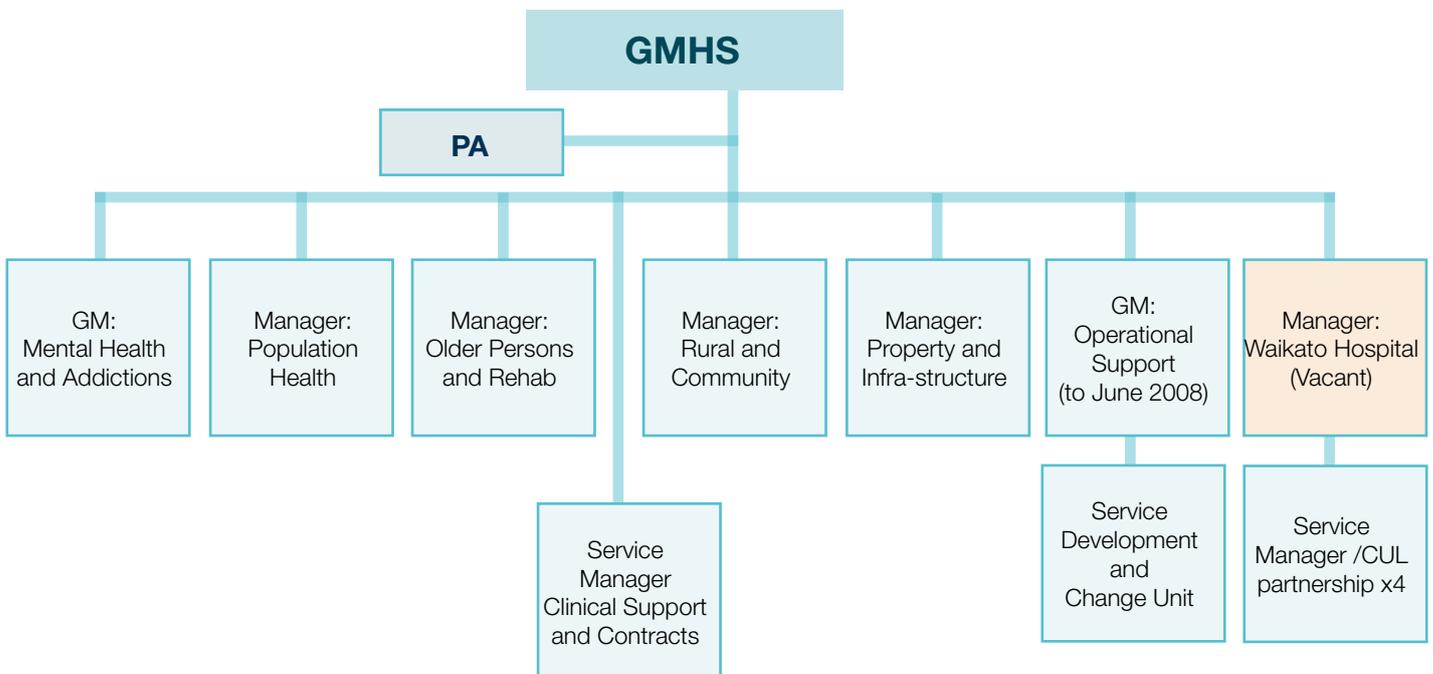
## Stage one: Realignment of management / CUL structure

To ensure that any new role requirements and accountabilities are clear and can be implemented, there needs to be an appropriate structure. The structure must ensure that the defined roles can deliver on the business, clinical, financial and quality aspects identified as being critical in Health Waikato. Equally, the roles within the structure must:-

- Be positioned to reflect the required leadership and management focus
- Have scope to be consistent across the functional area
- Attract a defined scope, seniority, development and career progression framework
- Have single point accountability for the functional area leading to autonomous and responsible leadership
- Have the appropriate support structure(s) to enable effective delegation and transition to a leadership focus

To balance and incorporate these requirements into a structure requires change and therefore the structure required to support the new focus is detailed.

### Current structure



## Proposed structure

Roles reporting to the General Manager Health Services will be renamed Divisional General Managers (DGM).

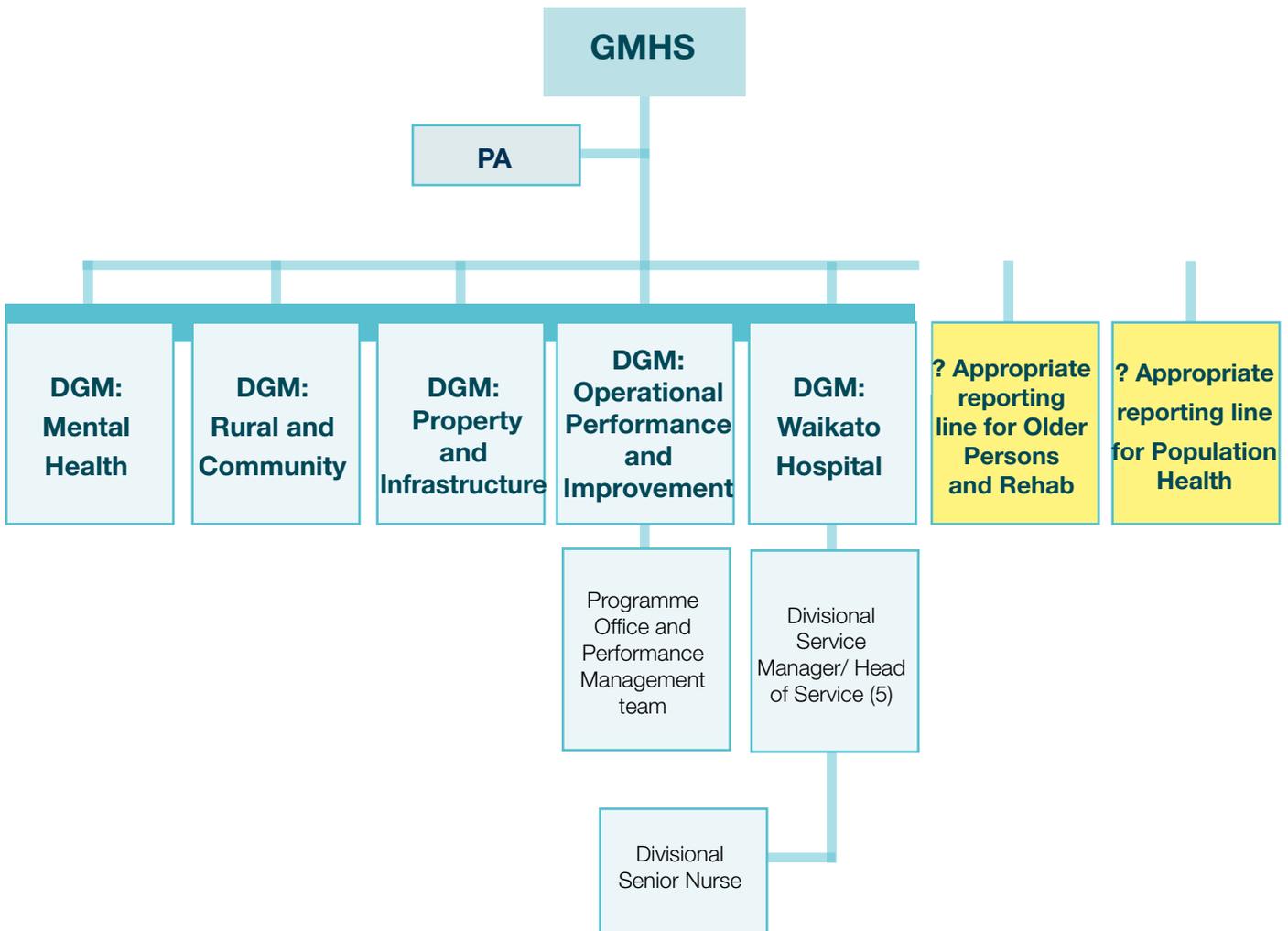
I propose to formalise the current GM:Operational Support role as a permanent position to focus on operational performance and improvement and to also fill the vacant Waikato Hospital position.

This role of DGM: Operational Performance and Improvement will have major accountabilities for both operational performance and planning; and service improvement across Health Waikato. This position will drive the Health Waikato Improvement Plan which includes changes recommended by the 'Kricker' Report and the Governance Review.

The position will also implement the changes recommended in the recent internal audit review of the Service Development and Change Unit. The change process associated with this is about to start.

The DGM: Waikato Hospital will have a specific focus on the day to day oversight and management of Waikato Hospital. The hospital is a large and complex acute and elective provider of services and, as such, requires a dedicated senior manager. The current service manager / clinical partnerships will report to the DGM: Waikato Hospital. I will begin the process to recruit to this vacant position immediately.

The proposed structure is as follows:



## Reporting lines

The reporting lines of the Older Persons and Rehabilitation Service, the Population Health Services and Clinical Support and Contracts Services warrant discussion.

One view would be that the Older Persons' Service, because of its focus on a wide range of service provision, including disability support services, should be a direct report to the GMHS role, with another view that, because of its links with Waikato Hospital services, should report to the DGM: Waikato Hospital.

Equally the role of Population Health Service with its work spanning a wide range of services across the DHB, Non Government Organisations (NGOs) and Primary Health Organisations (PHOs) warrants further discussion regarding the appropriate reporting line, either to the GMHS, or to Waikato DHB's Planning and Funding division.

In addition the Service Manager Clinical Support and Contracts currently reports directly to the GMHS. While this position has overall responsibility for a number of key organisational contracts the position also manages a number of services within Waikato Hospital and one across the rural hospitals.

The position could continue to report to the GMHS or to the DGM: Waikato Hospital.

It is not proposed to change the reporting lines of Rural and Community, Property and Infrastructure and Mental Health services as part of this review.

Administration roles to support the Health Waikato structure will be reviewed at a later stage.

Feedback on the most appropriate reporting lines for each of the three services above is welcome.

## Rationale for change

The number of direct reports to the GMHS reduces with a clear focus for Health Waikato on improvement and performance as well as operational (day to day) business.

Health Waikato has failed to meet both financial and contractual performance targets for a number of years.

Therefore it is timely to introduce a clear and enhanced focus on both of these areas, whilst recognising that dedicating resources to achieve these is essential.

Health Waikato has a number of support services including Communications, Finance, Human Resources, Information Services, Maori Health, Governance and Planning and Funding that structurally sit outside of Health Waikato, but are an integral part of supporting the service delivery, planning and accountability processes of Health Waikato.

Ongoing dialogue with each of these support areas will be required to ensure that we collectively strive to deliver on improved results for the organisation in accordance with the strategic priorities of the Waikato DHB.

## Management / clinical partnership in a clinical business unit

The work of the clinical and management partnerships needs to have a clearer focus with accountabilities better outlined. I will refocus the divisional services along the lines of a clinical business unit model.

Work will begin to ensure that all staff within each clinical business unit are clear about their roles, accountabilities, expectations and career development required to achieve the organisation's stated aims and objectives.

This will involve a review and refocus of position descriptions, delegations of authority, key performance indicators (KPIs) and targets to reflect these requirements.

I'd like to see some discussion about the relative roles and responsibilities of the various clinical business (service) units that make up Health Waikato.

To promote the discussion my proposal is the characteristics of these clinical business units should be:

- Self contained groups within:
  - Patient (e.g. surgery)
  - Financial (profit and loss)
  - Staffing
  - Quality and audit
- Of comparable size and complexity
  - Resources (staff fte)
  - Budget
  - Complexity (high, medium or low)
- Have common measures of success
  - Common KPIs and measurable outcomes (all elements of the service share a desired focus), which will include quality indicators and performance measures

## Enhanced quality and improving patient care focus

A proposed addition to the divisional clinical business unit structure is the role of a Divisional Senior Nurse (DSN) who will work in partnership with the two key roles and have a specific focus on clinical quality and improving patient care.

These roles will have the patient safety agenda at their heart and are expected to lead out key activities in that regard.

Specific targets such as no avoidable medication errors, no avoidable pressure areas, no avoidable deaths and improved infection control and cleaning standards will be a priority for these roles and monitored on a regular basis.

The roles will provide the framework to deliver on specific work streams identified as part of the Governance Review, where an enhanced focus on safety and quality was identified.

The roles will have a critical link with the Quality and Risk Unit in this regard, but will report to the Clinical Business Unit and have a professional reporting line to the Director of Nursing.

However for some areas, such as Clinical Support and Contracts and Older Persons, it may be more relevant to have this role occupied by an allied health professional who will instill the same quality and patient safety principles.

## **Stage Two: Realignment within divisional services to implement the Health Waikato Improvement Plan**

Once the management /clinical partnership structure has been finalised work will begin on the next stage of the implementation of the Health Waikato Improvement Plan.

The clinical partner will be known as Head of Service while the manager roles will be called Divisional Service Managers (DSM).

Options for the final makeup of each clinical business unit are yet to be agreed. Following completion of Stage One of this review, consultation will occur on the reporting lines of some parts of the current clinical services structure (theatre and anaesthetics for example) relative to surgical services.

It has previously been identified that many of the costs associated with theatre and anaesthetics do not sit with the departments that incur them, leading to reduced ownership of expenditure and a review of this is timely.

### **Services support structures**

Part of the implementation of the Health Waikato Improvement Plan requires discussion regarding the contracted requirement of each unit and the relative support systems (laboratory, pharmacy, nursing and resourced bed days as an example) which will be identified and agreed in order to deliver on the clinical business unit contracts.

Services will need to adopt a more business-like manner in their requirements for resourced bed days to be 'contracted' from the Nursing and Clinical Services. It is intended that Nursing and Clinical Services, Clinical Support and Contracts and Property and Infrastructure will provide the agreed level of support to each of the clinical business units, to allow them to fully meet their agreed contracted requirements.

The present Nursing and Clinical Service structure will remain essentially the same with the exception of consultation regarding theatre and anaesthetics reporting lines.

This approach fits with the details of the Health Waikato Improvement Plan, whereby production planning requirements drive a resourced bed-day agreement between services.

Equally, the dedicated resource available from Decision Support and Quality and Risk, as two examples, will fully support the clinical business units so they can deliver on their financial, contractual, quality and standards identified in their KPIs.

### **Operations Manager level review**

The layer reporting to the clinical and managerial partnership will also be reviewed. The role and identified accountabilities, objectives and purpose needs to be made clearer. This is the layer known as 'Operations Manager' with the role historically expanded to meet a number of requirements.

It is expected that the review will be led by the DGM: Waikato Hospital with the assistance of the DGM: Operational Performance and Improvement; and Human Resources.

This review should clarify what is required to undertake identified and essential functions and develop the relevant structure; position description; describe the key areas of focus and KPIs. It will commence once the DGM:Waikato Hospital is appointed.

The review must also take into consideration the role of the clinical nurse managers who have day to day accountabilities for their ward / units (business units). Potentially affected staff are assured that they will be formally notified when the review process is about to commence and given the opportunity to provide feedback about any proposed changes and / or reporting lines before any final decisions are made.

## Feedback

This paper is designed for discussion and consultation. It has been developed to put forward the proposed management structure for Health Waikato and reflects the recommendations in a number of key documents namely:

- The Health Waikato Improvement Plan (Kricker)
- Review of Governance at Waikato DHB (Communio)
- Review of the role and function of service managers (PWC/Internal audit)

Feedback on the Stage One proposal is essential to allow me to determine the final look of the management / clinical partnership structure and accountabilities. However, it is acknowledged that there may be other factors that are relevant to consider and I welcome that input.

Comments and feedback are invited on the suggested options and other options considered relevant. In particular, feedback is sought on:

1. The proposed structure for Health Waikato
2. The proposed reporting lines, and titles of the Waikato Hospital roles
3. The proposed Clinical Business Unit model
4. The proposed Divisional Nurse model and accountabilities
5. The proposed review of the Operations Manager level

Further comment is also sought on:

- The reporting line of Older Persons and Rehabilitation Services
- The reporting line of Population Health Services
- The reporting line of Clinical Support and Contracts Services
- The final composition of surgical services as it relates to anaesthetics and theatres.

## Consultation process

I am also interested in your feedback about aspects of Stage Two, although staff are advised that there will be more detailed consultation with potentially affected staff and stakeholders once Stage One has been completed.

A three-week consultation period will now occur, with feedback required by 21 September 2007.

All feedback will be reviewed by a steering committee comprising myself, the Chief Medical Advisor, the Chief Information Officer and the GM: Human Resources prior to consultation with the Chief Executive.

At the completion of that process, I will notify you of the final outcome.

We face huge challenges ahead at Health Waikato and we can only confront and solve them together as a team.

I look forward to and welcome your input on this proposal.

A presentation has been developed to support consultation. To arrange to be at one of the presentations, please contact Sarah Brodnax on extension 8697.



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