

## **ACT LOCAL HOSPITAL NETWORK DIRECTORATE**

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### **Purpose**

The ACT Local Hospital Network Directorate (ACT LHN) was established under the *Health Act 1953* (the Act), and is administered by the Director-General of the Health Directorate and supported by staff from the Health Directorate.

The ACT Local Hospital Council (Council), constituted under the Act, provides advice to the Director-General of the Health Directorate on the clinical and corporate governance framework needed to support the improvement in standards of patient care and services provided through the ACT LHN. The Council also advises on ways to support, encourage and facilitate community and clinician involvement in the planning of services that form part of the ACT LHN. The Council reports to the Minister for Health on the state of the ACT LHN and any recommendations relating to improvement of the ACT LHN that the Council considers necessary.

The ACT LHN receives Activity Based Funding (ABF) from both the Commonwealth and the ACT Governments, and block funding for teaching, training and research. It purchases public hospital services from four ACT public hospital providers:

- Canberra Hospital;
- Calvary Public Hospital;
- Clare Holland House; and
- Queen Elizabeth II Family Centre.

### **2013-14 Priorities**

Strategic and operational priorities to be pursued in 2013-14 include:

- receiving and distributing funding for public hospital services under the *National Health Reform Agreement* (NHRA); and
- purchasing public hospital services from four ACT public hospital providers.

### **Estimated Employment Level**

The ACT LHN does not employ any staff. All staff providing administrative support for the ACT LHN are employed by the Health Directorate.

## Strategic Objectives and Indicators

The ACT LHN consists of a networked system that includes the Canberra Hospital and Health Services, Calvary Hospital, Clare Holland House and Queen Elizabeth II Family Centre. The ACT LHN has a *Service Level Agreement (SLA)* which sets out the delivery of public hospital services and is agreed between the Minister for Health and the Director-General of the Health Directorate. This SLA identifies the funding and activity to be delivered by the ACT LHN and key performance priority targets. The ACT Government, through the Health Minister and Health Directorate, manages system-wide public hospital service delivery, planning and performance, including the purchasing of public hospital services and capital planning, and is responsible for the management of the ACT LHN.

The following Strategic Indicators include some of the major performance indicators implemented under the requirements of the NHRA.

### Strategic Objective 1

#### Percentage of Elective Surgery Cases Admitted on Time by Clinical Urgency

Clinically recommended time by urgency category	2012 <sup>1</sup>	2012	2013 <sup>1</sup>	2014 <sup>1</sup>
	Target	Outcome	Target	Target
Urgent – admission within 30 days is desirable for a condition that has the potential to deteriorate quickly to the point that it may become an emergency	95%	99%	97%	100%
Semi urgent – admission within 90 days is desirable for a condition causing some pain, dysfunction or disability which is not likely to deteriorate quickly or become an emergency	55%	57%	66%	78%
Non urgent – admission at some time in the future acceptable for a condition causing minimal or no pain, dysfunction or disability, which is not likely to deteriorate quickly and which does not have the potential to become an emergency <sup>2</sup>	82%	89%	86%	91%

**Notes:**

1. Targets are based on calendar year data in accordance with national reporting requirements.
2. Health Directorate establishes a 365 day maximum desirable waiting time for category three non urgent patients.

### Strategic Objective 2

#### Improved Emergency Department Timeliness

**Strategic Indicator 2.1:** The Proportion of Emergency Department Presentations that are Treated within Clinically Appropriate Timeframes

	2012-13	2012-13	2013-14	Long Term
	Target	Est. Outcome	Target	Target
One – resuscitation seen immediately	100%	100%	100%	100%
Two – emergency seen within 10 mins	80%	71%	80%	80%
Three – urgent seen within 30 mins	75%	43%	75%	75%
Four – semi urgent seen within 60 mins	70%	46%	70%	70%
Five – non urgent seen within 120 mins	70%	78%	70%	70%
All Presentations	70%	52%	70%	70%

**Strategic Indicator 2.2:** The proportion of Emergency Department presentations whose length of stay in the Emergency Department is four hours or less

	2012 Target <sup>1</sup>	2012 Outcome	2013 Target <sup>1</sup>	2014 Target <sup>1</sup>	2015 Target <sup>1</sup>
The proportion of Emergency Department presentations who either physically leave the Emergency Department for admission to hospital, are referred for treatment or are discharged, whose total time in the Emergency Department is within four hours.	64%	57%	65%	77%	90%

**Note:**

1. Targets are based on calendar year data in accordance with national reporting requirements.

**Strategic Objective 3**

Maximising the Quality of Hospital Services

The following four indicators are a selection of the patient safety and service quality indicators that are used to monitor ACT public hospital services. The targets provide an indication of the desired outcomes over time. Given the nature of the indicators, small fluctuations during a particular period can skew results. The success in meeting these indicators requires a consideration of performance over time rather than for any given period.

**Strategic Indicator 3.1:** The Proportion of People who Undergo a Surgical Operation Requiring an Unplanned Return to the Operating Theatre within a Single Episode of Care due to Complications of their Primary Condition

This indicator represents the quality of theatre and post operative care.

	2012-13 Target <sup>1</sup>	2012-13 Est. Outcome	2013-14 Target <sup>1</sup>
Canberra Hospital	<1.0%	0.7%	<1.0%
Calvary Public Hospital	<0.5%	0.4%	<0.5%

**Note:**

1. Hospital targets are based on similar rates for peer hospitals – based on the Australian Council of Healthcare Standards (ACHS).

**Strategic Indicator 3.2:** The Proportion of People Separated from ACT public hospitals who are Re-admitted to Hospital within 28 Days of their Separation due to Complications of their Condition (where the re-admission was unforeseen at the time of separation)

This indicator highlights the effectiveness of hospital based and community services in the ACT in the treatment of persons who receive hospital based care.

	2012-13 Target	2012-13 Est. Outcome	2013-14 Target
Canberra Hospital	<2.0%	1.5%	<2.0%
Calvary Public Hospital	<1.0%	0.8%	<1.0%

**Strategic Indicator 3.3:** The Number of People Admitted to Hospitals per 10,000 Occupied Bed Days who Acquire a Staphylococcus Aureus Bacteraemia Infection (SAB infection) During their Stay

This provides an indication of the safety of hospital based services.

	<b>2012-13 Target</b>	<b>2012-13 Est. Outcome<sup>1</sup></b>	<b>2013-14 Target</b>
Canberra Hospital	<2 per 10,000	1.4 per 10,000	<2 per 10,000
Calvary Public Hospital	<2 per 10,000	0.3 per 10,000	<2 per 10,000

**Note:**

1. Very small numbers can cause fluctuations in the results for this indicator.

**Strategic Indicator 3.4:** The Estimated Hand Hygiene Rate

The estimated hand hygiene rate for a hospital is a measure of how often (as a percentage) hand hygiene is correctly performed.

It is calculated by dividing the number of observed hand hygiene 'moments' where proper hand hygiene was practiced in a specified audit period, by the total number of observed hand hygiene 'moments' in the same audit period.

	<b>2012-13 Target</b>	<b>2012-13 Est. Outcome</b>	<b>2013-14 Target</b>
Canberra Hospital	70%	69%	70%
Calvary Public Hospital	70%	74%	70%

## Output Class

	<b>Total Cost</b>		<b>Government Payment for Outputs</b>	
	<b>2012-13 Est. Outcome \$'000</b>	<b>2013-14 Budget \$'000</b>	<b>2012-13 Est. Outcome \$'000</b>	<b>2013-14 Budget \$'000</b>
<b>Output Class 1:</b>				
<b>ACT Local Hospital Network</b>	711,341	906,340	576,588	550,054

### *Output Description*

The ACT LHN will receive funding under the NHRA and purchase public hospital services from the Canberra Hospital and Health Services, Calvary Hospital, Clare Holland House and Queen Elizabeth II Family Centre.

## Accountability Indicators

	2012-13 Targets	2012-13 Est. Outcome	2012-13 Est. Outcome	2013-14 Targets
<b>Output Class 1: ACT Local Hospital Network</b>				
<b>Number of National Weighted Activity Units (NWAU)<sup>1,2</sup></b>	NWAU {12} <sup>3</sup>	NWAU {12} <sup>3</sup>	NWAU {13} <sup>3</sup>	NWAU {13} <sup>3</sup>
a. Admitted	n/a	n/a	106,100	109,948
b. Non-admitted	n/a	n/a	38,416	39,810
c. Emergency	n/a	n/a	13,657	14,153
d. Total	117,494	122,762	158,173	163,911
e. Percentage of mental health clients with outcome measures completed	n/a		n/a	65%
f. Proportion of mental health clients contacted by a Health Directorate community facility within 7 days post discharge from inpatient services <sup>4</sup>	n/a		n/a	75%

### Notes:

- National Weighted Activity Unit (NWAU) is the 'currency' that is used to express the price weights for all services that are funded on an activity basis.
- NWAU has replaced cost weighted separation and occasions of service as the activity measure following the implementation of the NHRA.
- NWAU {12} is the currency as defined by the Independent Hospital Pricing Authority in the National Efficient Price Determination 2012-13. NWAU {13} is the currency as defined by the Independent Hospital Pricing Authority in the National Price Determination 2013-14.
- These measures combine the results for Canberra Hospital and Calvary Public Hospital. They were reported separately in 2012-13.

### Output Measures No Longer Used

The following output measures are being removed for 2013-14 as both Calvary Hospital and Clare Holland House National Weighted Activity Units (NWAU) are included in the above indicators. In addition, NWAU has replaced cost weighted separation and occasions of service as the activity measure following the implementation of the NHRA.

	2012-13 Targets	2012-13 Est. Outcome	2013-14 Targets
<b>Output 1.1: Acute Services – Calvary Public Hospital</b>			
<b>Patient activity</b>			
a. Cost weighted patient separations	24,844	22,860	n/a
b. Non-admitted occasions of service	53,736	n/a	n/a
c. Percentage of category one elective surgery patients who receive surgery within 30 days of listing <sup>1</sup>	97%	97%	n/a

	2012-13 Targets	2012-13 Est. Outcome	2013-14 Targets
<b>Output 1.2: Mental Health – Calvary Public Hospital</b>			
<b>Patient activity</b>			
a. Cost weighted separations	1,424	1,353	n/a
b. Admitted patient separations	670	637	n/a
c. Percentage of clients with outcome measures completed <sup>2</sup>	65%	90%	n/a
d. Proportion of clients contacted by a Health Directorate community facility within 7 days post discharge from inpatient services <sup>2</sup>	75%	75%	n/a

## Accountability Indicators cont.

	2012-13 Targets	2012-13 Est. Outcome	2013-14 Targets
<b>Output 1.3: Cancer Services – Calvary Public Hospital</b>			
<b>Patient activity</b>			
a. Cost weighted admitted patient separations	271	244	n/a
b. Non admitted occasions of service	2,620	2,882	n/a
	2012-13 Targets	2012-13 Est. Outcome	2013-14 Targets
<b>Output 1.4: Rehabilitation and Aged Care – Calvary Public Hospital</b>			
<b>Patient activity</b>			
a. Cost weighted admitted patient separations	789	789	n/a
b. Sub acute service – episodes of care	256	256	n/a
c. Sub acute service – occupied bed days	9,500	7,600	n/a
	2012-13 Targets	2012-13 Est. Outcome	2013-14 Targets
<b>Output 1.5: Clare Holland House</b>			
Cost weighted patient separations	618	618	n/a

### Notes:

1. This measure is now reported in Strategic Objective 1.
2. These measures have moved to Output Class 1 accountability indicators e and f.

## Changes to Appropriation

### Changes to Appropriation – Controlled

	2012-13 Est. Out. \$'000	2013-14 Budget \$'000	2014-15 Estimate \$'000	2015-16 Estimate \$'000	2016-17 Estimate \$'000
<b>Government Payment for Outputs</b>					
<b>2012-13 Budget</b>	<b>429,135</b>	<b>408,964</b>	<b>430,715</b>	<b>455,024</b>	<b>455,024</b>
<b>2nd Appropriation</b>					
Payments under the National Health Reform Agreement	113,147	-	-	-	-
<b>2013-14 Budget Policy Adjustments</b>					
Savings – Increase in Cross Border Revenue	-	(3,000)	(3,063)	(3,127)	(3,193)
<b>2013-14 Budget Technical Adjustments</b>					
Revised Indexation Parameters	-	-	-	-	11,376
Rebase ACT Local Hospital Network Based on In-scope Services	-	143,336	141,550	148,171	169,432
Commonwealth Grant – Cross Border Payments	31,688	-	-	-	-
National Healthcare SPP	-	754	(2,264)	(5,925)	-
Transfer – National Healthcare SPP from Health Directorate	2,618	-	-	-	-
<b>2013-14 Budget</b>	<b>576,588</b>	<b>550,054</b>	<b>566,938</b>	<b>594,143</b>	<b>632,639</b>

## ACT Local Hospital Network Operating Statement

2012-13 Budget \$'000		2012-13 Est. Outcome \$'000	2013-14 Budget \$'000	Var %	2014-15 Estimate \$'000	2015-16 Estimate \$'000	2016-17 Estimate \$'000
<b>Income</b>							
<b>Revenue</b>							
429,135	Government Payment for Outputs	576,588	550,054	-5	566,938	594,143	632,639
120,000	User Charges – Non ACT Government	66,302	76,750	16	79,249	81,053	82,896
169,605	Grants from the Commonwealth	68,451	279,536	308	318,438	360,980	407,623
<b>718,740</b>	<b>Total Revenue</b>	<b>711,341</b>	<b>906,340</b>	<b>27</b>	<b>964,625</b>	<b>1,036,176</b>	<b>1,123,158</b>
<b>718,740</b>	<b>Total Income</b>	<b>711,341</b>	<b>906,340</b>	<b>27</b>	<b>964,625</b>	<b>1,036,176</b>	<b>1,123,158</b>
<b>Expenses</b>							
696,592	Grants and Purchased Services	696,592	886,520	27	944,072	1,014,777	1,100,900
17,418	Other Expenses	10,019	14,420	44	14,853	15,299	15,758
4,730	Transfer Expenses	4,730	5,400	14	5,700	6,100	6,500
<b>718,740</b>	<b>Total Ordinary Expenses</b>	<b>711,341</b>	<b>906,340</b>	<b>27</b>	<b>964,625</b>	<b>1,036,176</b>	<b>1,123,158</b>
<b>0</b>	<b>Operating Result</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>0</b>	<b>Total Comprehensive Income</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0</b>

## ACT Local Hospital Network Balance Sheet

Budget as at 30/6/13 \$'000		Est. Outcome as at 30/6/13 \$'000	Budget as at 30/6/14 \$'000	Var %	Estimate as at 30/6/15 \$'000	Estimate as at 30/6/16 \$'000	Estimate as at 30/6/17 \$'000
<b>0</b>	<b>NET ASSETS</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>REPRESENTED BY FUNDS EMPLOYED</b>							
<b>0</b>	<b>TOTAL FUNDS EMPLOYED</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0</b>

**ACT Local Hospital Network  
Statement of Changes in Equity**

Budget as at 30/6/13 \$'000	Est. Outcome as at 30/6/13 \$'000	Budget as at 30/6/14 \$'000	Var %	Estimate as at 30/6/15 \$'000	Estimate as at 30/6/16 \$'000	Estimate as at 30/6/17 \$'000	
0	Total Movement in Reserves	0	0	-	0	0	0
0	Balance at the End of the Reporting Period	0	0	-	0	0	0

**ACT Local Hospital Network  
Cash Flow Statement**

2012-13 Budget \$'000	2012-13 Est. Outcome \$'000	2013-14 Budget \$'000	Var %	2014-15 Estimate \$'000	2015-16 Estimate \$'000	2016-17 Estimate \$'000	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Receipts</b>							
429,135	Cash from Government for Outputs	576,588	550,054	-5	566,938	594,143	632,639
120,000	User Charges	66,302	76,750	16	79,249	81,053	82,896
169,605	Grants Received from the Commonwealth	68,451	279,536	308	318,438	360,980	407,623
<b>718,740</b>	<b>Operating Receipts</b>	<b>711,341</b>	<b>906,340</b>	<b>27</b>	<b>964,625</b>	<b>1,036,176</b>	<b>1,123,158</b>
<b>Payments</b>							
696,592	Grants and Purchased Services	696,592	886,520	27	944,072	1,014,777	1,100,900
4,730	Payments to GGS Agencies for Outputs	4,730	5,400	14	5,700	6,100	6,500
17,418	Other	10,019	14,420	44	14,853	15,299	15,758
<b>718,740</b>	<b>Operating Payments</b>	<b>711,341</b>	<b>906,340</b>	<b>27</b>	<b>964,625</b>	<b>1,036,176</b>	<b>1,123,158</b>
0	<b>NET CASH INFLOW/ (OUTFLOW) FROM OPERATING ACTIVITIES</b>	0	0	-	0	0	0
0	<b>CASH AT THE BEGINNING OF REPORTING PERIOD</b>	0	0	-	0	0	0
0	<b>CASH AT THE END OF REPORTING PERIOD</b>	0	0	-	0	0	0

## Notes to the Budget Statements

Significant variations are as follows:

### *Operating Statement*

- government payment for outputs:
  - the increase of \$147.453 million in the 2012-13 estimated outcome from the original budget is due to delays in the establishment of the ACT State Pool account under the NHRA and a change to the flow of funding from NSW for cross border health costs; and
  - the decrease of \$26.534 million in the 2013-14 Budget from the 2012-13 estimated outcome reflects a rebasing of the services classified as in-scope of the NHRA. This is offset by the full year operation of the ACT State Pool account.
- user charges — non ACT Government:
  - the decrease of \$53.698 million in the 2012-13 estimated outcome from the original budget is due to a change in the flow of funding from NSW for cross border health costs. The Commonwealth proportion of cross border activity is now paid through Grants from the Commonwealth; and
  - the increase of \$10.448 million in the 2013-14 Budget from the 2012-13 estimated outcome relates to growth in activity for treatment of interstate patients.
- grants from the Commonwealth:
  - the decrease of \$101.154 million in the 2012-13 estimated outcome from the original budget is due to delays in the establishment of the ACT State Pool account under the NHRA, offset by a change to the flow of funding from NSW for cross border health costs; and
  - the increase of \$211.085 million in the 2013-14 Budget from the 2012-13 estimated outcome reflects the full year operation of the ACT State Pool account under the NHRA.
- grants and purchased services: the increase of \$189.928 million in the 2013-14 Budget from the 2012-13 estimated outcome, is mainly due to a rebasing of the services classified as in-scope of the NHRA.
- other expenses:
  - the decrease of \$7.399 million in the 2012-13 estimated outcome from the original budget is due to a change to the flow of funding from NSW for cross border health costs; and
  - the increase of \$4.401 million in the 2013-14 Budget from the 2012-13 estimated outcome reflects the full year operation of the ACT State Pool account under the NHRA.
- transfer expenses: the increase of \$0.670 million in the 2013-14 Budget from the 2012-13 estimated outcome reflects the on-passing of Commonwealth public health funding to the Health Directorate.

*Balance Sheet*

There are no significant variances in the Balance Sheet.

*Statement of Changes in Equity*

There are no significant variances in the Statement of Changes in Equity.

*Cash Flow Statement*

Variations in the statement are explained in the notes above.