



**WAITAKI DISTRICT HEALTH SERVICES LTD**

## **Interim Report**

**Half Year End December 2020**



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## **Chair and CEO Report**

It is our pleasure to present the interim report as Chair and CEO of Waitaki District Health Services Limited (WDHSL), for the first half of the 2020-21 financial year.

The ongoing global pandemic, Covid-19, continues to impact every facet of how we live and how we deliver healthcare services. Against this backdrop, WDHSL has made some strong progress in 'righting the ship', building the critical foundations for a 'fit for purpose' organisation which we can build on to deliver to our core purpose:

***"To champion, provide, and enable sustainable, trusted, quality health services for our community."***

Looking back on the first half of the 2020-21 financial year, WDHSL is tracking well with key strategic initiatives which support delivery of our core purpose, and our new vision to be:

***"New Zealand's best Rural healthcare provider."***

Although we still continue to face challenges in achieving a sustainable operating position, foundational work done in the first six months will place us well for the second half of the year and a return to underlying fiscal sustainability in the 2021-22 financial year. That said, WDHSL continues to face funding challenges, as well as inflationary pressures on its underlying cost base.

## **The Half Year in Review – Strategy Reset**

The 2020-21 financial year has been significant for WDHSL.

In late August 2020, we welcomed a new CEO and Clinical Director to lead the organisation. With new leadership the Board and Management refreshed the WDHSL strategy (summarised below) to balance new management perspectives with existing Board priorities. Centered around the delivery of the core purpose, the strategy features five strategic pillars, on which we are building WDHSL's future:

1. Develop Waitaki Model of Care – Rural / community focused healthcare fit to the needs of the Waitaki; sustainably delivered quality health outcomes in the best way, at the best time, in the best place, and with the best team.
2. Transform Culture – Build capability to drive a high-performance learning environment that is capable of delivering the new Model of Care in a culturally responsive way; ensuring that WDHSL is a great place to work.
3. Drive Sustainable Outcomes – Shared goals, balanced priorities, and investment aimed at financial sustainability.

4. Improve Population Health – Through community-led initiatives, better insight, and data, develop improved community understanding to drive proactive health outreach and care.
5. Leverage our Group – Work with other rural hospitals, SDHB and our Council as together we are stronger.

The nature of New Zealand’s healthcare environment is currently very fluid and will be influenced by factors including, but not limited to, the Health and Disability Systems reforms (i.e., stemming from the Simpson Review), accelerating technology change, and changing consumer dynamics. Our strategy will need to be firm in the early years, and directional as we project out, so we can pivot to this rapidly changing landscape.

Accordingly, WDHSL’s strategy is built along three development horizons:

1. ‘Steady or right the ship’ - Build basis of rural healthcare model and ensure fiscal sustainability, returning to standalone strength [Years – FY2020-21 – 2021-22];
2. ‘Pilot customer-centric initiatives’ – based on a firm foundation, start to understand new points of access to healthcare (e.g., telehealth), building relationships towards integrated healthcare service delivery (e.g., across primary and secondary healthcare) [Years – FY2021-22 – 2022-23];
3. ‘Integrated rural healthcare delivery’ - embed locally integrated healthcare delivery, across key providers, both through physical and virtual service provision/ alignment (Years – FY2023+).

### **Progress to Plan**

WDHSL continues to deliver services predominantly funded through Southern District Health Board (SDHB). The services contracted through SDHB were the same as the previous year, although additional volumes were successfully negotiated and delivered for CT scans. A shift away from SDHB dependency has been further embedded with leverage of a Rural Health Clinic funded through the Accident Compensation Corporation (ACC).

Over the last six months, Management have made significant progress in ‘righting the ship’. Key examples of progress in the first six months include:

- Refreshed strategy driving prioritization and alignment of activity across WDHSL.
- Recruited a near complete complement of permanent doctors, which is critical to ensuring continuity of care, as well as reducing the dependency on very expensive locum resources.
- Established a finance function in-house, including the recruitment of a new CFO.
- Re-engaged staff and realigned structures without adversely impacting operations.
- Re-established positive community and other stakeholder engagement, building confidence in the WDHSL brand.
- Ensured WDHSL is leveraging synergy opportunities with its shareholder, the SDHB and other rural hospitals, ranging from funding to clinical model development through procurement.

- Embedding key IT systems (e.g., MedTech and MedChart) to drive more sustainable healthcare outcomes.
- Finally, of importance to a 'community hospital', minimal fundraising activity has yielded significant benefit to the Company over the last six months.

The financial impact of progress made in the first half of the 2020-21 financial year, especially the recruitment of permanent doctors, will start to impact from the second half.

### **The Services Delivered**

Services delivered for the half year are tracking in line with the prior comparable period last year.

Activity within our services has remained high, both in clinical and non-clinical services. The following illustrates some examples of the reach into our community that Waitaki District Health Services Limited provides:

- There were **2,425** occupied bed nights during the first half year.
- **3,882** people attended the Emergency Department.
- **3,700** people came to see a Specialist at an Outpatients appointment or to receive chemotherapy, a minor procedure, or an infusion at a nurse-led clinic.
- Allied Health (incorporating Occupational Therapy, Social Work, Physiotherapy, Dietetics, Podiatry and Speech Language Therapy) had **over 2,000** contacts with our community.
- **8,525** people had a Radiological examination, being either a CT Scan, Xray, or Ultrasound.
- Our **District Nurses** visited **over 5,400** people in their homes throughout the Waitaki.
- **114** women were cared for by our maternity team with **32** births in our primary birthing facility.

### **Donations Received**

Financial donations received this year include:

- \$50,000 from the OLT through the Lion Foundation and \$50,000 from Otago Healthcare Charitable Trust towards the purchase of a new Xray machine.
- \$100,000 from the OLT through the Lion Foundation for the purchase of critical medical equipment including Neonatal Resuscitaire, a Bariatric Bed, Infusion Chairs, and a Dual Contrast Injector for our CT scanner.
- \$5,000 from Fr. Wayne Healey for the purchase of a tall person's hospital bed.
- \$500,000 from the Waitaki District Health Services Trust towards operating costs and repairs and maintenance.

### **Leadership, Board Changes and Acknowledgements**

As Chair, I am delighted to have note the appointment of three critical leadership positions within the first half of the year. Phil Jamieson, Chief Executive Officer, commenced at the end of August 2020. Phil comes to Oamaru and WDHSL from a background in Executive roles globally, across multiple sectors, with a focus on change, business improvement and stakeholder management. Dr Stu Mologne, Clinical Director, joined the team in August 2020, bringing extensive experience in rural hospital settings in New Zealand and generalist practice in the United States of America. Kelvin Kite, Chief Financial Officer, commenced with us in December bringing extensive financial experience through a background in both commercial and accountancy practice.

In January, we also welcomed Andrew Blair and Dr Scott Wilson to the WDHSL Board. Andrew joins us from an extensive background in leadership and governance roles within the New Zealand public and private healthcare sectors. Scott is a Rural Hospital Medicine specialist, who has an extensive background in rural healthcare, as a practitioner, a clinical director and in governance roles.

I would also like to acknowledge the contribution of Paul Allison, a former Chairman, and Keith Marshall, an independent Board Advisor, who both departed our Board in December 2020.

### **Acknowledgements**

In closing, we wish to acknowledge the contribution of the WDHSL Board. In turn, on behalf of the Board, thanks to our team at WDHSL for their tireless efforts over the past six months. Thanks also to the Waitaki District Council Mayor, Councilors and staff for their continued support and encouragement, and to the team at SDHB for their continued support. We look forward to a positive next six months, as we continue our journey to champion, provide, and enable sustainable, trusted, quality health services for our community.



Mark Rogers  
Chairman



Phil Jamieson  
CEO

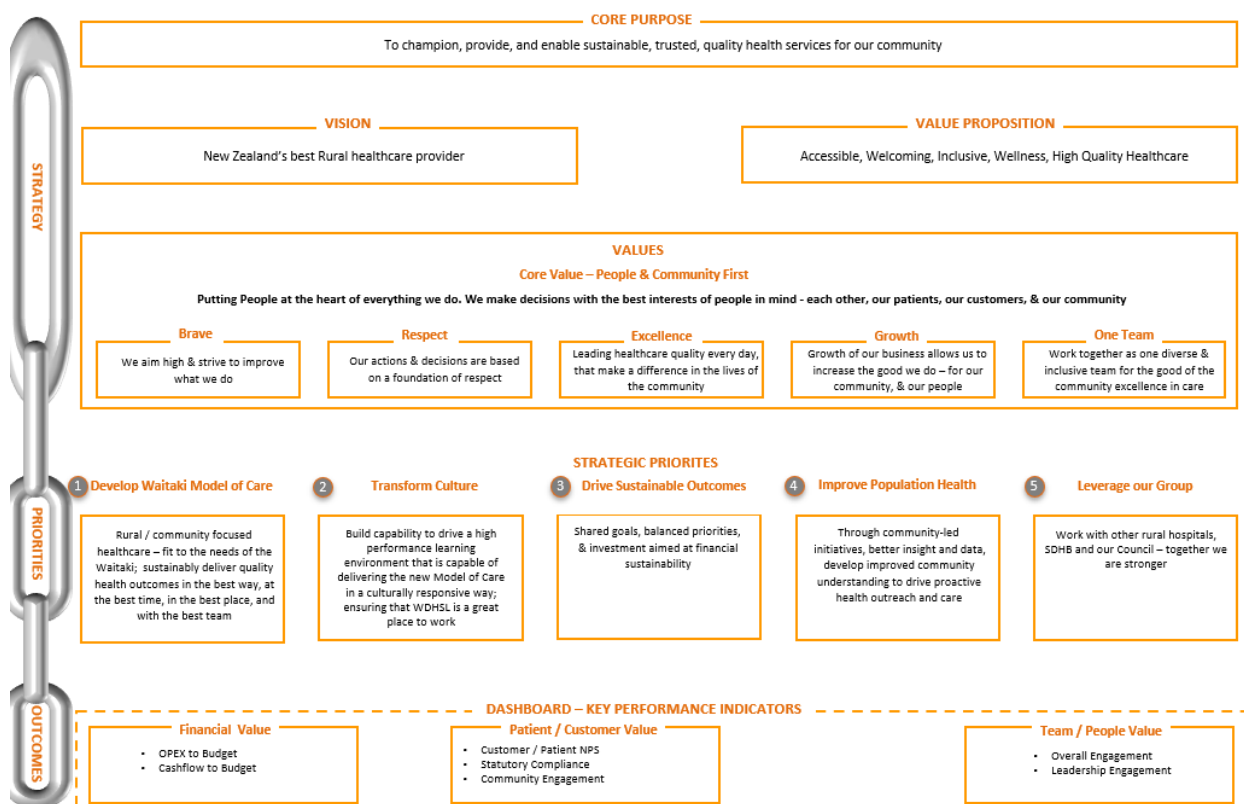
## Company Ownership

All shares in Waitaki District Health Services Limited continue to be owned by the Waitaki District Council as the community agency which facilitated the local takeover of health services when Health Care Otago withdrew from providing rural health services in 1998. The health service company took over operations at the Oamaru Hospital on 1 July 1999 operating from there until the new hospital was commissioned in 2000.

The Council represents and oversees the community interest in health services through the 'Company'. The Company is regarded as a Council-Controlled Organisation in terms of the Local Government Act 2002 and reports to the Council as the shareholder.

In terms of its constitution, the Company has non-profit-making and charitable objectives. The Company operates within a policy, as approved by Council, of returning any financial surplus that can be achieved to the Waitaki District Community in the form of additional or enhanced health services.

## Company Strategy on a Page





## Summary of Performance

Below is a summary of achievement against the three-year Performance Targets and Measures as outlined in the Statement of Intent:

PERFORMANCE TARGET	STATUS/ACHIEVEMENT																														
Ensure services are clinically excellent, financially sustainable and delivered by staff working in safe working environments	<b>Achieved and Ongoing.</b> The development in knowledge and skills of our clinical staff is ongoing and Waitaki District Health Services continues to support opportunities for professional development. This outcome is also supported by the recruitment of permanent doctors																														
Operate and provide planned services within budgeted income, including services contract income with the Southern District Health Board and income from other contracted sources.	Services are <b>not yet provided</b> within budgeted income. A deficit was driven primarily by the continuing impact of operational turnaround activities. A preliminary Budget for FY2021-22 aims for a return to a break-even position																														
Achieve a break-even or better result after prudent provision for assets, depreciation, and replacement, and for future trading requirements.																															
Update the Company's Business Plan on an annual basis.	<b>Achieved:</b> Business plan submitted to, and ratified by, the Waitaki District Council.																														
Meet service standards required under Southern District Health Board contractual arrangements with the Company, by maintaining the following certifications:	<b>All Achieved.</b> IANZ is pending due to the delay in the delivery of our new Ultrasound machine (covid-19 logistics delays)																														
<table border="1" data-bbox="244 1400 1313 1709"> <tbody> <tr> <td>1</td> <td>Health &amp; Disability Sector Standards Certification for the hospital</td> <td>✓</td> </tr> <tr> <td>2</td> <td>Baby Friendly Hospital Initiative Certification for Maternity</td> <td>✓</td> </tr> <tr> <td>3</td> <td>International Accreditation New Zealand (IANZ) Certification for Radiology</td> <td>Pending</td> </tr> <tr> <td>4</td> <td>Building Warrant of Fitness certification</td> <td>✓</td> </tr> <tr> <td>5</td> <td>Building Act 2004 Compliance Schedule</td> <td>✓</td> </tr> <tr> <td>6</td> <td>Registration for Food Control Plan for the hospital kitchen</td> <td>✓</td> </tr> <tr> <td>7</td> <td>Stationary Container System Test Certificate</td> <td>✓</td> </tr> <tr> <td>8</td> <td>Hazardous Substances Location Test Certificate</td> <td>✓</td> </tr> <tr> <td>9</td> <td>Approved Handlers Test Certificate</td> <td>✓</td> </tr> <tr> <td>10</td> <td>Cold Chain Accreditation</td> <td>✓</td> </tr> </tbody> </table>	1	Health & Disability Sector Standards Certification for the hospital	✓	2	Baby Friendly Hospital Initiative Certification for Maternity	✓	3	International Accreditation New Zealand (IANZ) Certification for Radiology	Pending	4	Building Warrant of Fitness certification	✓	5	Building Act 2004 Compliance Schedule	✓	6	Registration for Food Control Plan for the hospital kitchen	✓	7	Stationary Container System Test Certificate	✓	8	Hazardous Substances Location Test Certificate	✓	9	Approved Handlers Test Certificate	✓	10	Cold Chain Accreditation	✓	
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Meet and observe adequate professional and technical standards in the delivery of Waitaki District Health Services by ensuring all employed, regulated health professionals hold current Annual Practising Certificates.	<b>Achieved.</b>																														
Maintain a Quality Assurance Programme to ensure adequate standards of care and services are maintained for the Company's patients.	<b>Achieved.</b>																														

Establish, where appropriate, strategic alliances with business partners and community groups in order to achieve desired outcomes for health services.	<b>Ongoing</b> – Establishing closer and more strategic relationships with key funders (e.g., SDHB and ACC), primary healthcare providers (e.g., General Practitioners and Aged Care Facilities), partnering with rural hospitals (e.g., Dunstan) and community partners.
Report to Council at half yearly and yearly intervals as required.	<b>Achieved.</b>
Communicate to staff via regular newsletters and to the wider community as and when necessary, utilising the local media.	<b>Achieved.</b>
Work with parties such as the Safer Waitaki Coalition, the Emergency Services Coordinating Committee (ESCC), the Emergency Care Coordination Team (ECCT), the Electives Operational Meeting, Stroke Governance Group that have a professional or business interest in healthcare in the Waitaki District to maintain and improve the range and quality of healthcare services in the District.	<b>Achieved and ongoing.</b>
Hold a Waitaki District Health Forum, under the Terms of Reference approved by the Board, as a public meeting at least two times a year as a means of liaison and consultation between the Hospital and the community.	<b>Achieved</b> – first forum conducted in the form of a Community open day
Complied with all policy (including tendering policy)	<b>Achieved.</b>

## Services

Waitaki District Health Services Limited is contracted to provide the following services to the community:

### Community Rehabilitation and Older Persons Services

- Dietetics
- Occupational Therapy
- Physiotherapy
- Social Work
- Speech Language Therapy
- Community Nursing (District)
- Meals on Wheels
- Assessment, Treatment and Rehabilitation - Inpatient
- Assessment, Treatment and Rehabilitation – Outpatient
- Assessment, Treatment and Rehabilitation – Day Hospital and Day Programmes
- Needs Assessment
- Diabetes Education and Care
- Diabetes Fundus (Eye) Screening
- Respiratory Education and Management
- Cardiac Education and Management
- Podiatry



### Rural Hospital Medical and Surgical Services

- Rural GP ACC services
- Community Radiology, including X-Ray, CT scan and Ultrasound
- Audiology
- Emergency Department
- General Medicine Outpatient Clinics
- Dermatology Outpatient Clinics
- Endocrinology Outpatient Clinics
- Medical Oncology Outpatient Clinics
- Rheumatology Outpatient Clinics
- Nurse-led Outpatient Clinics
- Chemotherapy Outpatient Clinics
- Rural Hospital Inpatient Services
- General Surgery Outpatient Clinics
- Minor Operations
- Ear, Nose and Throat Outpatient Clinics
- Gynecology Outpatient Clinics
- Ophthalmology Outpatient Clinics
- Orthopedic Outpatient Clinics
- Fracture Clinic

### Primary Maternity Services

- Primary Maternity Services

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The Board and Management thank the staff, the Council, and the community of Waitaki for your continued support of our critical Rural Hospital operations.

