

INTERNAL MEMORANDUM



Reference No: A6059257

To: Dr Emma McCahon, Chief Executive Officer, Central Adelaide Local Health Network

Submitted by: Dr Kathryn Zeitz, Deputy Chief Executive Officer and Executive Director, Clinical Governance, Central Adelaide Local Health Network

Endorsed by: Catherine Shadbolt, Executive Director Finance and Business Services, Central Adelaide Local Health Network

 26/08/2024

OPERATIONAL WORKFORCE STRUCTURE APPROVAL TO ENABLE RECRUITMENT

Timing: ROUTINE


Recommendations: It is recommended that you:

- Note the content of the brief to outline the required workforce to deliver the Care of the Older Person and Community Transition Service at Hampstead Rehabilitation Centre
- Note that following consultation feedback considerations that the amended model of care is anticipated to cost
- Note that a further briefing is in development to outline the capital and operational costs associated to maintenance and FFE final anticipated costs

Noted

- Approve for recruitment the listed staffing within Attachment 1

Approved / Not approved



**Chief Executive Officer,
Central Adelaide Local
Health Network**

26/08/2024

PURPOSE

1. To provide the Chief Executive Officer (CEO), Central Adelaide Local Health Network (CALHN) an outline of the annualised operational costs for the Care of the Older Person and Community Transition (CO-ACT) service to enable workforce recruitment and seek approval to recruit the listed staff as per Attachment 1.

SUMMARY

2. The CO-ACT service consultation on the model of care closed on 19 August 2024 for staff, and final discussions are underway with unions to address concerns raised. The model proposed accommodates many of the revisions and it is not currently anticipated to require further major adjustment.
3. The model has been based on maintenance care case mix, with an estimated National Weighted Activity Unit (NWAU) of 5,027 and against the 2024-25 National Efficient Price (NEP) of \$6,465 this will provide revenue of \$32.497M for a full year.
4. On 15 July 2024 the Acting CEO CALHN briefed the Chief Executive (CE) Department for Health and Wellbeing (DHW), with a response received on 19 July 2024. This briefing (A5872553) included recommendations seeking approval for
 - o release of additional commissioned funds to CALHN to deliver the service, which in the first year would require 3950 NWAU at 100% of the national efficient price at a cost of \$25.6M. CALHN would contribute 1077 NWAU at a value of \$6.963M.
 - o Consultation (to) commence on the statewide model on the late July 2024 with a two-week consultation period under the statewide code direction.
5. The recommendation for the funding release was not approved, and the consultation approval was. This was due to no further funding within the Department to allow increased commissioning, but Local Health Networks (LHNs) are able to undertake approved activity above the commissioned cap for 2024-25 and this will be considered an explainable variance.
6. Currently there is no documented workforce plan with approvals necessary to enable recruitment of positions to be undertaken. The Attachment 1 outlines the proposed positions for recruitment.

BACKGROUND

7. The timelines towards recruitment have been planned through CALHN Workforce and seek to leverage all possible learnings from other critical campaigns to optimise the lean approach.
8. The pre-advertising timeline includes:

- Confirmation of approved workforce and evidence documented against the page-up requests (by Close of Business 23 August 2024)
 - Advertisements finalised for lodgement (26 August 2024)
 - Recruitments live (29 August 2024)
9. The recruitment timeline includes:
- Initial critical roles recruitment expression (close 12 September 2024)
 - Interview and administrative offer (24 September 2024)
 - Onboarding following applicants release from existing role

COSTING COMMENT

10. The initial model of care for consultation at a cost/NWAU was equivalent to 81% of NEP including all expenditure relative to workforce (173.4 FTE), goods and services and other expenses totalling \$26.253M.
11. The revised model of care accommodating the key points of adjustment outlined below results in a cost/NWAU that is 88% of NEP outlined in Table 1 at a cost of \$28.459M (178.3FTE).
12. Key adjustments include:
- Nursing is the predominant impact with the enterprise agreement for nursing hours resulting in an increase in both NHPPD and the skill mix (to 60:40), as well as an increase in the number of Nurse Unit Managers within the proposal with a \$3.0M impact.
 - Support staff costs, previously categorised under overhead expenses, are now under Weekly Paid Staff, with a corresponding reduction in Other Expenses. These have been calculated at 50% of the current FTE allocation for Food Services and Support services and 100% of the additional FTE.
 - Meals per OBD at 100% occupancy have been added to Food Supplies; and actuals for special dietary needs relative to current site utilisation.
 - Minor downward adjustment to the shift allocation of costs for the medical officers
 - Inclusion of Dispensary Pharmacist and Technician in line with changed funding approach for SA Pharmacy.
13. Final positional adjustments may be required however these are unlikely to have significant impacts on the total cost/NWAU and would be anticipated to remain below 90% of the NEP.

Statewide Model: based on 70 beds (1C=25, 1A=20, 2CD=25)		Annual Plan \$'000	Annual Plan FTE
60:40 RN:EN NHPPD 5.12 (50) & 6.33 (20)			
ACTIVITY			
Based on Ward 1C 23/24 activity extrapolated (NWAU = 5,027)		32,497	
TOTAL ACTIVITY REVENUE		32,497	
EXPENDITURE			
Nursing - OPTION 2		10,769	81.8
Medical Officers		2,653	11.4
Weekly Paid		3,692	42.6
Salaried Employees		4,211	42.6
Contractors & Agency Staff		2,443	
Food Supplies		741	
Drug supplies		62	
Medical_ Para Med & Laboratory Supplies		379	
Housekeeping		77	
Linen Services		156	
Minor Equipment		34	
Repairs & Maintenance		29	
Fee For Service		48	
Other Supplies & Services		501	
Patient/Client Transport Assistance		122	
Other Expenses		2,542	
TOTAL EXPENDITURE		28,459	178.3
GRAND TOTAL SURPLUS/(DEFICIT)		4,038	178.3

Cost revenue ratio	88%
---------------------------	------------

ADVICE FROM OTHERS

14. Laura Grelli, Workforce Industrial Lead, CALHN
15. Brenton Johnston, Senior Business Partner, CALHN

CONSUMER, COMMUNITY CONSULTATION

16. N/A

CLINICIAN CONSULTATION

17. N/A

IMPACTS ON ANOTHER CEO OR DCE OR EXECUTIVE DIRECTOR

18. N/A

SA HEALTH REPRESENTATIVE (for meetings only)

19. N/A

ATTACHMENT(S)

Attachment 1: Workforce establishment for approval



DR KATHRYN ZEITZ
Deputy Chief Executive Officer
Executive Director, Clinical Governance
Central Adelaide Local Health Network

22 / 08 / 2024

Contact Officer: Catherine Hughes

Telephone: 0467771743

Preferred email: Catherine.Hughes@sa.gov.au