

# Statement of Priorities

2018–19 Agreement between the Minister for Health and  
Latrobe Regional Hospital

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# Background

Statements of Priorities are key accountability agreements between Government and Victorian publicly funded health, mental health and ambulance services. The content and process for preparation and agreement of the annual Statement of Priorities is consistent with sections 65ZFA, 65ZFB and section 26 of the Health Services Act 1988.

Statements of Priorities are consistent with the health services' strategic plans and aligned to government policy directions and priorities. The annual agreements support the delivery of, or substantial progress towards the key shared objectives of quality and safety, good governance and leadership, access and timeliness, and financial sustainability.

A Statement of Priorities consists of four parts:

- Part A provides an overview of the service profile, strategic priorities and deliverables the health service will achieve in the year ahead.
- Part B lists the performance priorities and agreed targets.
- Part C lists funding and associated activity.
- Part D forms the service agreement between each health service and the state of Victoria for the purposes of the National Health Reform Agreement.

Performance expectations and mechanisms used by the Department of Health and Human Services to monitor and manage performance are described in the *Victorian Health Service Performance Monitoring Framework 2018-19*.

High standards of governance, transparency and accountability are essential. In this context, the Victorian Government commits to publish Statements of Priorities by 1 November each year and place more data about the performance of our health system into the public domain.

# Strategic priorities

The Victorian Government is responsible for ensuring that a wide range of health services are delivered to the Victorian community. The Department of Health and Human Services (the department) develops policy, funds and regulates health services and activities that promote and protect the health of Victorians. Through the department, the government funds more than 500 organisations to provide various health services to Victorians.

## Government commitments

The *Victorian Budget 2018-19* provides an extra \$2.77 billion over 5 years for health, mental health, ambulance and aged care services across Victoria, including:

- \$1.6 billion over four years to meet hospital services demand to respond to growing patient demand across Victoria
- \$583.8 million over four years for mental health and drug services
- \$362.2 million over four years to improve access to elective surgery, to respond to demand, reduce waiting times and to maintain the current performance of Victoria's health service system.
- \$50 million (in 2017-18) for a *Winter Blitz* package to support health services to prepare for the 2018 winter flu season.
- \$55.1 million over four years for an additional 90 paramedics to meet increases in demand for ambulance services.

To support this investment, the Andrews Labor Government is funding a \$1.3 billion acute health capital, infrastructure and equipment program.

This investment will support the implementation of Health 2040: advancing health, access and care - which presents a clear vision for the health and wellbeing of Victorians and for the Victorian healthcare system.

# Part A: Strategic overview

## Mission statement

We will be a leading regional healthcare provider delivering timely, high quality accessible, integrated and responsive services to the Gippsland community.

## Service profile

Latrobe Regional Hospital is a fully integrated regional public health service and teaching hospital located at Traralgon West.

The hospital is affiliated with Monash University and Federation University. It cares for a population of more than 73,000 in the Latrobe Valley and almost 260,000 across Gippsland.

The hospital has an extensive range of services including acute health, sub-acute, aged care and mental health.

There are eight community mental health services located across the Gippsland region, which complement inpatient care.

Regional services also include medical and radiation oncology, orthopaedics and adult and paediatric telehealth.

Gross operating revenue is approximately \$258.5M.

A \$79 million expansion of Latrobe Regional Hospital's services (including \$73 million of state government funding) which included a hybrid cardiac catheterisation laboratory, larger Emergency Department, two 32-bed acute inpatient units, medical imaging and new main entrance, opened to the public in November 2017.

The installation of the cardiac catheterisation laboratory has led to the expansion of cardiac services for the Gippsland region in partnership with Alfred Health.

Refurbishment of maternity and paediatric services is underway following the allocation of \$2.62 million from the Victorian Government through the Regional Health Infrastructure Fund.

Paediatric rooms are being remodelled and the number of cots in the special care nursery doubled to boost the hospital's capacity to deliver neonatal care.

Further projects for expansion or redevelopment have been developed and will be submitted for consideration to accommodate regional expectations in accordance with Latrobe Regional Hospital's status as a designated Public Health Service.

## Strategic planning

The Latrobe Regional Hospital Strategic Plan is available online at: <http://www.lrh.com.au/about-lrh/organisational-information/vision-values-strategic-direction>

## Strategic priorities

In 2018–19 Latrobe Regional Hospital will contribute to the achievement of the Victorian Government's commitments by:

Goals	Strategies	Health Service Deliverables
<p><b>Better Health</b></p> <p>A system geared to prevention as much as treatment</p> <p>Everyone understands their own health and risks</p> <p>Illness is detected and managed early</p> <p>Healthy neighbourhoods and communities encourage healthy lifestyles</p>	<p><b>Better Health</b></p> <p>Reduce statewide risks</p> <p>Build healthy neighbourhoods</p> <p>Help people to stay healthy</p> <p>Target health gaps</p>	<p>Evaluate the effectiveness of improving birth outcomes for the newly developed "enhanced maternity clinic" to ensure health is optimised and further opportunities explored.</p>
		<p>Enhance the recently implemented multidisciplinary paediatric outpatient diabetes service.</p>
		<p>Utilise and embed the tools of the Strengthening Hospital Responses to Family Violence (SHRFV) including implementing the action plan with a focus on training, building skills and knowledge in screening, identifying and responding to FV and expanding the program into the clinical mental health service.</p>
		<p>Implement the LRH Smoking Reduction Working Group action plan and the smoke free policy and in collaboration with regional health services deliver smoke free sites across Gippsland which encourage and support patients and staff to quit smoking.</p>
<p><b>Better Access</b></p> <p>Care is always there when people need it</p>	<p><b>Better Access</b></p> <p>Plan and invest</p> <p>Unlock innovation</p>	<p>Participate in the Better Care Victoria Patient Flow Partnership to improve access to care by redesigning models of care.</p>

Goals	Strategies	Health Service Deliverables
<p>More access to care in the home and community</p> <p>People are connected to the full range of care and support they need</p> <p>There is equal access to care</p>	<p>Provide easier access</p> <p>Ensure fair access</p>	<p>Increase the capability of the region's cardiology service with the inclusion of invasive and non-invasive diagnostic and intervention services offered from the Cardiac Catheterisation Laboratory and expand on work done with the Clinical Referral Pathways Project for Cardiac Services to other specialties for patients transferred to tertiary hospital and to others in the Gippsland region for care.</p> <p>Undertake re-design of the mental health system to support improved access through community mental health programs, mental health and police response and bed based recovery programs.</p> <p>Expand strategies to support a culturally diverse workplace which is supportive of the diverse health needs of Aboriginal and Torres Strait Islanders</p>
<p><b>Better Care</b></p> <p>Target zero avoidable harm</p> <p>Healthcare that focusses on outcomes</p> <p>Patients and carers are active partners in care</p> <p>Care fits together around people's needs</p>	<p><b>Better Care</b></p> <p>Put quality first</p> <p>Join up care</p> <p>Partner with patients</p> <p>Strengthen the workforce</p> <p>Embed evidence</p> <p>Ensure equal care</p>	<p>Increase the awareness, screening and completion of appropriate Advance Care Directives, ensure systems are in place to support staff across the organisation understand current legislation.</p> <p>Reduce the rates of avoidable harm by suicide through progressing the implementation of the Zero Suicide Framework across LRH focusing on screening, evidence based interventions, training, care pathways and evaluation. Participate in the place based suicide prevention trials in Latrobe City and Bass Coast Shire.</p>

Goals	Strategies	Health Service Deliverables
		Implement the evidence based 'Choosing Wisely' initiative in partnership with clinicians and consumers through the Better Care Victoria Collaborative.
<b>Specific 2018-19 priorities (mandatory)</b>	<b>Disability Action Plans</b> Draft disability action plans are completed in 2018-19.	Submit a draft Disability Action Plan to the department by 30 June 2019 and outline the approach to full implementation of the plan within three years of publication.
	<b>Volunteer engagement</b> Ensure that the health service executives have appropriate measures to engage and recognise volunteers.	Undertake a benchmarking exercise with peers and the peak bodies to recognise additional opportunities for volunteer engagement with executive and expand on the current program's recognition of service to include reporting of the volunteer program within the governance structure and regular articles in the LRH+You.
	<b>Bullying and harassment</b> Actively promote positive workplace behaviours and encourage reporting. Utilise staff surveys, incident reporting data, outcomes of investigations and claims to regularly monitor and identify risks related to bullying and harassment, in particular include as a regular item in Board and Executive meetings. Appropriately investigate all reports of bullying and harassment and ensure there is a feedback mechanism to staff involved and the broader health service staff.	Provide organisational wide training to promote positive behaviours amongst staff and reduce incidents of workplace bullying and harassment. Increase staff understanding and awareness of legislative and policy requirements and ensure governance via regular reporting through the Organisational Development Committee through to the Executive and Board.

Goals	Strategies	Health Service Deliverables
	<p><b>Occupational violence</b></p> <p>Ensure all staff who have contact with patients and visitors have undertaken core occupational violence training, annually. Ensure the department's occupational violence and aggression training principles are implemented.</p>	<p>Deliver the 2018–19 Occupational Violence and Aggression Prevention Implementation Plan which includes key focus areas of health service design, education, safety devices, policies, workforce development, reporting and monitoring and prevention activities.</p>
	<p><b>Environmental Sustainability</b></p> <p>Actively contribute to the development of the Victorian Government's policy to be net zero carbon by 2050 and improve environmental sustainability by identifying and implementing projects, including workforce education, to reduce material environmental impacts with particular consideration of procurement and waste management, and publicly reporting environmental performance data, including measureable targets related to reduction of clinical, sharps and landfill waste, water and energy use and improved recycling.</p>	<p>Initiate strategies to deliver a reduction in electricity and gas consumption across the organisation via energy efficiency improvements. Implement sustainable waste management systems to provide better social, environmental and economic value for the organisation and the community.</p>
	<p><b>LGBTI</b></p> <p>Develop and promulgate service level policies and protocols, in partnership with LGBTI communities, to avoid discrimination against LGBTI patients, ensure appropriate data collection, and actively promote rights to free expression of gender and sexuality in healthcare settings.</p>	<p>Progress the implementation of the e-Quality Action Plan based on our recent self-assessment and work towards Rainbow Tick accreditation.</p>

## Part B: Performance Priorities

The *Victorian Health Services Performance monitoring framework* outlines the Government's approach to overseeing the performance of Victorian health services.

Changes to the key performance measures in 2018-19 strengthen the focus on high quality and safe care, organisational culture, patient experience and access and timeliness in line with Ministerial and departmental priorities.

Further information is available at [www2.health.vic.gov.au/hospitals-and-health-services/funding-performance-accountability](http://www2.health.vic.gov.au/hospitals-and-health-services/funding-performance-accountability)

### High quality and safe care

Key performance indicator	Target
<b>Accreditation</b>	
Accreditation against the National Safety and Quality Health Service Standards	Accredited
Compliance with the Commonwealth's Aged Care Accreditation Standards	Accredited
<b>Infection prevention and control</b>	
Compliance with the Hand Hygiene Australia program	80%
Percentage of healthcare workers immunised for influenza	80%
<b>Patient experience</b>	
Victorian Healthcare Experience Survey – percentage of positive patient experience responses	95%
Victorian Healthcare Experience Survey – percentage of very positive responses to questions on discharge care	75%
Victorian Healthcare Experience Survey – patients perception of cleanliness	70%
<b>Healthcare associated infections (HAI's)</b>	
Number of patients with surgical site infection	No outliers
Number of patients with ICU central-line-associated bloodstream infection (CLABSI)	Nil
Rate of patients with SAB <sup>1</sup> per occupied bed day	≤ 1/10,000
<b>Adverse events</b>	
Sentinel events – root cause analysis (RCA) reporting	All RCA reports submitted within 30 business days
Unplanned readmission hip replacement	Annual rate ≤ 2.5%
<b>Mental Health</b>	
Percentage of adult acute mental health inpatients who are readmitted within 28 days of discharge	14%
Rate of seclusion events relating to a child and adolescent acute mental health admission	≤ 15/1,000
Rate of seclusion events relating to an adult acute mental health admission	≤ 15/1,000

<sup>1</sup> SAB is Staphylococcus Aureus Bacteraemia

Key performance indicator	Target
Rate of seclusion events relating to an aged acute mental health admission	≤ 15/1,000
Percentage of child and adolescent acute mental health inpatients who have a post-discharge follow-up within seven days	80%
Percentage of adult acute mental health inpatients who have a post-discharge follow-up within seven days	80%
Percentage of aged acute mental health inpatients who have a post-discharge follow-up within seven days	80%
<b>Maternity and Newborn</b>	
Rate of singleton term infants without birth anomalies with APGAR score <7 to 5 minutes	≤ 1.4%
Rate of severe foetal growth restriction (FGR) in singleton pregnancy undelivered by 40 weeks	≤ 28.6%
Proportion of urgent maternity patients referred for obstetric care to a level 4, 5 or 6 maternity service who were booked for a specialist clinic appointment within 30 days of accepted referral	100%
<b>Continuing Care</b>	
Functional independence gain from an episode of rehabilitation admission to discharge relative to length of stay	≥ 0.645

## Strong governance, leadership and culture

Key performance indicator	Target
<b>Organisational culture</b>	
People matter survey - percentage of staff with an overall positive response to safety and culture questions	80%
People matter survey – percentage of staff with a positive response to the question, “I am encouraged by my colleagues to report any patient safety concerns I may have”	80%
People matter survey – percentage of staff with a positive response to the question, “Patient care errors are handled appropriately in my work area”	80%
People matter survey – percentage of staff with a positive response to the question, “My suggestions about patient safety would be acted upon if I expressed them to my manager”	80%
People matter survey – percentage of staff with a positive response to the question, “The culture in my work area makes it easy to learn from the errors of others”	80%
People matter survey – percentage of staff with a positive response to the question, “Management is driving us to be a safety-centred organisation”	80%
People matter survey – percentage of staff with a positive response to the question, “This health service does a good job of training new and existing staff”	80%
People matter survey – percentage of staff with a positive response to the question, “Trainees in my discipline are adequately supervised”	80%
People matter survey – percentage of staff with a positive response to the question, “I would recommend a friend or relative to be treated as a patient here”	80%

## Timely access to care

Key performance indicator	Target
<b>Emergency care</b>	
Percentage of patients transferred from ambulance to emergency department within 40 minutes	90%
Percentage of Triage Category 1 emergency patients seen immediately	100%
Percentage of Triage Category 1 to 5 emergency patients seen within clinically recommended time	80%
Percentage of emergency patients with a length of stay in the emergency department of less than four hours	81%
Number of patients with a length of stay in the emergency department greater than 24 hours	0
<b>Elective surgery</b>	
Percentage of urgency category 1 elective surgery patients admitted within 30 days	100%
Percentage of urgency category 1,2 and 3 elective surgery patients admitted within clinically recommended time	94%
Percentage of patients on the waiting list who have waited longer than clinically recommended time for their respective triage category	5% or 15% proportional improvement from prior year
Number of patients on the elective surgery waiting list <sup>2</sup>	900
Number of hospital initiated postponements per 100 scheduled elective surgery admissions	≤ 7 /100
Number of patients admitted from the elective surgery waiting list	5,446
<b>Specialist clinics</b>	
Percentage of urgent patients referred by a GP or external specialist who attended a first appointment within 30 days	100%
Percentage of routine patients referred by GP or external specialist who attended a first appointment within 365 days	90%

<sup>2</sup> the target shown is the number of patients on the elective surgery waiting list as at 30 June 2019

## Effective financial management

Key performance indicator	Target
<b>Finance</b>	
Operating result (\$m)	\$1 million
Average number of days to paying trade creditors	60 days
Average number of days to receiving patient fee debtors	60 days
Public and Private WIES <sup>3</sup> activity performance to target	100%
Adjusted current asset ratio	0.7 or 3% improvement from health service base target
Forecast number of days a health service can maintain its operations with unrestricted available cash (based on end of year forecast)	14 days
Actual number of days a health service can maintain its operations with unrestricted available cash, measured on the last day of each month.	14 days
Measures the accuracy of forecasting the Net result from transactions (NRFT) for the current financial year ending 30 June.	Variance ≤ \$250,000

<sup>3</sup> WIES is a Weighted Inlier Equivalent Separation

## Part C: Activity and funding

The performance and financial framework within which state government-funded organisations operate is described in 'Volume 2: Health operations 2018–19 of the *Department of Health and Human Services Policy and funding guidelines 2018*.

The *Policy and funding guidelines* are available at <https://www2.health.vic.gov.au/about/policy-and-funding-guidelines>

Further information about the Department of Health and Human Services' approach to funding and price setting for specific clinical activities, and funding policy changes is also available at

<https://www2.health.vic.gov.au/hospitals-and-health-services/funding-performance-accountability/pricing-funding-framework/funding-policy>

Funding type	Activity	Budget (\$'000)
<b>Acute Admitted</b>		
WIES Public	23,416	113,168
WIES Private	2,057	7,323
WIES DVA	188	955
WIES TAC	108	461
Other Admitted		1,676
<b>Acute Non-Admitted</b>		
Emergency Services		11,068
Home Enteral Nutrition	185	39
Specialist Clinics	24,014	5,738
Specialist Clinics - DVA		57
Other non-admitted		1,230
<b>Subacute &amp; Non-Acute Admitted</b>		
Subacute WIES - Rehabilitation Public	521	5,506
Subacute WIES - Rehabilitation Private	101	992
Subacute WIES - GEM Public	282	2,987
Subacute WIES - GEM Private	82	809
Subacute WIES - Palliative Care Public	88	929
Subacute WIES - Palliative Care Private	10	100
Subacute WIES - DVA	44	562
Transition Care - Bed days	8,381	1,298
Transition Care - Home days	6,956	395
<b>Subacute Non-Admitted</b>		
Health Independence Program - Public	29,904	6,526

<b>Funding type</b>	<b>Activity</b>	<b>Budget (\$'000)</b>
Health Independence Program - DVA		0
Victorian Artificial Limb Program		678
Subacute Non-Admitted Other		1,736
<b>Mental Health and Drug Services</b>		
Mental Health Ambulatory	69,263	28,987
Mental Health Inpatient - Available bed days	16,801	12,336
Mental Health Inpatient - Secure Unit	2,191	1,253
Mental Health Residential	3,653	369
Mental Health Service System Capacity	566	718
Mental Health Subacute	8,768	3,855
Mental Health Other		1,149
Drug Services		138
<b>Primary Health</b>		
Community Health / Primary Care Programs		737
Community Health Other		2,231
<b>Other</b>		
Health Workforce	98	4,913
Other specified funding		3,232
<b>Total Funding</b>		<b>224,152</b>

## Part D: Commonwealth funding contribution

The Victorian health system has faced a number of changes to Commonwealth funding since 2012–13. The changes to the funding arrangements announced in the 2014–15 Commonwealth Budget will continue to be applicable for the period 1 July 2018 to 30 June 2019 with funding continued to be linked to actual activity levels.

The Commonwealth funding contribution outlined the 2018–19 Commonwealth Budget was based on estimates and has since been updated by the Administrator of the National Health Funding Pool, based on latest activity estimates from States and Territories. However, given that final funding amounts are based on actual activity, there may be adjustments to funding throughout the year as a result of reconciliations and other factors outlined below.

Period: 1 July 2018 – 30 June 2019

	Service category	Estimated National Weighted Activity Units (NWAU18)	Total funding (\$'000)
Activity based funding	Acute admitted services	23,641	177,589
	Admitted mental health services	4,826	
	Admitted subacute services	3,403	
	Emergency services	4,486	
	Non-admitted services	2,356	
Block Funding	Non-admitted mental health services	-	39,719
	Teaching, training and research		
	Other non-admitted services		
Other Funding		-	5,538
<b>Total</b>		<b>38,713</b>	<b>222,846</b>

Note:

- Estimated National Weighted Activity Unit may be amended by the Department following the finalisation of the 2016–17 reconciliation by the Administrator of the National Health Funding Pool.
- Activity loadings are included in the Estimated National Weighted Activity Units (i.e. Paediatric, Indigenous, Remoteness, Intensive Care Unit, Private Patient Service Adjustment, and Private Patient Accommodation Adjustment).
- In situations where a change is required to Part D, changes to the agreement will be actioned through an exchange of letters between the Department and the Health Service Chief Executive Officer.

Ambulance Victoria and Dental Health Services Victoria do not receive a Commonwealth funding contribution under the National Health Reform Agreement. Dental Health Services Victoria receives Commonwealth funding through the National Partnership Agreement.

# Accountability and funding requirements

The health service must comply with:

- All laws applicable to it;
- The National Health Reform Agreement;
- All applicable requirements, policies, terms or conditions of funding specified or referred to in the Department of Health and Human Services policy and funding guidelines 2018;
- Policies and procedures and appropriate internal controls to ensure accurate and timely submission of data to the Department of Health and Human Services;
- All applicable policies and guidelines issued by the Department of Health and Human Services from time to time and notified to the health service;
- Where applicable, all terms and conditions specified in an agreement between the health service and the Department of Health and Human Services relating to the provision of health services which is in force at any time during the 2018-19 financial year; and
- Relevant standards for particular programs which have been adopted e.g. International Organisation for Standardisation standards and AS/NZS 4801:2001, Occupational Health and Safety Management Systems or an equivalent standard.

# Signature

The Minister and the health service board chairperson agree that funding will be provided to the health service to enable the health service to meet its service obligations and performance requirements as outlined in this Statement of Priorities.



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**Hon Jill Hennessy MP**  
**Minister for Health**

Date: 16 / 8 / 2018



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**Ms Linda McCoy**  
**Chairperson**  
**Latrobe Regional Hospital**

Date: 16 / 8 / 2018