



Our Ref: PW01-0920

Your Ref: 4-119600

Enquiries: J.Clements, Tel: 6457 2556

Hon Roger Cook MLA
Deputy Premier
Minister for Health; Mental Health
13th Floor, Dumas House
2 Havelock St
WEST PERTH WA 6005

Via Email: ministerials@health.wa.gov.au

Dear Minister Cook

STATEMENT OF EXPECTATION – PATHWEST STATEMENT OF INTENT

Thank you for your letter dated 20 August 2020 outlining your ministerial statement of expectation for PathWest Laboratory Medicine WA (PathWest).

In my role as the Pathwest Board Chair, I commit the PathWest Board to meeting your expectations and ensure that the Government's key strategic priorities for PathWest are realised. As Western Australia's (WA) public pathology provider, the Board will work to ensure that the community's confidence in PathWest continues to be strengthened through our provision of high-quality pathology and forensic services. Please see below the Board response with regard to your specific expectations.

COVID-19

As you would be aware, in the early stages of the COVID-19 crisis PathWest developed its own in-house test, enabling rapid availability of testing in the State. PathWest then acted promptly to secure commercial testing products as they became available. PathWest has continuously worked to ensure the availability of volume testing capacity to support Public Health's testing criteria.

PathWest continues to undertake COVID-19 collection and testing to support the broader WA health system and State Government efforts in managing the pandemic. PathWest is also supporting and participating in a number of research efforts towards obtaining a greater understanding of and response to COVID-19. This includes our partnership with the WA Health Translation Network where WA universities, hospitals, medical research institutes, the Department of Health and PathWest coordinate the State's COVID-19 research efforts. PathWest is engaged with the broader WA health system, the State Government and other key partners to ensure the development and implementation of plans in relation to the phases of this pandemic, including recovery and transition to business as usual.

As a part of the WA health system COVID-19 capacity framework, PathWest has developed a detailed plan to ensure pathology testing capacity exists to support the

system's response to the pandemic. The plan is aligned with the COVID-19 Response Ventilated Bed Capacity Framework (ICU Surge), General Bed Capacity Framework and Emergency Department (ED) Bed Capacity Framework to ensure pathology has a testing capacity to support 499 ICU beds, 4,389 general beds and 2,675 ED presentations per day. The plan also details the increase in COVID-19 testing to ensure pathology capacity to support collections at COVID Clinics and other facilities. This includes staff on-boarding from the WA Health COVID-19 pool, and training to upskill new staff.

As a Board, we are very proud of the WA health system's efforts in and the contribution to WA's response to this pandemic. We acknowledge the continued support from PathWest in response to COVID-19. Our staff's dedication and commitment to the WA community is truly inspiring.

Sustainable Health Review (SHR)

Despite delays to the formal progression of the program of work as a result of the COVID-19 pandemic, PathWest is dedicated to the implementation of the SHR recommendations as accepted by the State Government. PathWest representatives are involved in the SHR's consultative process and will continue to work in partnership with the Sustainable Health Implementation Program Steering Committee. I note and support that the implementation requirements will be incorporated into the Chief Executive's performance agreement.

Safety and Quality

Safety and quality continue to be a priority for PathWest. Ongoing accreditation by the National Association of Testing Authorities (NATA) has been achieved, noting there has been a revised approach to assessment due to COVID-19 restrictions. Negotiations with NATA continue in relation to the timing of the program of audit for the remainder of the cycle.

PathWest contributes laboratory information system data on an annual basis to the Department of Health *Your safety in our hands in hospital* report. The report provides our WA community with information about how the WA health system manages clinical incidents, consumer feedback and coronial recommendations resulting from health care delivery, as well as its mortality review processes. It aims to deliver an indication on the types of challenges affecting patient safety, and to support improvement in the overall quality of health care.

The Board is currently establishing a Safety and Quality Committee, with the purpose of ensuring a safe workplace and work practices for all staff, and high-quality services for customers. The Committee will be responsible for monitoring PathWest compliance with the *Clinical, Safety and Quality Policy Framework* and all applicable clinical, safety and quality related mandatory requirements. This includes state-wide and PathWest developed safety and quality performance indicators, national safety and quality standards, accreditation and credentialing requirements.

Workforce

PathWest is committed to supporting the health and wellbeing of our workforce. Consistent with the release of the *Framework to support staff mental health and wellbeing: COVID-19*, PathWest is engaging on a regular basis with other Health Service Providers to ensure an appropriate and consistent approach to workforce matters is adopted. To date, this has encompassed developing guidance on leave and flexible work arrangements; support for those in high-risk categories and scenario planning to ensure PathWest services are

maintained in response to the COVID-19 pandemic. Staying both mentally and physically healthy is essential, and we are working to ensure our staff have access to useful resources.

PathWest has made significant progress implementing Commissioner's Instruction No. 23, which was issued in August 2018, achieving a conversion rate of approximately 54 per cent. Review processes have been built into business as usual activities, with 99 per cent of all employees eligible for consideration now reviewed.

A People and Culture Board Committee is being established to assist develop a shared purpose for all PathWest employees and a positive workplace culture. A focus for the Committee will be on employee engagement and the results of the *Your Voice in Health* 2020 survey.

Research and Innovation

PathWest is actively promoting excellence through research and innovation opportunities. As well as the numerous inter-agency collaborations PathWest is involved in, it introduced a dedicated Innovation Fund during 2019/20. Eight grants have been awarded to successful applicants for innovation in a variety of pathology services. In addition, significant research funding has been allocated across the PathWest disciplines to ensure priorities are supported.

PathWest has recently appointed its new Chief Pathologist which is a key role providing expert advice and support through analysis of trends and issues, overseeing clinical governance and helping to drive service transformation across all pathology disciplines as well as promote research activities.

PathWest research is multidimensional, involving service delivery, PathWest's own pathology and laboratory medicine research and collaborative research. The establishment of the PathWest Research Governance office has facilitated a PathWest footprint in the WA Health IT platform (Research Governance Service) for research. This service supports the research process and enables departmental and Executive visibility of research within the organisation.

The Board will work in collaboration with both the Chief Pathologist and the Office of Research Governance to strengthen the culture of research and innovation at PathWest. This will ensure PathWest research is promoted and researchers are recognised as world leaders in pathology and laboratory medicine research.

Laboratory Information System (LIS)

In April 2020, the project delayed further go-live sites to assist in managing operational risks related to the COVID-19 pandemic. A revised schedule was developed and approved by the LIS Project Board on 26 May 2020.

PathWest has continued the revised roll-out and as at 16 September 2020, the new Soft LIS is live at all sites which includes 27 hospital laboratories and all associated collection centres. Our final four sites, Armadale, Fiona Stanley Hospital, QEII and Perth Children's Hospital successfully rolled out LIS on Tuesday, 15 September 2020. The final stage will complete the roll-out across all of anatomical pathology activities, Transfusion Medicine and Forensic Pathology. Approximately 60,000 orders will be placed in Soft LIS each week and the project has led to the addition of 413 new orderable tests in iCM. Planning continues to ensure the transition to business as usual is as seamless as possible. The

implementation of the new system will ensure PathWest's LIS aligned with our world-class testing, teaching and research activities. While there are some elements still to complete on the project, the new LIS implementation is well advanced and now largely in place and functioning across the PathWest network.

Financial Sustainability

PathWest continues to maintain financial discipline while delivering high level pathology and forensic services to its customers and stakeholders. The 2019/20 financial year's operating performance was significantly disrupted due to additional spend relating to COVID-19 testing and some loss of own sourced revenue due to lower activity levels following the temporary suspension of elective surgery and low community pathology demand in the last quarter of the year.

Despite the challenges faced, financial sustainability continues to be paramount. We are working closely with the System Manager to control, monitor and manage the unavoidable albeit necessary direct and indirect costs in addressing the impact of COVID-19. The full financial impact of this has been underwritten by the Department of Health and funding has been received through additional State Appropriation.

The underlying financial performance has been strong (excluding the COVID-19 impact), with some areas of improvement in employment costs and consumables spend being identified. The 2019/20-year end Office of the Auditor General external audit is ongoing and is expected to be complete by late September. The final audit report will be included in the 2019/20 PathWest Annual Report.

An interim 2020/21 budget has been put in place prior to a final agreed budget due in October 2020. We continue to have ongoing discussions with Department of Health on outstanding matters to be agreed in the final budget. The PathWest August 2020 financial results were strong with activity levels higher than budget. Net cost of service for period-to-date was a positive variance versus budget.

PathWest is also proactively investing its minor works and stimulus package into key areas which are in most need of these funds, with a number of the approved programs either commenced or in progress.

The Board has established a Finance Committee, which will work closely with the Chief Finance Officer, and provide support, assistance, advice and recommendations to ensure PathWest's budget is aligned with its strategic directions and systemwide priorities.

Consumer Engagement

Pathology plays a vital role in the WA health system and PathWest is committed to understanding and responding to patient experiences. Through a variety of mechanisms across Health, such as Patient Opinion and our complaints/compliments feedback mechanisms, we are keen to learn from each and every experience to inform the continuous improvement of services across Western Australia. Work is underway to map the customer journey from a variety of different perspective, including referring General Practitioners. This will inform service standards and PathWest's approach to growth. PathWest is trialling a new system at its collection centres to facilitate queue management as well as provide an enhanced mechanism for customer satisfaction feedback.

A priority for the People and Culture Committee will be to hear from employees and patients across PathWest by facilitating '*Board Walks*' where Board members visit PathWest sites (locally and regionally) to introduce themselves and hear from them direct.

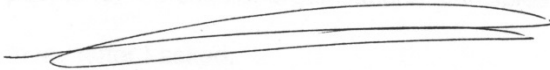
Board Compliance

I acknowledge that I am accountable to you as the responsible Minister. PathWest will continue to implement and comply with applicable policy frameworks issued by the System Manager, and maintain all accreditation, legislative obligations and accountability requirements.

The PathWest Board will continue to fulfil its function, roles, responsibilities and accountabilities as outlined in the Statutory Board Governance Policy and as prescribed in the *Health Services Act 2016* and will complete our first Annual Governance Attestation statement to you via the Director General at the end of this financial year.

The Board is eager to work with the PathWest executive leadership developing a new strategic plan to build a new direction and future for the health service. The Board looks forward to working with you and delivering the strategic priorities outlined.

Yours sincerely



Professor Christobel Saunders

BOARD CHAIR
PATHWEST LABORATORY MEDICINE WA

29 September 2020