

5 Clinical Governance

5.1 Clinical Governance Entities

5.1.1 Public Health Organisation Clinical Governance Units

Public health organisations are responsible for the quality and safety of the services provided by their facilities, staff and contractors. A clinical governance framework, described in NSW Health Clinical Governance in NSW Policy Directive (PD2024_010), has been embedded in public health organisations. Local health districts and specialty networks have a consistent organisational structure, including a Clinical Governance Unit (CGU) directly reporting to the Chief Executive.

CGUs are critical in the functioning of clinical governance and patient safety systems. CGUs promote, support, and implement patient safety and clinical quality policies, procedures and processes. Clinical Governance teams are led by Directors of Clinical Governance.

Where CGUs identify a concern with clinician performance, they must be reported to the Chief Executive for prompt action and management. Depending on the particular circumstances, such action might include; internal investigation; external investigation by a recognised expert; referral to the Health Care Complaints Commission (HCCC); referral to the professional registration council; or another appropriate agency (e.g. NSW Ombudsman, Department of Communities and Justice).

Clinical governance framework, role of Clinical Governance Units and reporting requirements

5.1.2 Clinical Excellence Commission

The Clinical Excellence Commission (CEC) was established to promote and support improved clinical care, safety and quality across the NSW health system.

The role of the CEC, detailed in the Ministerial Determination of Functions pursuant to Section 53 of the Health Services Act 1997, is to lead, support and promote improved safety and quality in clinical care across the NSW Health system through consultation and collaboration with clinicians, health consumers, other pillars, and the NSW Ministry of Health.

The CEC is the author of several key NSW Health statewide policies and programs, and is the data sponsor for several data systems that help support Health Services to monitor incidents and reduce unwarranted clinical variation and rates of hospital-acquired complications.

Following new governance arrangements in 2011, the CEC has taken on a broader role, including:

- providing system wide clinical governance leadership with local health districts and specialty networks, including supporting the implementation and ongoing development of local quality systems;
- developing policy and strategy related to improvements of clinical quality and safety across the NSW public health system and promoting and supporting improvement in clinical quality and safety in public and private health services, particularly for Aboriginal communities;
- reviewing adverse clinical incidents arising in the NSW public health system and developing responses to those incidents including (but not limited to) coordinating responses to specific incidents with system or statewide implications and providing advice to the Ministry of Health on urgent or emergent patient safety issues and staff safety issues in a clinical setting;
- building capacity within the system to identify and respond to risks and opportunities.

NSW Patient Safety & Clinical Quality Program

5.1.3 Agency for Clinical Innovation

The Agency for Clinical Innovation (ACI) works with clinicians, consumers and managers to design and promote better healthcare for NSW. It does this by:

- *Service redesign and evaluation* – applying redesign methodology to assist healthcare providers to review and improve the quality, effectiveness and efficiency of services.
- *Specialist advice on healthcare innovation* – advising on the development, evaluation and adoption of healthcare innovations from optimal use through to disinvestment.
- *Initiatives including Guidelines and Models of Care* – developing a range of evidence-based healthcare improvement initiatives to benefit the NSW health system.
- *Implementation support* – working with ACI Networks and healthcare providers to assist healthcare innovations into practice across metropolitan and rural NSW.
- *Knowledge sharing* – partnering with healthcare providers to support collaboration, learning capability and knowledge sharing on healthcare innovation and improvement.
- *Continuous capability building* – working with healthcare providers to build capability in redesign, project management and change management through the Centre for Healthcare Redesign.

ACI Clinical Networks, Taskforces and Institutes provide a unique forum for people to collaborate across clinical specialties and regional and service boundaries to design improved models of patient care.

A priority for the ACI is identifying unwarranted variation in clinical practice and working in partnership with healthcare providers to develop mechanisms to improve clinical practice and patient care.

5.1.4 Bureau of Health Information

The Bureau of Health Information (BHI) was established in 2010, to support transparency in health data and allow greater local control of information analysis.

The primary role of the BHI is to provide independent reports to government and the community on the performance of the NSW public sector health system. Performance measures include activity, access, effectiveness, efficiency, outcomes and safety and quality measures.

The key features of the BHI include:

- it operates at arms length from the local health districts, specialty networks and the NSW Ministry of Health;
- it provides a source of excellence for data about the NSW Health system for government, the community, and clinicians; and
- the ability to analyse data, commission research and extensively report on the quality, performance and effectiveness of services provided by NSW Health.

The BHI uses existing NSW Health data collections and, will over time, use other data sets to develop and report on the performance of NSW Health at a cascading level – whole of system, by local health network, by hospital and by clinical service. The BHI will, over time, also report benchmarked comparative data.

The reports and other data will be available to the public, clinicians, health care managers, media and researchers with an interest in health system performance.

The BHI works closely with the Clinical Excellence Commission, the Australian Institute of Health, the NSW Ministry of Health and other health performance information analysis groups to strengthen and enhance the quality and capability of health system performance analysis and reporting in NSW.

5.2 Health District / Service Clinical Management and Advisory Structures

5.2.1 Clinical management structures

For clinical governance and quality assurance structures and processes to be effective, it is important that they operate at all levels of the organisation and that those staff providing front line patient care are aware of and working within these structures and processes.

The successful implementation of clinical governance requires:

- the identification of clear lines of responsibility and accountability for clinical care and ensuring these are communicated throughout a public health organisation; and
- the development of strong and effective partnerships between clinicians and managers.

A key accountability of the chief executives of public health organisations is to ensure that the clinical governance and quality assurance structures and processes are known, respected and followed by all staff.

To attract clinicians with leadership capability to clinical management roles, the positions need to be genuinely supported by management, and recognised and promoted as having influence. At the local health district level, it is important that clinical stream director roles (where they are established), have well-defined responsibilities and their relationship to the health district management structure (at both hospital and local health district level) is clearly identified.

At the hospital level, the roles and responsibilities of general managers and heads of departments need to be clearly defined. Similarly, where hospitals function as part of a network, there should be clearly defined responsibilities and lines of communication between key personnel.

There should also be clear rules of engagement between clinical stream directors, general managers and the local health district executive to ensure that all parties have appropriate input into the development, operation and standard of clinical services within their stream/facilities and across their local health district.

5.2.2 Bodies established under by-laws

Model By-Laws for Local Health Districts establish a number of clinical governance bodies and provide for a number of functional and advisory committees including:

- A Health Care Quality Committee of the Board;
- Medical Staff Councils and Medical Staff Executive Councils ;
- Hospital Clinical Councils and/or Joint Hospital Clinical Councils; and
- a Local Health District Clinical Council.

Local Health District Clinical Council

The role of the local health district clinical council is to provide a forum for discussing strategic planning, priorities for service development, resource allocation, clinical policy development and providing professional (expert) clinical guidance (where appropriate and when needed).

Local health district councils facilitate the input of clinicians into the strategic decision making process and bring together the local health district executive, clinical stream directors and general managers of hospitals/hospital networks on a regular basis.

Role of Local Health District Clinical Councils
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Under the Model By-Laws the council provides the board and the chief executive with advice on clinical matters affecting the local health district, including on:

- improving quality and safety in the hospitals within the local health district;
- planning for the most efficient allocation of clinical services within the local health district;
- focusing on the clinical safety and quality of the health system for Aboriginal people;
- translating national best practice into local delivery of services;
- working with representatives from local communities to develop innovative solutions that address local community needs; and
- such other related matters as the board or chief executive may seek advice on from time to time.

The Model By-Laws also provide that LHD Clinical Councils can be given additional functions to enable them to operate as Local Council Groups within Commonwealth requirements.

Hospital Clinical Councils / Joint Hospital Clinical Councils

Local health clinical councils operate at hospitals or hospital networks to promote clinician engagement in local management decision making. These forums are multi-disciplinary (i.e. involve medical, nursing and allied health staff).

The objectives of a hospital clinical council are to:

- provide a local structure for consultation with, and involvement of, clinical staff in management decisions impacting public hospitals and related community services;
- be a key leadership group for its public hospital or hospital network and work with the management team in ensuring that the hospital/s deliver high quality health and related services for patients;
- facilitate effective patient care and service delivery through a co-operative approach to the efficient management and operation of public hospitals with involvement from medical practitioners, nurses, midwives and allied health practitioners and clinical support staff; and
- be a forum for information sharing and providing feedback to staff (through the members of the councils) on issues affecting the hospital(s).

In determining whether to establish individual hospital clinical councils or joint hospital clinical councils, the chief executive and board have regard to:

- the size and budget of the public hospitals within the local health district;
- the number of clinical staff working at each public hospital within the local health district;
- whether a joint structure is the most practicable alternative for smaller hospitals; and
- whether the relevant hospitals are under a common executive management structure.

Medical staff councils

Under the Model By-Laws local health districts are to establish a medical staff council (in the case of a statutory health corporation) and a medical staff executive council and at least two medical staff councils (in all other cases).

Medical staff councils are to be composed of visiting practitioners, staff specialists, career medical officers and dentists with appointments to the public health organisation or the public hospital/s which the council represents.

**Establishment,
composition and
role of Medical
Staff Councils**

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All visiting practitioners, staff specialists, career medical officers and dentists of the public health organisation are members of the medical staff council. Sufficient medical staff councils should be established to ensure that all visiting practitioners, staff specialists, career medical officers and dentists of the public health organisation can participate, if they choose to.

The medical staff executive council or the medical staff council (if there is only one council) is to provide advice to the chief executive and board on medical matters.

Under clause 15 of Schedule 1 of the *Health Services Regulation 2013*, the Chair of the Medical Staff Council is entitled to attend Board meetings as an invitee.

Medical and Dental Appointments Advisory Committee

The Model By-Laws also provide for establishing a Medical and Dental Appointments Advisory Committee (MADAAC) to provide advice, and make recommendations to the chief executive concerning matters relating to the appointment or proposed appointment of visiting practitioners or staff specialists.

The MADAAC considers any application that has been referred to it for:

- appointment of a visiting practitioner or staff specialist; or
- a proposal to appoint a person as a visiting practitioner or staff specialist.

The MADAAC also provides advice, and where appropriate, makes recommendations to the chief executive concerning the clinical privileges which should be allowed to visiting practitioners, staff specialists and dentists.

The MADAAC committee may form sub-committees to provide advice or other assistance to enable it to perform its duties referred to in this clause.

The MADAAC committee must establish at least one subcommittee called the Credentials (Clinical Privileges) Subcommittee for the purposes of providing advice to the MADAAC on matters concerning the clinical privileges of visiting practitioners or staff specialists.

The minutes of the MADAAC should be submitted to the board for noting.

The chief executive is responsible for ensuring that the medical appointment process is also compliant with NSW policy PD2014_008 *Model Service Contracts – VMO & HMO*.

Establishment and role of Medical and Dental Appointments Advisory Committee and sub-committees
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5.3 Incident Management Processes

5.3.1 Incident management

NSW Health Services must have incident management processes in place that are consistent with the requirements of the NSW Health Incident Management Policy (PD2020_047) and the *Health Administration Act 1982*, to effectively respond to clinical and corporate incidents and act on lessons learned.

It is an underlying principle of the NSW Health Clinical Governance in NSW Policy that the health system must operate in an environment of openness, where errors are reported and acknowledged and where patients and their families are informed of what went wrong and why.

The NSW Health incident management framework is set out in the Incident Management Policy (PD2020_047). This Policy outlines the roles and responsibilities across the NSW Health system with respect to the management of both clinical and corporate incidents and consumer feedback.

Incident Management Policy (PD2020_047)
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The objectives of the Incident Management Policy Directive are to:

- assist Health Services with timely and effective management of incidents;
- establish a consistent approach to incident management across the NSW Health system;
- ensure a consistent and coordinated approach to the identification, notification, review, and analysis of incidents with appropriate action on all incidents;
- enable lessons learned to be shared across the whole health system;
- ensure Health Services establish processes that comply with the legal aspects of health care incident management including provisions in the *Health Administration Act 1982* for reportable incidents, Preliminary Risk Assessments and Serious Adverse Event Reviews, as well as the management of Reportable Incident Briefs (RIBs) submitted to the NSW Ministry of Health.

The Incident Management Policy can be accessed at:

https://www1.health.nsw.gov.au/pds/Pages/doc.aspx?dn=PD2020_047.

All staff have responsibilities for the identification of incidents and for taking immediate action to ensure the safety of patients, visitors and other staff.

After identifying an incident and ensuring the safety of people and the environment, incident management involves a series of steps, including:

- Notification of the incident in the incident management system;
- Escalation of the incident, as required;
- Review of the incident to understand what happened, why it happened and what could be done to improve safety;
- Implementation and monitoring of actions;
- Provision of feedback to patients, carers, families and staff.

To support the implementation of the Policy, an incident management system has been implemented throughout the NSW Health system.

Resources should be allocated to support the implementation of the Incident Management Policy. Longer term actions to improve quality and safety should include analysis of incident data and best practice initiatives.

The *Health Administration Act 1982*, requires Chief Executives to appoint a team to undertake a Serious Adverse Event Review (SAER) of reportable incidents; that is, serious clinical incidents assigned a Harm Score of 1. The Chief Executive may also authorise a SAER on a Harm Score 2, 3 or 4 clinical incident if this is considered necessary.

The *Health Administration Act 1982* also establishes a statutory privilege to protect the internal workings of SAER Teams undertaking a review of serious clinical incidents (with a Harm Score of 1) via an approved SAER methodology. The privilege will also apply if the Chief Executive directs a SAER to occur for a Harm Score 2, 3, or 4 clinical incident.

5.3.2 Accreditation

Health services are required to be accredited to the National Safety and Quality Health Service (NSQHS) Standards against the Australian Health Service Safety and Quality Accreditation Scheme (the AHSSQA Scheme). Accreditation requirements are outlined in [PD2023_011 Australian Health Service Safety and Quality Accreditation Scheme in NSW Health facilities](#).

All hospitals, day procedure services and dental services are required to be accredited against:

- the NSQHS
- The National Clinical Trials Governance Framework (for all health service organisations that provide a clinical trial service).
- The Multi-Purpose Services (MPS) where appropriate
- Any other set of agreed safety and quality standards under the AHSSQA Scheme that may be developed by the Australian Commission on Safety and Quality in Health Care (the Commission)

Each NSQHS Standard details actions that must be 'met' for the health service to be awarded accreditation.

A health service must contract an accrediting agency, approved by the Australian Commission on Safety and Quality in Health Care, to assess them against the NSQHS Standards over a three-year cycle. Services will be assessed using short notice accreditation assessment methodology.

In addition to being accredited, health services are required to submit an Attestation Statement annually to their accrediting agency between 1 July and 30 September. This statement confirms the health service's compliance with the NSQHS Standards.

If, at the time of an assessment, the accrediting agency determines that a health service does not meet an action, the health service has 60 days to implement quality improvement strategies to address the unmet actions: The accrediting agency must notify the NSW Ministry of Health where;

- i) One or more significant patient risks are identified during an assessment
 - ii) A health service is not awarded accreditation
- If, during an assessment, an accrediting agency identifies one or more significant patient risks the accrediting agency must notify the NSW Ministry of Health of this risk once identified. Examples of significant patient risks are described for each of the NSQHS Standards.

LHDs/ SHNs must immediately escalate to the CEC the following:

- Significant clinical or corporate risks identified during assessment that may impact on accreditation status.
- The health facility becomes aware during accreditation assessment that it is unlikely to achieve or maintain accreditation, or where a mandatory repeat assessment may be required.
- Accreditation was not awarded at the time of final report and must include the actions 'not met' and 'met with recommendation'. The LHD/ SHN will provide details of the planned remediation or improvement activities required to achieve accreditation.

Any adverse clinical incidents, serious patient or health service risks which come to the attention of the health facility during onsite assessment via a Reportable Incident Brief. This is to be sent to the Ministry of Health within 24 hours in accordance with the NSW Health Policy Directive Incident Management (PD2020_047).

Accreditation – Resources and References

Policies related to accreditation in NSW can be accessed at:

PD2023_011 Australian Health Service Safety and Quality Accreditation Scheme in NSW Health facilities.

For further information on accreditation and the National Safety and Quality Health Services Standards visit the Australian Commission on Safety and Quality in Health Care website at: <http://www.safetyandquality.gov.au/our-work/accreditation/>

The NSQHS Standards can be accessed at: <https://www.safetyandquality.gov.au/standards/nsqhs-standards>

Resources to assist health services with the accreditation process can be accessed at: <https://www.safetyandquality.gov.au/standards/nsqhs-standards/resources-nsqhs-standards> Details about the evidence of implementation measures (page 13) are available under collection and reporting of accreditation evidence by accrediting agencies and can be accessed at:

<https://www.safetyandquality.gov.au/standards/nsqhs-standards/resources-nsqhs-standards>

Details about significant patient risk can be accessed at: <https://www.safetyandquality.gov.au/publications-and-resources/resource-library/as1809-notification-significant-risk>

For information on NSW Health resources to support the accreditation and the National Safety and Quality Health Services Standards visit the Clinical Excellence Commission website at:

National Safety and Quality Health Service Standards - Clinical Excellence Commission (nsw.gov.au)

Clinical Governance – Resources & References

For further information on Clinical Governance in NSW visit the NSW Health website at:

https://www1.health.nsw.gov.au/pds/Pages/doc.aspx?dn=PD2024_010

For a listing of policy directives and guidelines relating to clinical governance visit the NSW Health website at: <http://www0.health.nsw.gov.au/policies/owner/cec.html>

The NSW Health Enterprise Risk Management policy can be accessed at: https://www1.health.nsw.gov.au/pds/Pages/doc.aspx?dn=PD2022_023

Useful websites

Clinical Excellence Commission: <http://www.cec.health.nsw.gov.au>

Agency of Clinical Innovation: <http://www.aci.health.nsw.gov.au>

Bureau of Health Information: <http://www.bhi.nsw.gov.au>

Health and Education Training Institute: <http://www.heti.nsw.gov.au>

Local Documentation

Health Services Act 1997 Model By-laws

Board and committee terms of reference or charter

Enterprise-wide risk management program specific to each local health district and specialty network

Local protocols to facilitate implementation of Ministry of Health policies and procedures; and the incident management program

Accreditation survey results