

**EXAMINATION OF AUDITOR-GENERAL'S PERFORMANCE AUDIT REPORTS MAY 2017 -
DECEMBER 2017****Medical Equipment Management in NSW Public Hospitals****Jubilee Room, Parliament House, Sydney****Monday 23 September 2019****QUESTION 1:**

The CHAIR (Greg Piper): If I can just follow up directly on that, could you give some indication as to what the rate of change or the value might be in technology? The field is changing so quickly, I imagine—there is a lot of emergent technology, there is a pressure for it. Are we monitoring closely the rate of the buy-in to new technology?

Mr HUNTER: That is a difficult question to answer around the buy-in. Our ICT central capital program through eHealth NSW is around \$100 million a year—I can get the exact number for you on that. It is a rapidly evolving field and answering the question on whether we are monitoring the amount of changes is a difficult thing to answer. I can take it on notice, if you would like?

The CHAIR: I would appreciate that. It can be dealt with later on, as additional information.

Mr HUNTER: Okay. I will take it on notice.

ANSWER:

The NSW Framework for New Health Technologies and Specialised Services (GL2018_023) outlines the process for reviewing and assessing health technologies that are new to the NSW public health system. The document guides districts, networks and pillars in the local evaluation of new health technologies and provides information on when local processes intersect with those of the NSW Ministry of Health and national health technology groups.

Decisions made about the introduction of new health technologies in NSW are balanced by the available evidence, cost implications and the requirement of the health system to provide contemporary high quality clinical services.

QUESTION 2:

Mr RYAN PARK: Mr Hunter, can I ask about PET scan and CT scan waiting lists? Does not NSW Health have available to it waiting lists through the various local health districts [LHDs] where those devices are located?

Mr HUNTER: Waiting lists for the devices?

Mr RYAN PARK: How long it will take people to get access to it.

Mr HUNTER: Patient waiting lists?

Mr RYAN PARK: Yes.

Mr HUNTER: Under our devolved system we issued that instruction to the LHDs and specialty health networks to maintain that information. The timely access to services is always based on clinical need in New South Wales and prioritised by the treating clinician at the time. I would have to take on notice the specific waiting periods by LHD and go and look for that information. I do not have that individual information because it is held locally as part of the local health district management of each region.

Mr RYAN PARK: Chair, could I get that on notice—for each of the LHDs where those devices are?

The CHAIR: Yes.

Mr RYAN PARK: I understand it was a non-binding directive that NSW Health issued around the waiting list for that. Is there any reason why they would not be required to do it?

Mr HUNTER: I am not entirely sure of that. I would have to take that on notice as to whether it was

binding or non-binding. We do not often issue non-binding directives as system manager but I can take that on notice.

Mr RYAN PARK: That is what I thought. It seemed a little bit unusual. I know from my own electorate many people utilise those things and need them. I wanted to see why more of the LHDs are not required to do it because I would have thought that it would have been data that NSW Health would want to know usage from.

Mr LEE EVANS: In one of my LHDs we have one MRI machine in Health and there are ones that are privately run. I understand the cost of transporting patients is outstripping—as far as money is spent per year—the actual putting it into the hospitals that we are missing out on. The other issue which the LHD has is that they only get three spots a day in this adjoining hospital for their patients. The waiting lists—and it is an ageing population, as we know—are increasing. Because of the need for that clinical imaging, patients' health is being degraded because of the waiting list and also the transportation of some of those critically ill patients in the back of an ambulance. They then have to be booked into that local hospital that has the MRI, so they are shuffling patients from one hospital to another to get MRI services. Is there an answer—other than putting an MRI in every corner—where we could improve that system? I understand that MRI machines are now available up until midnight, every day, seven days a week. So it is not getting better, it is getting worse. Is there an appetite to increase the number of MRI machines in LHDs?

Mr HUNTER: I do not know the specific details, obviously, of that specific hospital. A couple of things I might put to that question: Each LHD can put together an annual asset service plan, which is a strategic asset plan for that LHD, where they list their needs and bid for capital funding. NSW Health has quite good capital funding. It will depend on the situation and the business case and the numbers behind it. The commissioning of scanning services needs to be looked at on a whole-of-geographical region basis, which I think is what you are alluding to. Whether it is provided by that local hospital or the one next door does not matter so much as long as the people are getting the right level of service. The patient transport aspect, providing it is low distance, can sometimes be part of the solution. We have a patient transport model in NSW Health that does, depending on the area, involve non-ambulance resources. It transports patients to and from appointments and between hospitals without using an ambulance and is a lot more efficient and effective at doing that and does not take ambulances off the road from emergency situations. That can be part of the solution sometimes. In answer to your question, yes, there is always appetite to increase the scanners in the hospitals and there is a clear pathway that the local health districts can follow to pursue those. I would be happy to take the details of that and look into that specific case if you would like me to.

ANSWER:

The Commonwealth Government is responsible for allocating MBS licences for MRI machines. Commonwealth choices around granting of licences directly impacts the availability and cost of imaging for patients.

In September 2018, the Commonwealth Government announced the first ten locations to receive MBS licences and followed it with an Invitation to Apply (ITA) process for 20 licences Australia-wide. A further 20 licences were announced (total 50). NSW Health public hospitals were awarded eight full MBS licences:

- Mt Druitt Hospital
- Northern Beaches Hospital (Frenchs Forest)
- St George Hospital (Kogarah)
- Wagga Wagga Base Hospital
- Tamworth Hospital
- Manning Rural Referral Hospital (Taree)
- Dubbo Hospital and
- Lithgow Hospital.

Six MBS licences were awarded to NSW private centres out of the total 50 MBS licences awarded Australia-wide.

To understand the wait list times for each piece of medical imaging equipment across each of the patient triage categories, for each of the Local Health Districts (LHDs) would require a significant amount of effort and direct information from the LHDs. This would take significant time to collect and collate the responses.

Recommendation 3

It was recommended that by June 2018 Local Health Districts should ensure that there is a formal replacement plan at the time of procuring high-value equipment, for both new and existing services. NSW Health should regularly review capital funding implications from these planned equipment replacements.

The Audit Report found that despite there being a formal planning process, it was clear that the planning process did not entirely align with budgeting in all Local Health Districts.

QUESTION 1. How is NSW Health ensuring that there is a formal equipment replacement plan that aligns with budgeting in the different Local Health Districts?

QUESTION 2. What is the status of this budget planning and the nature of any delays in implementing this recommendation?

ANSWER 1:

The requirement to submit a formal equipment replacement plan is already in place as part of the NSW Health Process of Facility Planning (POFP) policy. Local Health Districts (LHDs) submit the plan to the Ministry of Health as part of either the annual submission process for Locally Funded Initiatives or Asset Strategic Plans (ASPs). The ASPs provide an essential linkage between future services required by the NSW Health system, and the physical infrastructure (buildings, equipment, and Information and Communications Technology) that is needed to support those services.

Health organisations (HOs) are responsible for managing their own internal annual capital allocation. NSW Health organisations may achieve this in different ways, under differing local governance structures, however, this budget is utilised to fund local minor capital works and replacement of medical and non-medical equipment (\$10,000>\$250,000).

In addition the Ministry of Health implemented an innovative procurement initiative as a pilot to focus on long term capital replacement planning by appointing a Managed Equipment Service (MES) provider for the medical imaging equipment for Nepean Blue Mountains and Illawarra Shoalhaven Local Health Districts. The MES for medical imaging aims to minimise the impact of leasing on a health organisation's National Weighted Activity Unit (NWAU) by ensuring best prices for equipment and financing rates and ensures accuracy of planning replacement program; equipment will be replaced at or before their capital sensitivity date with flexibility. Furthermore the MES streamlines management of services associated with equipment.

HealthShare NSW are currently leading a MES tender for Western Sydney Local Health District as the Ministry has handed over tactical implementation of future MES initiatives.

ANSWER 2:

Health Infrastructure is developing a Medical Asset Management Framework for NSW Health which will support the management of medical assets including the replacement planning process. Implementation of the MAMF and associated Master Asset Management Data System will support consistent and standardised capture of asset data, taking a whole of life approach to management of medical equipment, including maintenance and replacement planning.

Recommendation 4

The Audit Office recommended that internal business rules and processes should also be reviewed to ensure adequate maintenance records are kept. In its report it was noted that there was poor oversight of external contractors managing biomedical equipment.

QUESTION 3. What has NSW Health done to improve record-keeping processes for biomedical equipment and oversight of external contractors?

ANSWER 3:

Local Health Districts and Specialty Health Networks report that adequate maintenance records are kept and maintenance work is carried out in accordance with the Australian/New Zealand Standard 3551. Local processes and governance mechanisms have been established to support monitoring and tracking of work conducted by external contractors.

The Ministry of Health and Health Infrastructure are working with Local Health Districts and Specialty Health Networks to develop action plans that will support the Auditor General's recommendations. These plans will include standardised testing and maintenance processes, as well as defining roles and responsibilities to assist service technicians in gaining access to equipment that has missed previous testing and maintenance attempts in accordance with AS/NZS 3551 and will affirm a NSW Health statement of risk tolerance.

Recommendation 5

The Audit Office recommended that by June 2019, NSW Health should encourage that all NSW public hospitals have their biomedical equipment management practices reviewed under the new peer review process and that the review sample from each hospital be increased to more than two pieces of equipment per hospital.

NSW Health advised that the biomedical strategy will subject biomedical equipment management practices to peer review. However, the peer review will be voluntary and its probable size has not been indicated.

QUESTION 4. Can you provide additional details on the development of the biomedical strategy as it relates to biomedical equipment management?

QUESTION 5. How will you ensure that this recommendation has been addressed by using a voluntary peer review process?

ANSWER 4:

Health Infrastructure's Asset Management Unit (HI AMU) will be working with the Biomedical Asset Management Working Group (BAMWG) to design and support the adoption of a peer review process, based on ISO 55000, for biomedical asset management, with executive sponsorship by the Ministry of Health. This peer review process will assess the biomedical asset management maturity and capability of each Health Organisation (HO) in accordance with AS/NZS 3551, including the evaluation of testing effectiveness, maintenance programs for medical equipment and it will incorporate findings from a study into global leading Medical Asset Management practices. The review process will also offer opportunities for HOs to share practices, benchmark performance and identify areas for improvement through statewide asset management initiatives.

Health Infrastructure has developed a three-year roadmap to support Local Health Districts and Specialty Health Networks improve their asset management capability. The roadmap is aligned with NSW Health's strategy, with government policy requirements and with the recommendations of the Auditor General's (2017) report.

ANSWER 5:

NSW Health will establish a Biomedical Asset Management Working Group (BAMWG) to support the requirements of the Auditor General's report, including the peer review process. The Working Group will be integrated into existing governance mechanisms.

Recommendation 6

By June 2019, NSW Health should complete the implementation of AFM Online for biomedical equipment management. The audit report found that the biomedical module of the AFM Online system was not being used by any hospitals, although NSW Health has now advised (as at 20 September 2018) that all LHDs are using the biomedical module.

QUESTION 6. Can you tell the Committee how well the module is consistently supporting decision making across the sector for high-value medical equipment?

ANSWER 6:

All NSW health organisations (HOs) have access to the Asset and Facilities Management Online (AFMO) system for biomedical equipment management. AFMO is progressively being implemented across the state by Health Infrastructure (HI) and this continues to be a priority for asset management in NSW Health.

Implementation of the AFMO system has identified further capability development is required in some HOs to support ongoing utilisation of the AFMO tool and facilitate the AFMO implementation process by introducing an overarching Asset Management System model, which is currently being developed by HI. In addition, some key functional areas for improvement in AFMO have been identified and are also being addressed by HI.