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H10/41885

Mr Paul Gibson MP
Chair
Public Accounts Committee
Parliament of New South Wales
Macquarie Street
SYDNEY NSW 2000

Dear Mr Gibson

Auditor-General's Report on Tackling Cancer with Radiotherapy

I refer to your letter dated 2 June 2010 regarding the Department of Health's response to the Auditor-General's Report No 188, *Tackling Cancer with Radiotherapy*, tabled 23 June 2009.

NSW Health's report to the Public Accounts Committee has been prepared using the template provided (attached).

While a majority of the recommendations have been completed, the timeframes for a number of recommendations will need to be reviewed as a result of changes in organisational arrangements proposed through the National Health and Hospitals Reform. A number of the recommendations related to matters which required arrangements to be made within, and between, Area Health Services. However, the reform process sets out a number of structural changes which will see the establishment of Local Hospital Networks. There are also a small number of recommendations which, due to the complexity of issues, may require more in depth analysis by experts in the field.

It is also considered appropriate that given this background, the recommendations be considered in line with the newly established Local Hospital Networks and their operational management of health services. This issue is also being raised with the Audit Office of NSW.

Should you require further information regarding this matter please contact either Kathy Meleady on 02 9391 9476 or Cathryn Cox on 02 9391 9319.

Yours sincerely



Richard Matthews
26/7/10

Richard Matthews AM
Acting Director-General

PERFORMANCE AUDIT – TACKLING CANCER WITH RADIOTHERAPY IMPLEMENTATION OF RECOMMENDATIONS

	Recommendation	Accepted or Rejected	Actions to be taken	Due Date	Status (completed, on track, delayed)	Comment
1	Establishes formal cancer networks that link radiotherapy centres in a way that clarifies, assures and specifies access to a complete range of cancer services for rural and regional residents (Page 27)	Accepted	This will be considered as part of the overall arrangements for new centres to be networked with larger, more established centres, where required. In developing these networks the overall service needs of residents will be considered.	December 2010	On track	Areas have been advised to ensure that arrangements are formalised between the cancer networks and other Areas where outreach and/or other cancer services are provided. However, this recommendation is being considered in the context of the National Health and Hospitals Reform.
2	Continues to work with accreditation agencies to adopt agreed accreditation standards for radiation oncology services within their hospital accreditation processes (Page 28)	Accepted with qualification	A separate accreditation process for radiotherapy, aside from other cancer services, is not supported. The accreditation of radiotherapy services needs to be incorporated into existing accreditation processes.	June 2010	Completed	In response to this recommendation, and following consultation within the Department, the recommendation was accepted with qualification. It was considered that the accreditation of radiotherapy services should be incorporated into existing accreditation processes within the hospitals, and not adopted as a separate process for radiotherapy. The Director-General also advised that accreditation, as a broader issue, was being considered by Australian Health Minister's Advisory Council (AHMAC). It is understood that the draft Radiation Oncology Standards are currently being developed by the Tripartite Standards Working Group, with the support of the Commonwealth's Department of Health and Ageing.

	Recommendation	Accepted or Rejected	Actions to be taken	Due Date	Status (completed, on track, delayed)	Comment
3	Systematically and consistently monitors, benchmarks and analyses the actual times taken between receipt of the referral to radiotherapy treatment centres and initial specialist consultation, and from 'ready for care' to treatment (Page 41)	Accepted with qualification	The Department is supportive of monitoring the time between confirmation of the patient's "Ready for Care" date, and commencement of treatment. This information is anticipated to be available from the roll-out of the Business Improvement Toolkit. The ability to monitor and establish benchmarks will be dependent on the information systems and information available from these systems.	June 2010	Delayed	<p>NSW Health and the Cancer Institute NSW (CI NSW) are working to improve the systematic statewide monitoring and analysis of patient waiting times.</p> <p>There has been some delay due to the need to refine definitions and clarify patient categorisations. At this time, the reliability of the system for statewide reporting of waiting times for radiotherapy also needs to be improved. NSW Health does not currently centrally collect, or report, data on the numbers of people waiting for radiotherapy.</p> <p>Resources have been provided to respond to these issues by employing a Radiotherapy Information Systems (RIS) officer. Significant gains were made during the two years that the position was filled, including review of radiotherapy wait time data quality, the development of agreed definitions which will contribute to the collection of a minimum data set, and ongoing support to ROTCs for the Business Process Improvement (BPI) tools.</p> <p>However, the incumbent resigned early January 2010 and there were no suitable applicants for the position when it was advertised. The grading of the position was therefore reviewed and linkage with CI NSW enhanced, to attract suitably qualified applicants. The position is now being readvertised. The recruitment for this position is anticipated to be finalised by September 2010, and work expected to deliver an upgraded system to monitor referrals by March 2011.</p> <p>Work will then recommence in developing treatment priority definitions to enable collection of consistent wait time data.</p>

	Recommendation	Accepted or Rejected	Actions to be taken	Due Date	Status (completed, on track, delayed)	Comment
4	Develops centralised booking systems for all radiotherapy treatment centres within a service network (Page 41)	Accepted	This will require action by Area Health Services but should be facilitated by the Business Improvement Toolkit	December 2009	Delayed.	<p>Areas have been advised to ensure that arrangements are formalised between the cancer networks and develop centralised booking systems for all radiotherapy treatment centres within a service network.</p> <p>However, as a result of the National Health and Hospitals Reform, the implementation of this recommendation is under review.</p> <p>As this recommendation is closely related to Recommendation 1, a similar timeframe for achievement (by December 2010) is anticipated. This aspect was previously advised.</p>

	Recommendation	Accepted or Rejected	Actions to be taken	Due Date	Status (completed, on track, delayed)	Comment
5	Identifies those people who are not within a reasonable distance or do not have reasonable access to radiotherapy facilities, and analyses where additional service and support efforts may be needed (Page 41)	Accepted	NSW has detailed information already available in the Source of Referral information in the Radiotherapy Management Information System Report. More detailed assessment is also undertaken as part of the detailed services' and facility planning for specific geographic areas. No separate action required as this will be undertaken as part of services planning process.	June 2010	Completed	<p>As part of its planning process, NSW identified the following geographic areas of need for future new services and expansion of existing services: the Central Coast; western Sydney; the Illawarra and Shoalhaven region; and Hunter New England.</p> <p>The NSW Government successfully applied for funding under the Commonwealth Government's Health and Hospitals Fund Regional Cancer Centres initiative. In April 2010, the Commonwealth Government announced funding towards the establishment of new regional cancer centres at Tamworth, Nowra and Gosford, as well as patient and carer accommodation at the Lismore centre. As part of this initiative, radiotherapy treatment services will also be expanded at existing cancer centres at Wollongong, Port Macquarie and Lismore. Western Sydney and the Hunter remain areas of need.</p> <p>An important objective of service planning and development for NSW radiotherapy services has been to increase access. When the new services at Lismore, Orange, Nowra and Tamworth commence operation, more than 95% of NSW residents will be within 100 kilometres of a radiation oncology treatment centre.</p>

	Recommendation	Accepted or Rejected	Actions to be taken	Due Date	Status (completed, on track, delayed)	Comment
6	Conducts detailed analysis of options for radiotherapy services (including public or private sector provision) and sites in the geographic areas of need, including the Central Coast, Hunter New England and Illawarra Shoalhaven areas (Page 46)	Accepted with qualification	This detailed analysis is undertaken as part of the service and facility planning process. The timing of these analyses is determined by the annual budget cycle. These processes can have significant associated Consultant costs and need to be programmed accordingly.	December 2010	Completed	<p>The NSW Government successfully applied for funding under the Commonwealth Government's Health and Hospitals Fund Regional Cancer Centres initiative. Applications were invited from the public and private sectors, and were evaluated by the Health and Hospitals Fund Board.</p> <p>In April 2010, the Commonwealth Government announced funding towards the establishment of new regional cancer centres at Tamworth, Nowra and Gosford, and expansion of existing cancer centres at Wollongong, Port Macquarie and Lismore. Western Sydney and the Hunter remain areas of need.</p>
7	Develops a workload measure that facilitates comparison of centres with different case-mixes and different techniques (Page 50)	Accepted	A Basic Treatment Equivalent (BTE) model has been used previously with variable uptake by individual ROTCs. Further discussions will be progressed with ROTCS regarding use of the BTE model.	June 2010	Delayed	<p>Consultation with clinicians has resulted in the implementation of this recommendation requiring a more considered approach. Discussions have indicated that a more comprehensive review to determine an appropriate workload measure is required.</p> <p>Due to the complexity of issues and the need for in depth analysis by experts in the field, it is anticipated that this work will be completed by March 2011.</p>

	Recommendation	Accepted or Rejected	Actions to be taken	Due Date	Status (completed, on track, delayed)	Comment
8	Monitors and benchmarks operational performance measures for radiotherapy treatment centres including for quality, patient safety, waiting times, throughput, cost of treatment and outcomes (Page 50)	Accepted with qualification	Implementation will be dependent on resources to undertake the review. Not all of this information is currently readily available and will require additional resources to develop systems to capture this information.	December 2009	Completed	<p>For recommendation 8, NSW Health engaged a consultant to undertake a review of the <i>Operational Performance Measures for Radiotherapy Treatment Centres</i>.</p> <p>The purpose of the project was to provide a core set of operational performance indicators which would be meaningful and useful to clinicians and managers; be easily collected and reported; be integrated into existing data collections; and reflect the best available evidence. 13 possible indicators were identified. Following further input from stakeholders and discussions with Cancer Institute NSW, a supplementary document to assist the Areas to implement the performance indicators was developed and forwarded to Area Health Services on 17 May 2010.</p>
9	Assesses the value for money of working extended hours (including Saturday mornings), including the value to patients (Page 50)	Accepted	Implementation will be dependent on resources being available to undertake review.	June 2010	Delayed.	<p>This is a significant body of work requiring external economics expertise.</p> <p>A fee proposal has been requested to assess the value for money of working extended hours. Progress will be dependent on consultancy cost and identification of a funding source.</p> <p>The outcome of this work will determine whether sufficient data and information exists to determine value for money.</p>
10	Analyses the variations of current staff levels between radiotherapy centres and develops staffing profiles for each centre which reflect volume, case-mix and complexity (Page 53)	Accepted with qualification	Implementation will be dependent on resources being available to undertake review and availability of suitable consultants.	December 2010	On track	An evaluation will be undertaken to analyse the variation of staffing levels.

	Recommendation	Accepted or Rejected	Actions to be taken	Due Date	Status (completed, on track, delayed)	Comment
11	Establishes more realistic 5 year and 10 year treatment benchmarks for each Area Health Service as a basis for assessing performance and planning the expansion of facilities (Page 60)	Accepted	Implementation will be facilitated through the AHMAC Radiation Oncology Reform Implementation Committee. Establishment of alternative treatment benchmarks will be dependent on Commonwealth and jurisdictions given planning targets for treatment are agreed nationally.	June 2010	Completed	This is being progressed at the national level through Australian Health Minister's Advisory Council (AHMAC)/ Clinical Technical and Ethical Principal Committee (CTEPC). No specific action required for NSW Health.
12	Continues to monitor international evidence and assess the impact that radiotherapy services are having on patient outcomes as part of their overall cancer treatment, in order to clarify and agree what the patient outcomes and performance measures should be (Page 60).	Accepted	Implementation will be facilitated through the AHMAC Radiation Oncology Reform Implementation Committee.		Completed	Actions noted and considered to be part of the usual practices. Implementation will be facilitated and guided through the AHMAC Radiation Oncology Reform Implementation Committee.

	Recommendation	Accepted or Rejected	Actions to be taken	Due Date	Status (completed, on track, delayed)	Comment
13	Develops and publishes 10 year strategic plan for radiotherapy services, noting that the progress of its implementation will be determined by resource and funding availability (Page 67)	Accepted	Development and publication of the Plan as indicated.	June 2010	Completed	The <i>Radiotherapy Strategic Plan to 2016</i> has been completed and published in July 2010.
14	Assesses economies of scale to assist in considering the most cost effective machine configuration and the impact on access to services (Page 69)	Accepted with qualification	Implementation will be dependent on resources being available to undertake review and availability of suitable consultants.	June 2010	Delayed	<p>This is a significant body of work requiring external economics expertise.</p> <p>A fee proposal has been requested to consider the most cost effective machine configuration and the impact on access to services.</p> <p>Progress will be dependent on consultancy cost and identification of a funding source.</p>
15	Develops a firm funding strategy to support the replacement of existing machinery based on service need, age, state of repair, productivity, and life cycle costs (Page 69)	Accepted	Ensure that ROTCs have equipment replacement strategies and these are included in Area Asset Strategic Planning processes.	June 2010	Completed	<p>NSW Health advised the Area Health Services in September 2009 that the Area should ensure that a forward equipment replacement program is in place, including identification of current, or proposed funding sources. As part of progressing equipment replacements in a timely manner, equipment replacements should be included on the Area's Locally Funded Initiatives >\$250,000.</p> <p>This recommendation will be further reviewed in the context of the National Health and Hospitals Reform.</p>

	Recommendation	Accepted or Rejected	Actions to be taken	Due Date	Status (completed, on track, delayed)	Comment
16	Analyses the affordability of its strategic plan, particularly in relation to Commonwealth payments and the implications of private sector involvement (Page 71).	Accepted with qualification	Implementation will be dependent on resources being available to undertake review and availability of suitable consultants. This more detailed analysis is undertaken as part of the service and facility planning process. The timing of these analyses is determined by the annual budget cycle.	June 2010	Completed	<p>The <i>Radiotherapy Strategic Plan to 2016</i> has been completed and published in July 2010.</p> <p>The affordability of the Radiotherapy Strategic Plan to 2016 has been addressed by the NSW Government's successful applications for funding under the Commonwealth Government's Health and Hospitals Fund Regional Cancer Centres (RCC) initiative with Business Cases developed for each of the NSW projects. These Business Cases included economic analyses.</p> <p>In April 2010, the Commonwealth Government announced funding of \$113M towards the establishment of new regional cancer centres at Tamworth, Nowra and Gosford, as well as patient and carer accommodation at the Lismore centre. As part of this initiative, radiotherapy treatment services will also be expanded at existing cancer centres at Wollongong, Port Macquarie and Lismore. The NSW Government is contributing \$35M capital funding to the RCC initiative. Western Sydney and the Hunter remain areas of need.</p> <p>The Commonwealth Government has a Radiation Oncology (RO) Health Program Grant (HPG) funding program which contributes funds towards the purchase of major RO equipment. This funds a large proportion of the cost of replacement of equipments.</p>