



THE AUDIT OFFICE
OF NEW SOUTH WALES

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Mr Paul McLeay MP
Chair
Public Accounts Committee
Legislative Assembly
Parliament House, Macquarie Street
SYDNEY NSW 2000



12 November 2009

Dear Mr McLeay

**Examination of Auditor-General's performance audit report
*Delivering Health Care out of Hospitals***

We have reviewed the submission provided by the Department of Health concerning the recommendations in the above performance audit report.

We are pleased that the Department's submission indicates that it has accepted all of our recommendations and is making satisfactory progress in implementing them.

Please find attached our assessment of the extent to which each response addresses the issue raised in the original report, along with a comment on progress. We have not substantiated the submission.

I plan to forward a copy of this correspondence to the Director-General of the Department of Health.

I am happy to provide any further assistance the Committee may need in completing its examination.

Peter Achterstraat
Auditor-General

Encl

Auditor-General's Recommendations Report 182: Delivering Health Care out of Hospitals 24 September 2008		Does NSW Health's response indicate appropriate action has started?	NSW Audit Office comments on progress reported in NSW Health's response
1	NSW Health should establish an interim team to plan the expansion of out of hospital programs, coordinate it with existing Area Health Service responsibilities, and monitor progress of implementation	Yes	While the team has been established, it is not clear from the response whether it has pulled together the knowledge and information held by different parts of NSW Health and so expedited the expansion and development of out of hospital programs.
2	NSW Health should prepare the community for the change that more extensive use of out of hospital services will mean for them and their carers.	Yes	There are possibly some interim steps which NSW Health could take to communicate the benefits of existing out of hospital programs to potential patients and their carers which need not wait for the completion of the major economic evaluation.
3	To demonstrate that increasing out of hospital care capacity is a realistic way of responding to growing demand NSW Health should:		
3.1	Ensure that it has systems to monitor the number of patients being treated in out of hospital programs and the cost of providing this care	Yes	The response indicates that while improvements are underway the manual collection of data will persist for some time.
3.2	Confirm that increased out of hospital capacity is a realistic economic alternative to treating all patients in hospital	Yes	No comment
3.3	Determine the number and location of potential patients that can be treated in out of hospital programs	Yes	No comment
3.4	Demonstrate the impact that the change will have on emergency department attendances and inpatient beds	Yes	No comment
3.5	Identify the resources - people, systems and funding - required to achieve the increased out of hospital care capacity	Yes	No comment
3.6	Ensure that health professionals are informed of how out of hospital care will affect them and their patients	Yes	There are possibly some interim steps which NSW Health could take to engage with its own clinical staff and with GPs which need not wait for the completion of the major economic evaluation.

Auditor-General's Recommendations Report 182: Delivering Health Care out of Hospitals 24 September 2008	Does NSW Health's response indicate appropriate action has started?	NSW Audit Office comments on progress reported in NSW Health's response	
3.7	Establish quality indicators to ensure that out of hospital care is safe, appropriate and reliable	Yes	There are a number of quality indicators - patient and carer satisfaction, unplanned readmission rates, analysis of complaints - which NSW Health could adopt.
3.8	Set targets for out of hospital performance and ensure appropriate monitoring, evaluation and public reporting	Yes	Interim targets for some quality indicators - patient and carer satisfaction, unplanned readmission rates - could be adopted without waiting for the completion of the major economic evaluation.
3.9	Report progress against the State Plan, ensuring that data reported on the State Plan website accurately reflect progress	Yes	The State Plan website has changed and no longer appears to include current performance against the original targets. The original Priority S8: <i>Increased customer satisfaction with Government services</i> is not evident in the 2009 version of the State Plan.
4	The Healthy at Home pilots should be continued until they more clearly demonstrate that the program is achieving its objectives.	Yes	It is not clear from the response that the pilots have been further evaluated to justify integration with CAPAC services.