

Mr Paul Gibson MP  
Chair, Public Accounts Committee  
Legislative Assembly  
Parliament of NSW  
Macquarie St  
SYDNEY NSW 2000

Sir

Dear Mr Gibson

**Re: Public Account Committee meeting regarding Delivering Health Care out of Hospitals**

Thank you for the opportunity to update the committee regarding Health Care out of Hospital. There is compelling evidence both locally and internationally of the benefits to patients and the health system in strengthening this important initiative.

Unfortunately, I am unable to attend the Public Accounts committee meeting on the 5<sup>th</sup> May. As such, I have also provided an update to the Auditor General with detail that is more recent.

- NSW Health engaged Ernst and Young in late 2008 to undertake an Economic Evaluation of the four Out-of-Hospital programs covered by the performance evaluation.

Ernst and Young findings demonstrate a number of benefits to patients and the health system from Out-of-Hospital care. The Evaluation found Community Acute/Post Acute Care (CAPAC, also known as Hospital in the Home) costs approximately \$258 per day and importantly, delivered comparable care to that received in a \$780 per day hospital bed.

We have invested an additional \$11million for CAPAC in 2009/2010 to provide Hospital in the Home for a further 7,900 people.

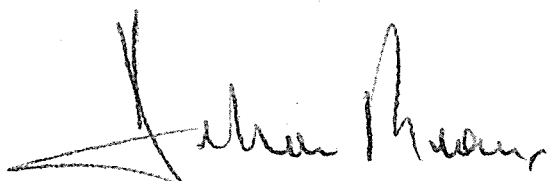
The findings from this study will be used to assist the development of the communication strategy. The findings demonstrate tangible outcomes that are to be used to communicate the effectiveness of the program. Area Health Services have been requested to develop local communication strategies. A considerable amount of work has been undertaken in the Hunter New England Area Health Services and their communication strategy is being circulated to other Area Health Services to expedite the process.

- The ComPacks program has undergone extensive stakeholder consultation with the non-government providers to review and strengthen guidelines and reporting systems.

- A web based reporting tool for ComPacks providers is being finalised. It is anticipated that the new reporting system will be implemented by 1 July 2010.
- NSW Health has invested \$21.5M in the implementation of the innovative Severe Chronic Disease Management program. The Department is currently working with Area Health Services to implement programs that will provide access to the services required to support people with chronic disease including care coordination, health coaching and rehabilitation. It is anticipated following extensive consultation, in particular with General Practice NSW and the Divisions of General Practice that Area Health Service Plans and funding for the implementation of the programs are expected to be approved by the end of May
- The NSW Health has developed an Information Management system titled the Primary, Community and Outpatient Care Information Program (PCOC). It has been designed to support the information needs of the primary, community and outpatient care sectors. Monthly data is now available for all programs. The benefits to be realised through PCOC will significantly improve information and management of these services.

NSW Health is committed to achieving the changes recommended in the report and strengthening the planning and delivery of health care out of hospital. I look forward to continuing to update you on our progress. Dr Tim Smyth, Deputy Director General Health System Quality, Performance and Innovation will be attending the Public Accounts Committee and will be able to provide further detail on the initiatives underway.

Yours sincerely



Professor Debora Picone AM  
**Director-General**

7/5/10