

**Submission**

**No 25**

## **INQUIRY INTO THE ROYAL NORTH SHORE HOSPITAL**

**Organisation:** Royal North Shore Hospital

**Name:** Dr Steven Blome

**Date Received:** 8/11/2007

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ROYAL NORTH SHORE HOSPITAL

RADIOLOGY DEPARTMENT  
St LEONARDS NSW 2065

Telephone 61 02 9926 8505  
Facsimile 61 02 9438 3139  
sblome@nscchahs.health.nsw.gov.au

4 November 2007

Parliamentary Inquiry into  
Royal North Shore Hospital

Dear Committee Members

### Re: Inadequate Imaging Services at RNS

State-of-the-art imaging and its distribution throughout the hospital are critical to timely delivery of patient care. There would be few hospital patients whose medical and surgical management is not directly impacted by imaging.

Up until the late 90s, RNS lead NSW in provision of imaging services. To the detriment of RNS patients and public outpatients of Northern Sydney, this is no longer the case. This is principally due to inadequate investment in capital equipment both within Radiology and to IT infrastructure throughout the AHS.

Inadequate capital investment is the direct result of inadequate budgetary provision for RNS over the last 10-15 years. During this period, RNS has been literally living off its capital.

Specifically:

### MRI Scanning Capacity and Capability

RNS Radiology was the first public hospital to make MR scanning available in NSW. This instrument was installed in 1986. MR scanning has been provided at this site on this instrument for the last 21 years. RNS has consistently scanned more patients than any other public hospital MR facility working two shifts daily and regular weekend shifts

Enhancements of the capabilities of this instrument were initially funded by Federal grants. In 1998 these grants ceased and there was a formal agreement between public hospital MR radiologists and NSW Health that \$68 of Medicare fees generated by scanning each outpatient or privately insured inpatient would go into a capital replacement fund for MRI.

By 2006, that fund amounted to over \$1.7million earned by RNS radiologists for MR replacement. NSH and subsequently NSCCAHS determined, against then NSW Health directive, not to hold these funds as cash but as a book entry. The actual funds were spent by this AHS on operational expenses rather than MR replacement as required.

RNS Radiology has for the last several years made representations to NSCCAHS Executive to purchase an additional MR instrument to provide the capacity required to provide for the growth in demand for these services and to allow the introduction of proven new applications particularly in oncology. Business cases have been written; figures massaged and un-met clinical need explained but to no avail. NSCCAHS still has no plan to increase MR capacity at RNS as required to adequately service the public patients of northern Sydney. Due to the ever increasing inpatient demand there are increasingly unacceptable delays. Consequently, outpatient appointments have had to be further restricted to accommodate our inpatients further blowing out waiting lists.

RNS and this AHS are failing to meet the needs of the people of northern Sydney for MRI scanning

### **Action Required Now: Purchase a new 3T MRI Machine for RNS**

### CT Capacity

The situation for provision of CT services is not dissimilar. Limitation of CT capacity has two causes:

- Radiographer shortage
- Insufficient CT capacity.

Prior to the installation of a new 64-slice CT in 2006, RNS radiologists advised this AHS that in order to cater for the existing inpatient and outpatient load as well as CT guided procedures, three CT scanners were needed - one for intervention and two for scanning. An attractive proposal was presented to the Executive which, but for a relatively minor increase in annual service contracts and about \$100k building work, would have delivered that capacity. This was declined by this AHS for budgetary reasons.

### **Action Required Now: Purchase a Third CT Machine for RNS and provide an additional 3 FTE radiographers to staff it**

### PACS

RNS Radiology identified in 2000 the clinical need and service provision efficiency of delivering radiology images throughout the hospital electronically rather than by conventional x-ray film. This is a system called PACS. Such a system was introduced at the Westmead Childrens Hospital in the mid 90s (that hospital is now on its second system; RPA for over 6 years!). This is core clinical infrastructure.

Business cases were presented by RNS Radiology as well as one commissioned by the AHS thru external consultants. Both indicated the modest cost associated with the move from a film & paper department to a PACS.

Despite the modest cost and clinical need, RNS has still to implement PACS while most Australian teaching hospitals have already done so. This due to an inadequate network and absence of available capital funding. Capital budget regularly is plundered to make operational budgetary targets.

So critical to the running of a modern hospital is PACS, that RNS Staff Specialists agreed in 2006 to provide \$1.5million to finance this project. This \$1.5million should have been available to provide for non-core clinical enhancements, not core infrastructure such as PACS.

Bureaucratic processes and failure to assume proper responsibility by NSW Health has resulted in unacceptable delay in procurement of such a system at RNS.

**Action Required Now: Fast Track Implementation of PACS at RNS fully funded by NSW Health**

### Capital Provision for Imaging at RNS

Radiology is a capital-intensive specialty of central diagnostic value to imaging for most specialties in our hospital.

Up until 2000, 84% of CT Medicare billings for CT were put aside for capital equipment replacement in Radiology. This equipment fund had for decades allowed reasonable replacement and enhancement of imaging equipment. From 2000, these funds were redirected to operational expenditure within Radiology without consultation or knowledge of the radiologists. This made the Radiology budget look better but meant RNS has been living off its imaging capital.

NSW Health mandated that by June 2005 all AHSs would have medical imaging business units. Part of the financial structure of these units was directed by NSW Health to include full cost recovery and provision of capital replacement. Despite this directive, the advice of RNS Radiology and its own internal advice, NSCCAHS specifically excluded real cost recovery and capital replacement when it set up the business medical imaging unit. The Medical Imaging Business Unit in NSCCAHS is thus primarily an accounting exercise to appear to comply with NSW Health rather than a properly conceived business unit.

**Action Required Now: Instigate a mandatory capital replacement budget for medical imaging at RNS**

## IT Infrastructure

In order to deliver images and reports throughout the hospital, a modern hi speed network is required along with a reasonable number of appropriately placed PCs and hi quality monitors. In addition, inadequate IT human resources result in regular failure to deal with problems in critical clinical information services in a proper and timely fashion.

The delay in implementation of Electronic Medical Record (EMR), Patient Information Systems (PAS) and Universal Patient Identifier (UPI) have direct negative impacts on implementation an integration of many clinical information services.

Faced with regular restrictions of budget, supposedly non-clinical areas such as IT have had their budget allocation cut year after year in an effort to achieve an unreasonable bottom line imposed by NSW Health under the mistaken belief that such cuts would be less offensive than direct cuts to clinical services. This during a period when IT has become increasingly crucial to efficient delivery of health care. **Industry standard budget for IT should be 4-5% of total budget. NSCCAHS IT expenditure is currently below 1.5% and way behind due to long term under investment.**

**Action Required Now: Reverse NSW Health mandatory reductions in IT staffing and implement an untouchable IT budget of 4-5% of total Area budget**

### Additional Flow on Effects of the above Inadequacies:

- Inability to adequately train staff due to shortages
- Reduced capacity to attract staff due to inadequate equipment
- Reduced staff morale due to inability to efficiently provide needed imaging required to support patient care
- Staff over work attempting to provide 21<sup>st</sup> century imaging service without the required tools, in particular, without PACS
- Missed opportunity to have the new Professor of Radiology appointed at RNS due to substantially poorer imaging and physical infrastructure compared with other AHSs

**RNS Radiology has worked tirelessly to provide the best possible imaging but feels betrayed and frustrated by the incapacity of NSW Health and its NSCCAHS administration to provide for the adequate imaging requirements of the people of northern Sydney.**

Yours faithfully

**Dr Steven Blome**  
Director of Radiology