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Cabinet Paper – National Bowel Screening Programme Extension of Capital Contingency

To: Hon. Dr Jonathan Coleman, Minister of Health

Purpose

This health report provides you with a Cabinet paper for you to sign and submit to Cabinet State Sector Reform and Expenditure Control Cabinet Committee (SEC) by 2pm on Thursday 2 February 2017 for consideration on 8 February 2017. Talking points are also included.

Key points

- The Cabinet paper seeks approval to extend the contingency of **s9(2)(f)(iv)** for Vote Health for the capital component of the National Bowel Screening Programme to 1 February 2018.
- As part of Budget 2016, Cabinet allocated contingency capital funding of **s9(2)(f)(iv)** for information technology (IT) development, subject to Cabinet approval of the business case for the preferred option for the National Bowel Screening Programme long term end to end IT solution. The contingency expired on 1 February 2017.
- The business case for the IT solution, required to draw down the contingency, will be informed by the options analysis, being undertaken by Ernst and Young, and any subsequent procurement process. The options analysis is due for completion at the end of March 2017 after the contingency expiry date of 1 February 2017.
- Ernst and Young will provide verbal advice on the options analysis for inclusion in the April National Bowel Screening Programme Cabinet update.
- The Treasury was consulted in the development of this paper and are supportive of the extension to the **s9(2)(f)(iv)** capital contingency to 1 February 2018.
- The Treasury and Government Chief Information Officer (GCIO) are supportive of the approach to IT assurance. The Department of the Prime Minister and Cabinet have been informed.

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Cabinet Paper – National Bowel Screening Programme Extension of Capital Contingency

Cabinet Paper Summary

1. The attached Cabinet paper seeks approval to extend the contingency of **s9(2)(f)(iv)** for Vote Health for the capital component of the National Bowel Screening Programme to 1 February 2018.
2. As part of Budget 2016, Cabinet allocated contingency capital funding of **s9(2)(f)(iv)** for information technology (IT) development, subject to Cabinet approval of the business case for the preferred option for the National Bowel Screening Programme long term end to end IT solution. The contingency expired on 1 February 2017 (as set out in CAB-16-MIN-0189.14).
3. The proposed change to the contingency of **s9(2)(f)(iv)** for Vote Health for the capital component of the National Bowel Screening Programme is as per the below profile.

	\$m - increase/(decrease)				
	2016/17	2017/18	2018/19	2019/20	2020/21 and Out years
National Bowel Screening Programme Roll-out		s9(2)(f)(iv)	s9(2)(f)(iv)		-
Total Capital		s9(2)(f)(iv)	s9(2)(f)(iv)		-

4. The business case for the IT solution, required to draw down the contingency, will be informed by the options analysis and any likely subsequent procurement process. The options analysis is due for completion after the contingency expiry date of 1 February 2017. As funding for the IT solution is still required to ensure the successful delivery of the National Bowel Screening Programme, the Ministry request that the contingency be extended to 1 February 2018.
5. The Treasury was consulted in the development of the Cabinet paper and feedback has been incorporated. The Department of Prime Minister and Cabinet and the Government's Chief Information Officer were also informed.

Risks

6. The key areas of concern are:
 - a) retention of the required capital contingency for the National Bowel Screening Programme
 - b) outcome and impact of the Information Technology assurance work
 - c) the timing of the draw-down of the contingency for the long term end to end IT solution
7. The Treasury have indicated their support to the extension of the **s9(2)(f)(iv)** capital funding contingency to 1 February 2018.
8. The Ministry, with support from The Treasury and the Government Chief Information Officer (GCIO), committed to undertaking an options analysis including a market scan for the National Bowel Screening Programme IT solution [SOC-16-MIN-0108].
 - The Ministry partnered with Ernst and Young to complete the options analysis by the end of March 2017. Verbal advice on the results of the options analysis will be included in the April National Bowel Screening Programme Cabinet update.
 - Early indications are that this options analysis will recommend going to market for all or part of the long term end to end IT solution which will enable the integration required to other

parts of the New Zealand health IT system (for example Laboratories, colonoscopy clinical information system, National Health Index (NHI) and Health Practitioner Index (HPI)).

- In parallel, in order to maintain progress towards full implementation of bowel screening in 2019/20, the Ministry:
 - is confirming the architecture of the long term end to end IT solution
 - has started the necessary enhancements to the Ministry IT infrastructure (eg NHI and HPI) required for bowel screening
 - is investigating the feasibility of extending use of the pilot information technology solution beyond Waitemata, Hutt Valley and Wairarapa DHBs (for example to Southern and Counties Manukau DHBs)
 - An overall update on progress of the National Bowel Screening Programme will be provided to Cabinet in early April 2017 and will include a report on next steps for the long term end to end IT solution.
9. The draw-down of the contingency for the capital component of the National Bowel Screening Programme is subject to the submission of the business case for the long term end to end IT solution. As procurement is likely to be required for part or all of the long term end to end IT solution the submission of the business case is likely to be between July and October 2017. This timing is potentially impacted by the election cycle. For this reason we are asking that the contingency be extended to 1 February 2018.
10. The Treasury has agreed that the business cases for the next DHBs to roll-out bowel screening (Southern and Counties Manukau DHBs), the National Coordination Centre and the four Regional Centres will be separated from the IT solution business case to ensure that implementation of the National Bowel Screening Programme is complete in the 2019/20 financial year.

Talking points

11. New Zealand has one of the highest bowel cancer rates in the world. Bowel cancer is the second most common cause of cancer death in New Zealand after lung cancer.
12. Bowel screening detects cancers at an earlier, more treatable (and less costly to treat) stage, reduces the mortality rate of bowel cancer, and is cost effective. New Zealand is one of the only OECD countries without a national bowel screening programme.
13. Analysis shows the proposed programme in New Zealand is expected to be very cost effective, as has been experienced in all other countries with bowel screening programmes.
14. The national bowel screening programme is well aligned with the updated New Zealand Health Strategy and supports the themes of people-powered, care closer to home, one team, smart system and value and high performance.
15. There is strong support across the health sector, for the introduction of a national bowel screening programme. There is a need to maintain momentum towards implementation, particularly given government investment in the bowel screening pilot, in reducing colonoscopy waiting lists and in workforce development.
16. The planned age range (60-74 years) and positivity threshold (200ngHb/ml) for the national bowel screening programme are comparable to other international bowel screening programmes. This focuses the programme on the population cohort that is most at risk and the point where benefits versus harms of screening are maximised. Of all cancers in the Waitemata DHB pilot, 82 percent were detected in the proposed age range.

17. The national bowel screening programme will be available to all eligible 60-74 year olds in New Zealand. Once fully implemented the programme will invite over 700,000 people every two years to participate, and will detect up to 500-700 cancers each year during the early rounds of population bowel screening, assuming similar participation as seen in Waitemata DHB.
18. Waitemata DHB (transition from pilot), Hutt Valley DHB and Wairarapa DHB are progressing as planned to commence bowel cancer screening from July 2017.
19. The development of the pilot information technology solution is on track to support the addition of Hutt Valley and Wairarapa DHBS from July 2017.
20. Whilst the implementation timeframe is tight the Ministry is committed to rolling out the programme across New Zealand over four years with completion in 2019/20 financial year as per the Programme Business Case.
21. An overall update on progress of the National Bowel Screening Programme will be provided to Cabinet in early April 2017 and will include a revised baseline programme plan.

Recommendations

The Ministry recommends that you:

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| a) | Sign the attached Cabinet paper and submit the paper to the Cabinet Office by 2pm on Thursday 2 February 2017. | Yes / No |
|----|---|-----------------|

Jill Lane
Director
Service Commissioning

Minister's signature:

Date: