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Cabinet Paper: National Bowel Screening Programme – Progress Update

To: Hon Dr Jonathan Coleman, Minister of Health

Purpose

This health report provides you with background information and talking points on the *National Bowel Screening Programme – Progress Report* which is being considered by the State Sector Reform and Expenditure Control Committee (SEC) on 22 March 2017.

Key points

- Cabinet Social Policy Committee (SOC) requested the Ministry of Health (the Ministry) provide a regular progress report about the implementation of the National Bowel Screening Programme (NBSP) in August 2016.
- In February 2017, the Minister of Finance asked for updates to be provided to SEC for Red and Amber Red rated projects (NBSP is currently Amber Red).
- The Treasury advised the Ministry that a single Cabinet report could be submitted to meet the needs of both the regular Cabinet progress report and the Minister of Finance major projects update.
- The Cabinet paper:
 - notes the progress to date on the roll-out of the NBSP.
- The key points from the paper are that:
 - the programme is on track to meet the overall deadline of full implementation by the end of financial year 2019/2020. Within this, some re-scheduling of DHB uptake (by up to six-months) may need to occur in order to accommodate the procurement of the national IT solution
 - the Ministry has received provisional external advice that there is a market for a national IT solution and that an off-the-shelf solution with modification is most likely. Procurement is expected to take until October 2017
 - the IT system used for the Waitemata DHB bowel screening pilot has been extended as the interim solution for Hutt Valley and Wairarapa DHBs. Taking this approach allows the first three DHBs to remain on track for implementation. Hutt Valley and Wairarapa DHBs will commence bowel screening in July 2017. Waitemata DHB will transition to the national programme on completion of the pilot at the end of 2017
 - there are various options associated with the use of the interim IT solution and the Ministry has contracted Ernst and Young to undertake due diligence on the capability and capacity of the interim system beyond the first three DHBs
 - the Ministry believes the interim solution is the best approach, as it will be supported by clinical and operational processes, quality assurance and safety monitoring. With the experience then gained from rolling-out Hutt Valley, Wairarapa, Waitemata, Counties

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Manukau and Southern DHBs and the support role provided by the Regional Centres, designing a high quality national IT system to enable safe, effective operation of the screening programme can be done.

- The Treasury, and the Government Chief Information Office (GCIO), provided a comment in the Cabinet paper supporting the Ministry's approach. The Ministry of Business, Innovation and Employment (MBIE) provided feedback concurring with the view of The Treasury and GCIO. The Department of the Prime Minister and Cabinet provided feedback on the need for greater focus on progress to date and detail on the national IT solution.
- Detailed talking points are attached as Appendix One for your attendance at SEC.

Recommendations

The Ministry recommends that you:

- a) **Note** no decisions are required.

Jill Lane
Director
Service Commissioning

Minister's signature:

Date:

END.

Talking points – National Bowel Screening Programme (NBSP)

1. Cabinet approved in August last year, the full national roll out of the NBSP.
2. It is on track to be fully implemented as planned by the end of 2019/20 financial year.
3. The first two DHBs, Hutt Valley and Wairarapa are on track to commence in July 2017, with Waitamata following by the end of 2017. Counties Manukau and Southern will commence late in 2017/18.
4. The remaining DHBs will follow over the next two financial years. There is a degree of uncertainty as to the timing, until the national IT solution is procured.
5. **The most significant challenge is development of the national IT solution.**

IT solution

6. The IT solution consists of 2 phases:
 - **Interim IT solution** – This is an enhanced version of the original pilot IT system used for the Waitemata DHB pilot. It will be used for implementation in Hutt Valley, Wairarapa, Waitemata, Counties Manukau and Southern during 2017/18.
 - **National IT solution** – once procured and developed, this solution will enable implementation in the remaining 15 DHBs over two years.
7. The Interim IT solution is already in place. EY will undertake due diligence of the system beyond the first three DHBs.
8. Provisional advice from EY is that there is a market for a national IT solution and the Ministry will go to market in April 2017.
9. The procurement process is expected to be completed in November 2017.
10. Development of the National IT solution will take 12 months from procurement.

Financials

11. Budget 2016 allocated \$39.2 million over four years for initial establishment costs.
12. The IT Contingency of s9(2)(f)(iv) for the capital component has been extended to 1 February 2018.
13. Funding is being sought in Budget 2017 of s9(2)(f)(iv) for roll out across all 20 DHBs over four years.
14. Treasury has recommended that partial funding of \$38.712 million be approved. This is the total 4 year operational cost of service delivery for the roll out for the first 5 DHBs, National Coordination Centre and four Regional Centres.
15. Approval of the s9(2)(f)(iv) provides greater flexibility to achieve best value for money and mitigates the risks associated with the potential higher initial implementation costs.
16. **Impact of not approving all funding in Budget 2017** will see the programme continue the roll out under a degree of financial uncertainty and this creates a number of issues:
 - Preparation for programme implementation could be hampered as without the certainty of funding it is difficult for the Ministry to have future focussed discussions with those DHBs further down the roll out order. DHBs need to have confidence that funding is assured for the investment they make in preparing for the implementation in their DHB.
 - There remains a likelihood that future budget bids award a lesser amount than in the Programme Business Case due to changes in funding health priorities. This would impact on the Ministry and DHBs ability to implement a consistent, clinically safe and effective programme.
 - It creates potential inequity across DHBs and populations if the money is not approved in future budget bids. Ethically the Ministry could not operate a screening programme in three to five geographic areas, leading to the cessation of the programme.
17. The release of funding will be contingent upon business case approval by the Ministers of Finance and Health, as is currently the case for the IT capital funding.