

Ministry of Health
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Key points Cabinet Paper – Bowel Screening in New Zealand – Next Steps

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 10am on Thursday 18 August 2016 for consideration on 24 August 2016.

Key points

- The Cabinet paper presents the Business Case for a national bowel screening programme. There are two parts to the Business Case:
 1. The programme business case, covering the overarching approach to the programme, the key attributes and structure approach.
 2. The Tranche 1 business case, which enables:
 - a. a national bowel screening programme to commence in the Hutt Valley and Wairarapa DHBs in July 2017
 - b. the transition of the Waitemata DHB pilot to support an expanded first implementation of the national bowel screening programme
 - c. establishment activities for the national and regional coordination functions.
- As part of Budget 2016, Cabinet approved initial funding of \$39.3 million to commence the work required for a staged roll-out of a national bowel screening programme subject to receiving a re-stated Business Case.
- Comments from the Treasury, the Government Chief Information Officer (GCIO), the Capital Investment Committee and Department of the Prime Minister and Cabinet have been included in the Cabinet paper and Business Case.

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Cabinet Paper – Bowel Screening in New Zealand – Next Steps

Cabinet Paper Summary

1. The attached Cabinet paper:
 - presents the programme business case and the Tranche 1 business case (the Business Case)
 - the Programme Business Case outlines the:
 - proposed national roll-out of a national bowel screening programme
 - timeframes required to prepare for a roll-out, and
 - budget requirements for the full programme implementation, phased across a number of Tranches
 - the Tranche 1 business case enables:
 - a national bowel screening programme to commence in the Hutt Valley and Wairarapa DHBs from July 2017
 - transition of the Waitemata DHB pilot to support an expanded first implementation of the national bowel screening programme, and
 - establishment activities for the national and regional coordination functions.
2. As part of Budget 2016, Cabinet approved initial funding of \$39.3 million to commence the work required for a staged roll-out of a national bowel screening programme subject to receiving a re-stated Business Case that includes:
 - confirmation from the 20 DHBs that they agree in principle to the programme and that their input has informed the implementation timeframes and financial costings in the Business Case
 - an options analysis for the proposed national IT solution and an Independent Quality Assurance review for the preferred option. Both of these are included in the Business Case
 - a letter of support from the Chair of Health Workforce New Zealand confirming that a workforce plan has been provided that will ensure there is sufficient workforce capacity to deliver the programme
 - evidence that the findings from the evaluation of the Waitemata bowel screening pilot support the Business Case.
3. The Cabinet paper and Business Case seeks agreement to release \$39.3 million funding as per the below profile (as set out in CAB-16-MIN-0189.14).

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* S9(2)(f)(iv)

4. Budget 16 also allocated contingency capital funding of [REDACTED] for IT development. The estimated cost of the capital requirement has now reduced to [REDACTED]. The [REDACTED] difference may be sought in operating funding for DHB IT interfaces, software changes and IT implementation costs. This will be explored further and a proposal for this funding submitted with the tranche 2 implementation business case.
5. The paper includes assurances that the budget will be managed, there will be strong governance and clinical oversight, and that the national roll-out will be structured to keep momentum but manage risk.
6. 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.

* SQ(2)(f)(iv)

Risks

7. The key areas of concern that have been raised by key stakeholders are:
 - a) around the IT programme to support a national roll out
 - b) DHB capability, capacity and readiness
 - c) overall implementation costs for DHBs.
8. Additional work is being undertaken to mitigate risks.
 - a) Confirmation of the preferred national IT solution option
 - Given the challenging implementation timeframes and associated risk the Ministry has commissioned Accenture New Zealand to undertake an independent external review to evaluate the preferred option and provide assurance to decision makers and investors. This includes gathering further market intelligence on other possible international solutions. Initial high level feedback received on 3 August 2016 is supportive that the preferred IT option is a credible solution. Their findings do suggest that, given the period of time that has lapsed since the options analysis was completed, there could be benefit from a wider international assessment of solutions. There may also be benefit in re-visiting the evaluation of the existing Waitemata Pilot IT system to determine whether any aspects can be re-used in the national solution. Consideration will also be given as to whether more than three DHBs can safely use the enhanced and extended Waitemata Pilot IT system as an interim solution, before moving to the final release of the national IT solution.
 - In the interests of time, the Programme will progress with planning activity around the IT solution documented in the Business Case, however, concurrent to this, will undertake further review as described above over the next 3 months. A final agreement on any componentry translatable from either international sources or from the Waitemata Pilot IT system will be agreed in consultation with GCIO and Treasury by December 2016, and can be managed through the planned hybrid model approach. Further detail will be outlined in the Tranche 2 implementation business case.
 - b) DHB capability, capacity and readiness
 - Detailed capital requirements, workforce needs (for the screening programme, and any associated flow-on treatment and surveillance monitoring), change management capability, and IT implementation capacity need to be further assessed. This will be incorporated into the implementation business cases for tranches 2 and 3.
 - The Programme is currently progressing engagement across the sector, and working towards agreement of detailed implementation needs across each DHB.
 - Outcomes of this activity will inform the final phasing for DHB implementation, complemented with advice from an internal Ministry Implementation Advisory Group with representation from across IT, capital, workforce, National Screening Unit, DHB financial performance, elective surgery and radiology teams.

* 59(2)(f)(iv)

- c) Overall implementation costs for DHBs
 - The Cabinet paper indicates that a proposal may be submitted as part of the tranche 2 implementation business case for operational funding of ██████████ for DHB IT interfaces, software changes and IT implementation costs. *
 - Flow on costs of elective surgery can be supported through the existing parallel priority of 'Improved access to elective surgery', which has been supported with additional funding through successive budget rounds.

9. The implementation timeframe is tight for the next DHBs to commence screening in mid-2017, and for completing a national roll out by the end of 2019. The Ministry is confident in its ability to implement a phased roll-out, but the order of DHBs for Tranche 2 and 3, and the associated timeframes will need to be confirmed following additional engagement activity and readiness assessment. Allowing some flexibility in the timeframes will help to mitigate the risks identified. The Ministry is confident that the roll-out to Tranche 1 DHBs can be achieved by mid-2017.
10. The implementation business cases will provide opportunity to rigorously work through all issues required for the successful implementation of bowel screening at the Tranche 2 and 3 DHBs.
11. Positive progress is being made on initial implementation activities with Hutt Valley and Wairarapa DHBs. The Hutt Valley and Wairarapa DHB Chief Executives support being the first DHBs to commence screening in mid-2017 subject to provision of appropriate operational funding. This funding is part of the bid for Budget 2017.
12. The remaining DHB leaders have agreed in principle to an indicative timeframe for starting bowel screening. Indicative timeframes have been released publicly under OIA request, however it is important that any communication on timeframes is not fixed in nature, and there is need for further work to be done before final DHB implementation phasing can be confirmed.
13. The Ministry intends to present the Tranche 2 implementation business case to you in early 2017.

Talking points

14. 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.
15. 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.
16. 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.
17. 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,
18. 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.
19. 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.

20. 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.
21. The programme will be rolled out across New Zealand over a three year period. This would see an initial two DHBs (Hutt Valley and Wairarapa) beyond the Waitemata DHB pilot commencing bowel screening in mid-2017 as Tranche 1 and a full roll-out to all DHBs commencing in 2018. Bowel screening will be fully implemented across New Zealand by December 2019 at the earliest.
22. From 2020 onwards, when fully implemented, the estimated business as usual cost of the programme is [REDACTED] per annum.

* S9(2)(f)(iv)

Recommendations


The Ministry recommends that you:

- a) **sign** the attached Cabinet paper and submit the paper to the Cabinet Office by 10 am on Thursday 18 August 2016. Yes / No


Jill Lane
Director
Service Commissioning

Minister's signature:

Date:


22/8/16