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Call against National Bowel Screening Programme Business Case tagged contingency 2017/18

To: Hon Dr Jonathan Coleman, Minister of Health

Copy to: Hon Steven Joyce, Minister of Finance

Purpose

This report seeks joint Ministerial approval to utilise the \$12.430 million tagged contingency for the National Bowel Screening Programme established in Budget 2017 [CAB-17-MIN-0185.12 refers] to fund the roll out of the National Bowel Screening Programme to the Southern and Counties Manukau District Health Boards.

Key points

- In August 2016, Cabinet agreed the National Bowel Screening Programme (NBSP) Business Case to implement the NBSP over four financial years, including delegating the approval of future business case to the Minister of Health and the Minister of Finance (the joint Ministers) [SOC-16-MIN-0108 refers].
- In March 2017, Cabinet noted the NBSP would have a phased roll-out [SEC-17-MIN-0016 refers].
- Budget 2017 approved \$26.119 over four years, for the roll-out of the NBSP in the Hutt Valley, Wairarapa, and Waitemata district health board (DHB) regions, to establish the NBSP National Coordination Centre (NCC) and four Bowel Screening Regional Centres (regional centres), and to extend existing Quality Assurance contracts [CAB-17-MIN-0185.12 refers].
- Budget 2017, also allocated \$12.430 in contingency funding for the roll-out of the NBSP to Southern DHB and Counties Manukau DHB [CAB-17-MIN-0185.12 refers] pending the approval of the 2017/18 NBSP Business Case by the Minister of Finance and the Minister of Health (the joint Ministers).
- The Ministry of Health is already working with Southern and Counties Manukau DHBs ensure that the NBSP can be delivered safely to participants and that the DHBs reach and maintain the appropriate clinical standards. The Ministry is also able to draw on the lessons learnt from rolling out the NBSP in the Hutt Valley and Wairarapa DHBs.
- The business case for the national information technology solution will be presented to the joint Ministers for approval later in 2017.

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Recommendations

The Ministry recommends that you:

- a) **Note** that Cabinet previously agreed to establish a tagged contingency of \$12.430 million for the National Bowel Screening Programme established in Budget 2017 [CAB-17-MIN-0185.12 refers] to fund the roll out of the National Bowel Screening Programme to the Southern District and Counties Manukau District Health Boards (DHBs). **Yes/No**
- b) **Note** that the Minister of Finance and the Minister of Health are authorised jointly to draw down on the tagged contingency following their approval of the 2017/18 NBSP Business Case. **Yes/No**
- c) **Approve** the 2017/18 Business Case for the National Bowel Screening Programme to implement the NBSP in the Southern and Counties Manukau DHB regions. **Yes/No**
- d) **Approve** the following changes to appropriations to give effect to the decision in recommendation (c) above: **Yes/No**

	\$m – increase (decrease)			
	2017/18	2018/19	2019/20	2021/22 & outyears
Vote Health				
Minister of Health				
Non-Departmental Output Expense				
Public health Service Purchasing	1.832	3.713	3.585	3.300
Total operating	1.832	3.713	3.585	3.300

- e) **Agree** that the changes referred to in this paper be included in the 2017/18 Supplementary Estimates, and that in the interim, these costs be met from Imprest Supply. **Yes/No**
- f) **Note** a business case to establish the national information technology solution will be presented to the joint Ministers later in 2017. **Yes/No**
- g) **Approve** the Ministry make available a copy of the NBSP Business case 2017/18 and this Health Report on its website. **Yes/No**



Jill Lane
Director
Service Commissioning

Hon Dr Jonathan Coleman
Minister of Health

Hon Steven Joyce
Minister of Finance

Date:

Date:

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Background

1. As part of Budget 2016, Cabinet approved partial funding to implement a National Bowel Screening Programme (NBSP) [CAB-16-MIN-0189.14], subject to a re-stated Programme Business Case. The Programme Business Case was approved by Cabinet in August 2016 [SOC-16-MIN-0108 refers].
2. Budget 2016 approved \$39.3 million over four years to fund the design, planning and set-up phases of the NBSP, including \$15.969 million set in contingency to fund the information technology (IT) development and infrastructure needed for the NBSP. The contingency period for the \$15.969 million was extended to 1 February 2018 from 1 February 2017 [SOC-17-MIN-003 refers].
3. Cabinet noted that the Minister of Health and the Minister of Finance (the joint Ministers) will approve the information technology (IT) solution business case [SOC-16-MIN-0108 refers] to enable the Ministry of Health (the Ministry) to draw down the contingency funding.
4. Programme funding is allocated through budget bids supported by the respective business cases. To date the following funding has been agreed or held in contingency:

National Bowel Screening Funding

		2016/17	2017/18	2018/19	2019/20 & outyears	Total	
Budget 2016	\$ million						
DE		5.445	5.145	4.915	4.84	20.345	
NDE		6.456	6.616	3.072	2.82	18.964	
Total		11.901	11.761	7.987	7.66	39.309	
Tagged Contingency Budget 2016	\$ million	6.189	5.441	4.339	0.000	15.969	
		2016/17	2017/18	2018/19	2019/20	2020/21 & outyears	Total
Budget 2017	\$ million						
DE		0.000	0.000	0.000	0.000	0.000	0.000
NDE		0.000	7.238	6.282	5.701	6.898	26.119
Total		0.000	7.238	6.282	5.701	6.898	26.119
Tagged Contingency Budget 2017	\$ million	0.000	1.832	3.713	3.585	3.300	12.430

5. The business case for the national information technology solution will be submitted to the joint Ministers for approval in late 2017 [SOC-16-MIN-0108 refers].
6. Budget 2017:
 - a. approved \$26.119 million over four years to implement the NBSP in the Hutt Valley, Wairarapa, and Waitemata DHB regions, to establish the NBSP National Coordination Centre (NCC) and four Bowel Screening Regional Centres (regional centres), and to extend existing Quality Assurance contracts.
 - b. allocated \$12.430 million in contingency funding for the roll-out of the NBSP to Southern and Counties Manukau DHBs [CAB-17-MIN-0185.12 refers].
7. The funding to implement the remainder of the NBSP is subject to further Budget bids.
8. The Ministry is seeking the approval of the NBSP 2017/18 Business Case (the 2017/18 Business Case) by the joint Ministers to utilise the \$12.430 million tagged contingency for the NBSP

established in Budget 2017 [CAB-17-MIN-0185.12 refers] to fund the roll out of the Bowel Screening programme to the Southern and Counties Manukau DHBs.

Update to the Programme Business Case

9. The Ministry's National Screening Unit (NSU) has identified that the technology needs of the NBSP share similarities with the technology needs of the National Cervical Screening Programme (NCSP). As a result, the NSU is procuring an information technology solution to support bowel screening that is also capable of future development to support the cervical screening programme. As noted above, the national information technology solution business case will be presented to the joint Ministers later in 2017.
10. The overall level of investment required to implement the NBSP remains unchanged from the Business Case presented to Cabinet in August 2016. However, there are changes to budget lines within the NBSP to reflect the detailed implementation planning.

Changes to budget lines within the NBSP

11. The revised roles and responsibilities of the NCC, the regional centres, and DHBs are detailed below.

National Coordination Centre (NCC)

12. The NCC is required to manage participant invitation and screening, monitor and follow-up on participation. The NCC will support the Ministry to monitor DHB performance of the delivery of the NBSP, and support national programme quality and promote equitable participation.
13. The request for proposal (RFP) ran from 1 February to 17 March 2017. The Ministry is currently finalising the contract with its preferred supplier. It is anticipated that the NCC will be fully operational from January 2018.

Bowel Screening Regional Centres (regional centres)

14. The regional centres will support an equity approach to services, provide support to DHBs within their regions for 'go-live', support regional production planning for colonoscopy, adverse event and incident management, monitor quality and adherence to national standards, provide clinical leadership, develop regional plans and work with the DHBs in the region.
15. The Ministry did not undertake a procurement process to appoint the regional centres. Instead it worked with the DHBs to identify the regional centres in each region and in doing so supported regional collaboration.

District Health Boards (DHBs)

16. The Ministry completed readiness assessments for the Hutt Valley and Wairarapa DHBs, who commenced the delivery of the NBSP on 17 July 2017. Waitemata DHB will transition from the pilot to the NBSP in January 2018.
17. At this stage the provisional date for Southern DHB to join the NBSP is April 2018. For Counties Manukau DHB it is June 2018.

Risks

18. To support Southern and Counties Manukau DHBs as they prepare to roll-out the NBSP in quarter four of the 2017/18 financial year, the Ministry needs to draw down the funding set aside in contingency in Budget 17. This will enable the Ministry to contract with the DHBs for the operation of the bowel screening programme and will enable the DHBs and Ministry to continue planning for implementation by the current provisional date.
19. One of the mitigations that the Ministry now has available to it, is the lessons learnt from implementing the NBSP in the Hutt Valley and Wairarapa DHBs. The Ministry has also noted that Southern and Counties Manukau DHBs will be supported by the DHBs within their region.

20. The re-baselined timetable presented to Cabinet in March 2017 [SEC-17-SUB-0016 refers], is reliant on the Ministry's ability to draw down the contingency funding to purchase the required bowel screening service. A funding delay could impact on the ability to implement the NBSP in Southern and Counties Manukau DHBs, as planned, in the last quarter of the 2017/18 financial year.
21. The March 2017 Cabinet paper also noted the implementation of the NBSP is complex, and its delivery is being managed through a phased roll-out. This enables the Ministry to support the DHBs as they join, including the background work that intensifies 12-months before the go-live date. As more DHBs join the NBSP, the Ministry and regional centres will be able to share implementation lessons with the DHBs to reduce overall delivery risks for the succeeding DHBs joining the NBSP.
22. The Ministry has developed an interim IT solution to enable Southern and Counties Manukau DHBs to join the NBSP. The Ministry is ensuring that clinical and operational processes, quality assurance and safety monitoring are in place to support these DHBs, and that participant safety and programme quality are not compromised.
23. The Ministry continues to engage with the Corporate Centre, Gateway Reviews and other external assurance reviews to manage the overall NBSP implementation.

Financial Implications

24. The Ministry is seeking approval from the joint Ministers to draw down the \$12.430 million from the tagged contingency for the NBSP established in Budget 2017 [CAB-17-MIN-0185.12 refers] to fund the roll out of the bowel screening programme to the Southern and Counties Manukau District Health Boards.
25. The Corporate Centre attended a Better Business Case clinic where they had opportunity to discuss the 2017/18 Business Case, which informed the final version.

Other actions

26. On approval of the 2017/18 Business Case by the joint Ministers, the Ministry will prepare the business case and this Health Report for proactive release to the Ministry's website. In so doing, the Ministry will apply the provisions of the Official Information Act 1982.

END.