

Appendices

Appendix 1: Response from NSW Health



Margaret Crawford
Auditor-General of NSW
NSW Audit Office
GPO Box 12
SYDNEY NSW 2001

Your ref PA6586
Our ref S17/233

Dear Ms Crawford

Final Performance Audit Report on Management of Medical Equipment

I am writing in regard to your letter of 26 April 2017 providing a copy of the final performance audit report on *Management of Medical Equipment in NSW Public Hospitals*.

This performance audit confirms the priority being placed on improving asset management in NSW Health. Health supports the report's recommendations as they align with our existing asset management initiatives including the reporting on medical equipment maintenance within the Asset and Facilities Management (AFM) Online information system. This system is currently being implemented across all our hospitals to improve the oversight and management of medical equipment assets.

I would also like to clarify that all public patients who access PET-CT services as part of their inpatient services are treated free of charge in NSW public hospitals. Where out-of pocket charges for privately referred non-inpatients occur, they relate to instances where the scan does not meet the Commonwealth Medicare rebate requirements. In these situations the treating doctor will bill the privately referred non-inpatient directly for the cost of providing the scan.

Attached to this letter is a table outlining NSW Health's response to the individual report recommendations. I note that this letter and the attached table will be incorporated into the published report, which will be tabled in Parliament on 25 May 2017.

I would like to thank you and your team for working with NSW Health over the course of the audit program.

Yours sincerely

Elizabeth Koff
Secretary, NSW Health

NSW Ministry of Health
ABN 92 697 899 630
73 Miller St North Sydney NSW 2060
Locked Mail Bag 961 North Sydney NSW 2059
Tel. (02) 9391 9000 Fax. (02) 9391 9101
Website. www.health.nsw.gov.au

Audit Office Recommendation	NSW Health Response	
By June 2018		
1. NSW Health should review all services provided by Local Health Districts which use high-value medical equipment (with establishment cost that exceeds \$3 million), to determine whether state-level coordination, service benchmarking and equipment usage reporting is warranted.	Supported with qualification	Health will review services where warranted. Guidance for clinical service planning is provided in the NSW Health Guide to the Role Delineation of Clinical Services. The NSW Framework for New Health Technologies and Specialised Services (GL2017_004) has clear criteria and processes on services/technologies that require state-wide consideration.
2. NSW public hospitals offering PET-CT services should collect and use patient waiting time data (the difference between the date of referral and the actual date of the scan) as part of improving service efficiency and meeting patient needs.	Supported with qualification	Health is ensuring that there is timely access to services based on clinical need. There is no clear evidence that patient access is an issue for PET-CT services. The improvement of patient scheduling systems to support efficient business processes should be encouraged and this will need further consideration in relation to other clinical and corporate IT systems being rolled out.
3. Local Health Districts should ensure that there is a formal equipment replacement plan at the time of procuring high-value equipment, for both new and existing services. The plan should include an estimated time of replacement. The Ministry of Health should regularly review capital funding implications from these planned equipment replacements.	Supported	The requirement to submit a formal equipment replacement plan is already in place as part of the NSW Health Process of Facility Planning (POFP) policy. LHDs submit the plan to the Ministry of Health as part of either the annual submission process for Locally Funded Initiatives or Asset Strategic Plans.
By June 2019		
4. NSW public hospitals should review internal business rules and processes for biomedical equipment management to ensure that:	Supported	NSW Health has commenced the review of business rules and processes for biomedical equipment management in line with the ongoing implementation of the Asset and Facilities Management (AFM) Online system. Health's new State-wide Asset Management Unit will support this review and the system implementation.
a. equipment is accessible by service technicians for testing and maintenance work, including establishing internal processes to assist service technicians in gaining access to equipment that has missed previous testing and maintenance attempts in accordance with the Australian/New Zealand Standard 3551	Supported	AFM Online will support the process of accessing equipment for regular testing and maintenance. Technicians and nursing staff carefully balance the risk to patients arising from unavailability of equipment.

Audit Office Recommendation	NSW Health Response	
b. adequate maintenance records are kept, including descriptions of testing and maintenance work carried out in accordance with the Australian/New Zealand Standard 3551	Supported	The AFM Online system is supporting this ongoing improvement process.
c. there is regular reporting to Local Health District Chief Executives on the compliance of equipment testing and maintenance, including equipment that is tested or maintained later than scheduled intervals	Supported	Health is implementing performance reporting for biomedical equipment management through the AFM Online system.
d. there is specified statement of risk tolerance for late equipment testing and maintenance and mechanisms to appropriately prioritise equipment testing and maintenance.	Supported	Health will further develop its existing standards for risk tolerance. Health is already prioritising equipment testing and maintenance and the AFM Online system has been configured to provide advanced capability this area.
5. The Ministry of Health should encourage that all NSW public hospitals have their biomedical equipment management practices reviewed under the new peer review process, and that the review sample from each hospital be increased to more than two pieces of equipment per hospital.	Supported	Every four years, all NSW public hospitals undergo an independent accreditation process. All five audited hospitals have been or are scheduled to be accredited through a process that includes a review of medical equipment management, which includes the ongoing cycle of maintenance. To complement the independent hospital accreditation process, the new State-wide Health Asset Management Unit will support internal reviews under inclusion of a peer review process.
6. The Ministry of Health should complete the implementation of AFM Online for biomedical equipment management.	Supported	The AFM Online implementation for biomedical equipment is progressing and is planned to be completed by June 2019.