



NSW Health State-wide Investment and Prioritisation Framework

July 2020

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1. Overview

What is the NSW Health state-wide Investment and Prioritisation Framework?

The NSW Health State-wide Investment and Prioritisation Framework is an overarching guidance document that aligns the investment directions set out in the 20-Year Health Infrastructure Strategy (HIS) with NSW Health Organisations (Health Organisations) that undertake annual clinical service and/or asset strategic planning.

The intention of the Framework is to provide clear guidance to Health Organisations on the types of investment proposals required to respond to the long-term health challenges facing the NSW health system. It also outlines the basis for which Ministry will review and prioritise investment proposals in the 10-year Capital Investment Strategic Plan.

Why is a new Framework being introduced?

In April 2020, the NSW Government endorsed the 20-Year Health Infrastructure Strategy (HIS). The 20-Year HIS provides a framework for NSW Health to respond to the long-term health challenges facing the system over the next 20 years. The 20-Year HIS articulates the role of infrastructure for health services in delivering health outcomes and sets a number of new directions for infrastructure investment including:

- a future portfolio that provides care in a wider range of settings and facilities, including alternate non-acute, community or in-home settings.
- Wider application of virtual and telehealth service models and the systems that underpin them.
- consistent investment in life-cycle and preventative maintenance to maintain and extend asset life and to maximise the value of the capital investment.

The State-wide Investment and Prioritisation Framework provides the link between the investment directions set out in the 20-Year HIS and Health Organisation's clinical service and/or asset planning and prioritisation.

How to use this Framework?

Health Organisations should consult this Framework in preparing their clinical service and/or asset planning activities. There are three features of the Framework; each of which are intended to guide local level planning and prioritisation:

- A series of **investment principles** that provide guidance to Health Organisation level clinical and/or asset planning. To best apply this Framework to capital planning activities, future investment proposals should exemplify these new investment principles.
- **New collaborative planning approach** aimed at driving early collaboration across the health cluster. These arrangements will provide opportunities for Health Organisations to leverage State-wide investment plans, expertise and lessons to better inform options analysis as part of clinical service and/or asset planning.
- **New State-wide investment prioritisation processes and criteria** that provide clarity to Health Organisations on how investments proposals will be reviewed and prioritised at the Ministry level.

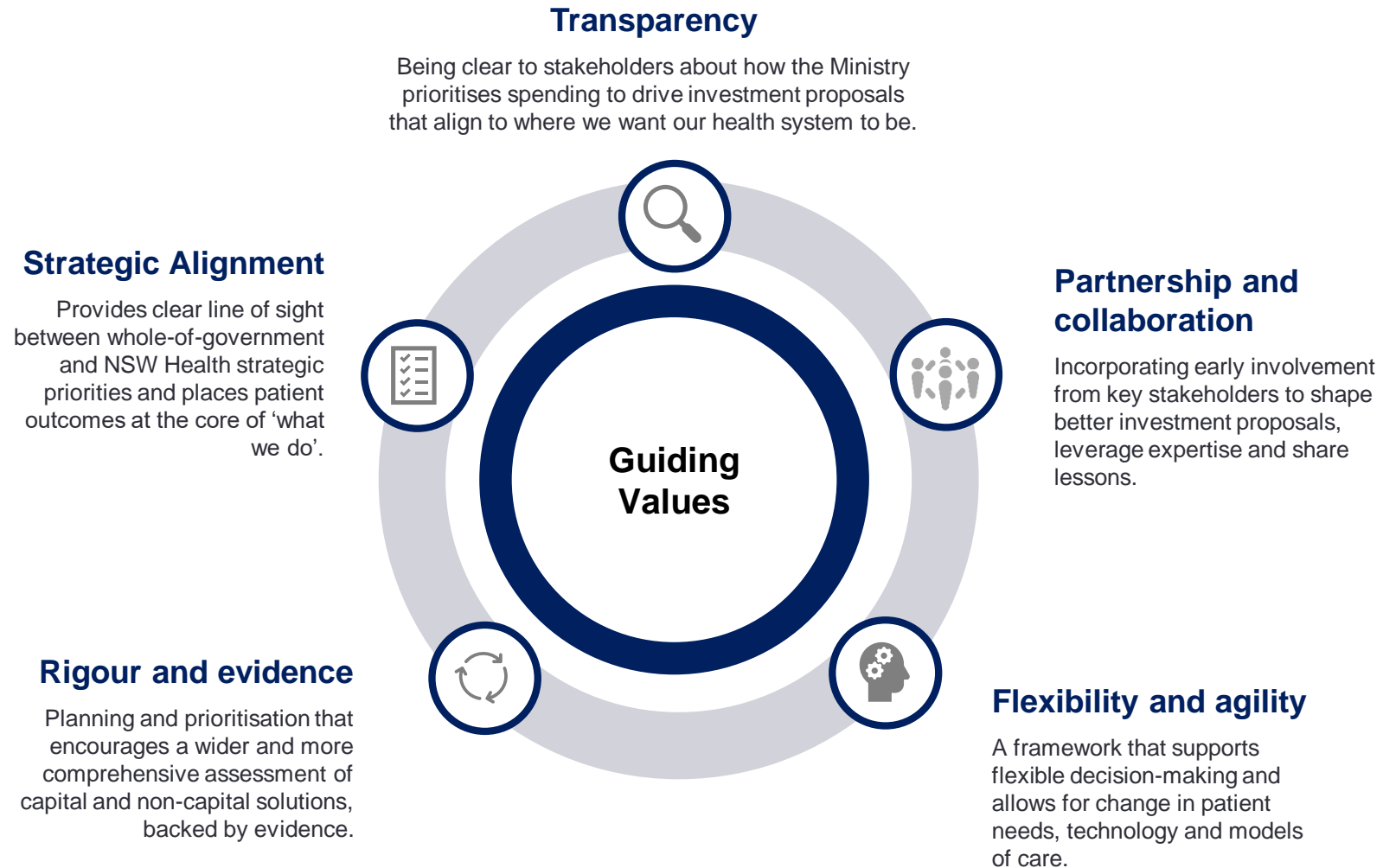
Who should use this Framework?

The NSW Health cluster has a comprehensive number of stakeholders – patients, local community, LHDs/SHNs, Health Shared Services, Health Pillars, State-wide Health Services and Central Agencies.

- **NSW Health** – Health Organisations will consult the Framework and be the main users of the investment guidance. Investment proposals submitted via annual asset plans are expected to reflect the investment principles and considerations set out in the Framework.
- **Central Agencies** – the Framework will provide greater transparency and alignment between the Ministry of Health and Central Agencies with regard to how the Ministry prioritises investment proposals and NSW Treasury's outcomes budgeting framework.

2. A new approach to planning and prioritising investment

The Ministry's approach to developing the NSW Health State-wide Planning and Prioritisation Framework was guided by the following values.

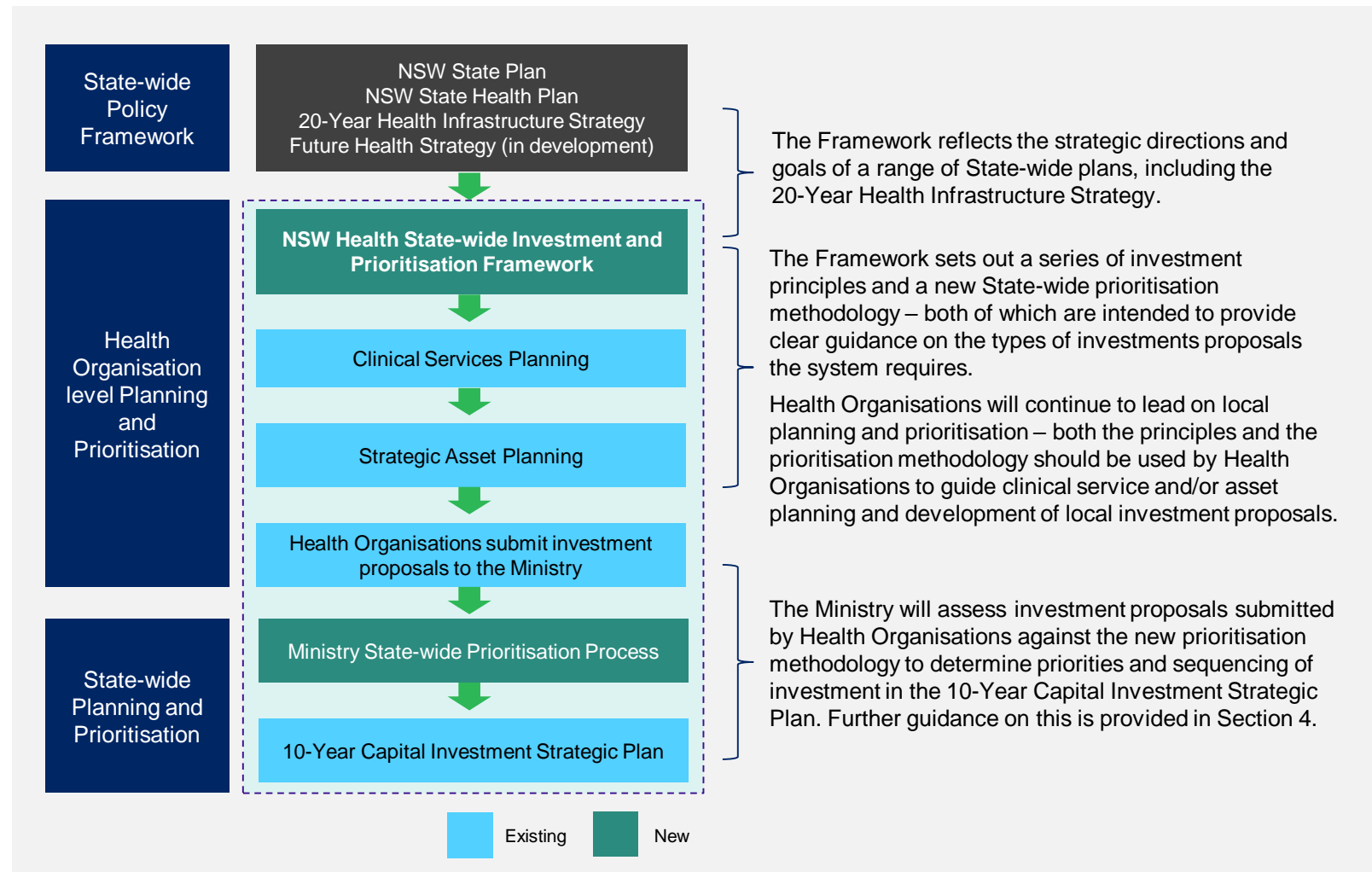


2. A new approach to planning and prioritising investment

Relationship to the existing clinical service and/or asset planning and prioritisation process

The Framework is intended to complement and be used in conjunction with existing planning and prioritisation guidance documents, templates and tools.

Health Organisations will remain responsible for local level clinical service and/or asset planning and prioritisation. It is not the purpose of the Framework to strictly prescribe the contents or format of clinical services and asset planning. Rather its purpose is to make clear the elements that need to be included to inform and facilitate the decision-making processes by the Ministry when reviewing investment proposals submitted by Health Organisations.



3. Our investment principles

Overview

Realising the investment directions set out in the 20-Year Health Infrastructure Strategy requires a new set of investment principles which change the way we invest. The following investment principles reflect the strategic directions outlined in the 20-Year Health Infrastructure Strategy. Health Organisations should use these investment principles to guide local planning and prioritisation of clinical services and/or assets.

- 1. places patient outcomes at the centre**
- 2. improves long-term financial sustainability of the system**
- 3. enables innovative and transformative ways of delivering health care**
- 4. makes better use of assets and considers non asset solutions**
- 5. considers whole-of-life cycle costs**
- 6. takes a whole of portfolio approach**
- 7. is adaptive, resilient and environmentally sustainable**
- 8. maximises place-based synergies**
- 9. delivers wider economic and community benefits**

Further detail on each investment principle is provided in the subsequent pages.



3. Our investment principles



Place patient outcomes at the centre

Every patient experience will be safe, seamless, personalised and digitally enabled

Investments should directly and indirectly improve patient outcomes, deliver on the initial required service need and have community wide benefits. Investment should focus on prevention and early intervention and incentivise value-based care rather than volume-based care.

- **Patient safety** – investments consider embedding quality improvement and redesign to ensure safer patient care and reduced harm caused by the delivery of care.
- **Patient experience** – investment should encourage a seamless consumer-centric journey through the health system via better integration of services and systems. Investments should consider how customer behaviour and preferences are changing, and their impact on the provision of clinical services and asset requirements.
- **Patient centred and value based care** – investment facilitates the ongoing shift to value based healthcare which continually measures the experience and health outcomes of patients, addresses future demand pressures by creating capacity through efficient care and services.



Improves long-term financial sustainability of the system

Moving towards a health system that is economically sustainable and affordable for consumers

Investments should seek to reduce the long-term operating costs of the health system through: better use of existing assets, consideration of non-capital solutions, consideration of whole-of-lifecycle costs and investment in innovative care or service delivery models.

- **Financial sustainability** – investments aim to reduce operational spend and drive down recurrent costs in the long term. Healthcare that considers lower cost care settings and delivery models made possible through digital technologies and other non-asset based solutions. Investments aim to reduce duplication and present opportunities to achieve greater value for money.

3. Our investment principles



Enables innovative and transformative ways of delivering healthcare

A more active role in promoting and accelerating change through investments that look ahead to the future of health, and support a culture of innovation across Districts and Networks.

Investments should promote and support new models of care, service delivery and facility types, including setting the foundations for a digitally-enabled health system, and investing in other settings including in home, community, ambulatory, telehealth, or virtual settings. In addition, innovative procurement and partnership models offer value for money, capability and greater service flexibility.

- **Innovative models of care and service delivery** – seek to invest in innovative pilots and evaluation. Investments should foster an adaptable innovation culture. New investment considers a wider range of facility options such as integrated community health facilities, home-based care, Ambulatory and diagnostic centres and urgent care centres as well as non-capital solutions.
- **Technological innovation** – consider the emergence of new technology and service models that deliver greater flexibility, provide 24/7 connectivity and are more responsive to the needs of the consumer, the service user and the workforce. New models of care might consider flexible modular design, digitally-enabled health care, virtual health and telehealth care. Investment in new technology should also be complemented by appropriate workforce training to ensure the investment benefits are realised.



Makes better use of assets and considers non-capital solutions

A run to fail model cannot be sustained. Investments should take measures to ensure regular, sustained maintenance of our assets to extend their lifetime and decrease risk of early and unnecessary replacement.

Investment planning should not always default to new assets. Investment planning should give due consideration to a range of options for meeting service demand including maintenance and management of existing assets, better use of existing capacity including redesigning and retrofitting current assets to extend operating life and widen potential uses or increase asset utilisation.

Investment planning and prioritisation should exhaust non-asset solutions such as:

- **Maintain existing assets** – investment considers a whole of lifecycle approach to asset maintenance.
- **Repurpose and better use of existing assets** – investments encourage greater use of an asset by redesigning, retrofitting and reducing vacant underutilised space.
- **Non-capital solutions** – considers investment in measures that reduce upstream demand for care through early intervention and preventative care.

3. Our investment principles



Considers whole-of-life cycle costs

Capital proposals explicitly consider whole-of-life cycle costs including options to drive maintenance and recurrent expenditure down.

Quality infrastructure investment should attain value for money and remain affordable with respect to life-cycle costs, by taking into account the total cost over its life-cycle (planning, design, finance, construction, operation and maintenance (O&M), and possible disposal).

- **Whole-of-lifecycle costs** – investment maximises asset value through better lifecycle and operational planning. Through rigorous asset management systems the investment aims to maximise asset life and reduce the risk of early and unnecessary asset replacement. Capital planning considers whole of life asset planning and management. Repair and maintenance capital and operating expenditure is spent in a way which enhances the assets useful life.



Takes a whole of portfolio approach

Positive outcomes are expected from State-wide adoption or service concentration – including cost savings, lessons learned and network efficiencies.

Investment planning should identify opportunities to meet need and provide services that form a whole of portfolio perspective at both a Health Organisation and State-wide level. This includes identifying opportunities for network sharing and collaboration, asset clustering, consolidation and specialisation.

- **Collaboration and network sharing** – investments should promote collaboration, network benefits and specialisation which established best class services across the network.
- **Knowledge sharing** – investments in local projects should consider the wider health portfolio vision and leverage prior shared learnings.
- **Portfolio optimisation** – investments should support State-wide service outcomes. Capital proposals should not be duplicative, should optimise the networks capacity, land and resources and should consider eventual disposal and/or decommissioning requirements.

3. Our investment principles



Is adaptive, resilient and environmentally sustainable

Health services will be flexible and agile, with networked systems that support the seamless uptake of new technology and service models and minimise the impact to the environment.

Every new hospital or facility built today including its operating workforce faces disruption over the next 20 years, from new service models, new technology and equipment, and from major new medical discovery. Infrastructure investment planning should identify 'trigger points' and scenario planning for investment to improve flexibility around when new investment is delivered, and when existing assets need to be repurposed or renewed. Agile health services will be prepared for uncertain high impact events.

- **Adaptable and future-proofed** – investments which consider flexible asset design and accommodate multiple uses that prepare for an uncertain future will be less disruptive to operations and support continuous delivery of care. Flexibility allows for assets to be repurposed as required and as service need changes in the future. Investments should consider future disruption and agile ways of managing growth and monitoring preparedness for uncertain and high impact events such as COVID-19.
- **Environmental sustainability and resilient** – works towards an environmentally sustainable health system. Investments should limit their impact on the environment by considering energy efficient and waste reducing alternatives. Reducing unnecessary waste and minimising consumption of scarce resources is consistent with ongoing financial sustainability in terms of meeting the expectations of our customers, reducing costs and minimising risks.



Maximises place-based synergies

The NSW Government has focused on the development of places and precincts as a means of promoting liveability, sustainability and economic development, including optimising the value of infrastructure investment.

Investments should consider potential synergies (i.e. clinical, economic, educational and social) from the co-location of major health and research assets. The co-location of major new health projects in precincts should align with broader government and private sector investments in transport, education, disability and social services, and research.

- **Form greater partnerships** – investments look to attract or strengthen partnerships with universities, medical research institutes and private-sector providers (including pharmacy, allied health, aged care, biomedical and biotechnology businesses) and improve community access by providing one-stop-shops.
- **Place-based efficiencies** – investment considers alignment with master plans to grow economic hubs of activity. Investment considers better use of land and operating efficiencies from asset clustering.

3. Our investment principles



Delivers wider economic and community benefits

The future of healthcare should better connect with communities to increase wellbeing, economic development and employment.

Investment decisions are centred around delivering community focused outcomes, building community resilience, enhancing community access to healthcare and providing wider community benefits.

- **Build community resilience** – investments that develop community resilience or encourage community care settings.
- **Enhance community access to healthcare** – investments should improve community access to healthcare services through the delivery of new models of care (e.g. digitally enabled care). Investments should facilitate greater integration of primary care and community based-services as well as preventative and early intervention models of care.
- **Deliver wider community benefits** – the investment should demonstrate wider economical or social benefits to the community (e.g. economic stimulus, job creation, healthier communities).

4. NSW Health State-wide prioritisation approach and methodology

Overview

As a system steward, the Ministry has a role in guiding and sequencing all annual investment proposals submitted by Health Organisations across the state into a 10-year forward programme. The prioritisation approach outlined in this section provides an overview of how the Ministry will make decisions about which investment proposals it will recommend for funding in the 10-year Capital Investment Strategic Plan.

As part of aligning investment decision-making to the long-term priorities articulated in the 20-Year Health Infrastructure Strategy, the Ministry will review all investment proposals submitted by Health Organisations against three new strategic alignment tests.

Each test – detailed in subsequent pages – comprises a series of criteria that reflect the strategic directions of the 20-Year Health Infrastructure Strategy and the Investment Principles set out in Section 3 of this document.

The intention is to provide transparency to Health Organisations on how their investment proposals will be reviewed and prioritised by the Ministry. Health Organisations will remain responsible for their own planning and prioritisation.



4. NSW Health State-wide prioritisation approach and methodology

Overview of State-wide prioritisation approach and methodology

The revised State-wide prioritisation approach and methodology introduces three new elements to the existing clinical services and /or asset planning and prioritisation process: (1) the collaborative planning approach designed to inform early clinical and asset planning, (2) three strategic alignment tests to verify alignment to the directions of the 20-year HIS, (3) a new approach to prioritisation and sequencing across the 10-year Capital Investment Strategic Plan. Each of these elements is explained in further detail in the following pages.



1. Collaborative planning approach

Health Organisations and the Ministry Co-Chair a series of collaborative planning sessions to inform early clinical services and asset planning options and investment considerations.



2. Health Organisations submit investment proposals to the Ministry*

Health Organisations determine their investment needs through clinical service and/or asset planning processes and submit to the Ministry for consideration in the 10-Year Capital Investment Strategic Plan.



3. Ministry assesses investment proposals submitted by Health Organisations through three strategic alignment tests

The Ministry reviews investment proposals submitted by Health Organisations against three 'strategic alignment tests' to verify their alignment to system-wide outcomes and confirm their eligibility for inclusion into the 10-Year Capital Investment Strategic Plan.



4. Ministry undertakes prioritisation exercise to determine sequencing in 10-Year Capital Investment Strategic Plan

The Ministry undertakes a sequencing exercise based on consideration of a range of factors including relative performance against the strategic alignment tests (tests 2 and 3), annual funding envelopes, geographical distribution and level of need/urgency.

*Existing Health Organisation led clinical service and/or asset planning processes

4. NSW Health State-wide prioritisation approach and methodology

Collaborative Planning Approach

The State-wide Investment and Prioritisation Framework introduces a new collaborative planning approach designed to encourage strategic dialogue between key system-wide stakeholders and Health Organisations. It is intended to be initiated early on in the investment planning stage, to inform clinical services and asset planning and to ensure system-wide outcomes and priorities flow through to Health Organisation led clinical service and/or asset planning. It is intended to provide an opportunity for Health Organisations to explore, test and discuss service planning options with a wider group of stakeholders. It also provides an opportunity to identify, align and leverage local investment planning with opportunities offered by current and planned system-wide investments (e.g. ICT) as well as draw on a pool of State-wide expertise held across the NSW Health cluster.

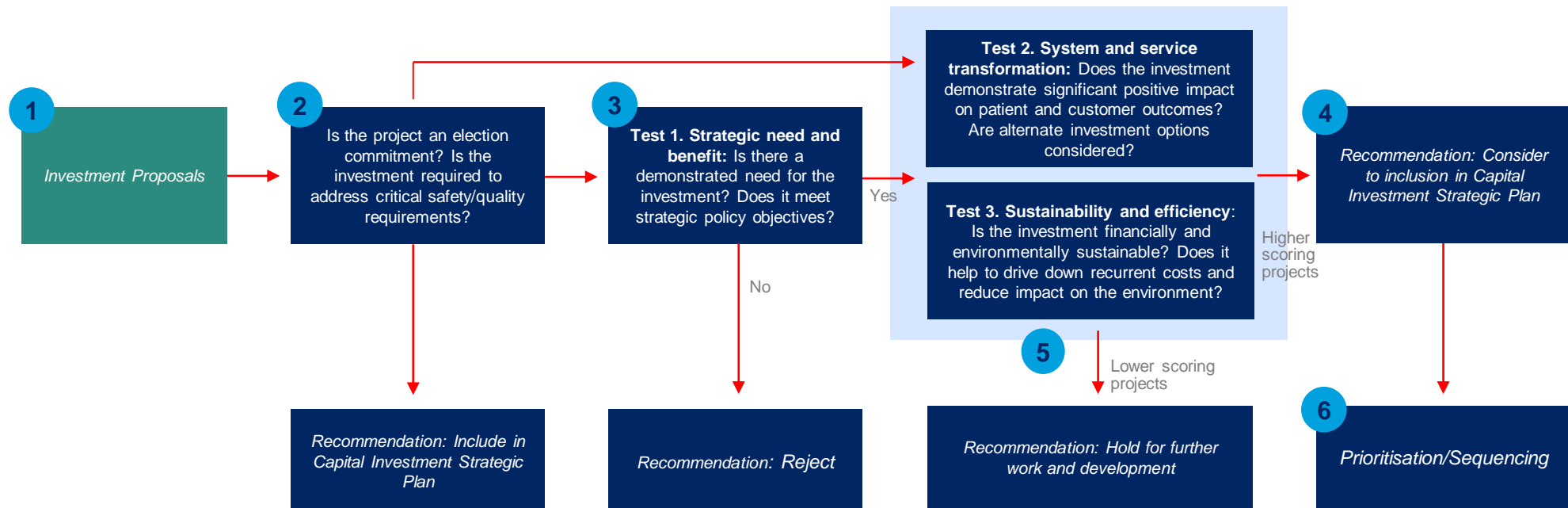


Who to engage?	What to consider?	How to engage?	Desired outcomes of the approach
<ul style="list-style-type: none"> Health Organisations Ministry of Health Health Infrastructure Health Shared Services Health Pillars Primary Health Networks (PHNs) Universities and other major precinct-based stakeholders Private providers and other key service providers Department of Planning, Industry and Environment Property NSW 	<ul style="list-style-type: none"> NSW Health Investment Principles and Prioritisation Criteria Current and planned system-wide investments and priorities (both within health and across government) Partnerships opportunities Non-capital and non-traditional asset investments to meet service demand System-wide outcomes (e.g. precincts, State-wide technology, cross LHD/SHN collaboration, lessons from past projects) 	<ul style="list-style-type: none"> Health Organisations and Ministry to undertake early collaboration as part of annual clinical and capital planning cycles. Collaboration will be structured with set agenda items and co-chaired by the Ministry and each Health Organisation (e.g. agenda items include current health environment, planning priorities, shared learnings, innovations and process improvements) Other stakeholders may be consulted separately where required (e.g. Health Pillars, Universities, precincts). 	

4. NSW Health State-wide prioritisation approach and methodology

Strategic alignment tests

Once Health Organisations have submitted their investment proposals for funding consideration, the Ministry will assess these proposals against three strategic alignment tests to verify alignment to both local and system-wide outcomes and therefore eligibility for funding consideration in the Capital Investment Strategic Plan.



1. Health Organisations determine local/organisational level asset needs and submit investment proposals to Ministry through clinical service and/or asset planning processes.

2. All publicly announced projects (e.g. elections commitments) are included in the Capital Investment Strategic Plan, however must still be subject to strategic alignment tests two and three (steps 4 and 5).

3. Test 1 (strategic need and benefit) will be treated as a gateway to proceed to the other two tests. It comprises a series of threshold including alignment to strategic objectives, service need and cost benefit analysis. Projects that fail to meet any of the criteria in this test are rejected and will not proceed for further consideration.

4/5. Investment proposals will be reviewed and assessed against two alignment tests. Projects that score higher against the criteria contained in these tests will move to the next stage of the prioritisation approach to determine sequencing in the Capital Investment Strategic Plan. Projects that fail to demonstrate suitable alignment will be provided one additional opportunity to resubmit the investment proposal, following feedback from the Ministry. Investment proposals that subsequently fail to demonstrate alignment will be placed in a 'holding pen' for future consideration.

6. Investment proposals that are recommended for inclusion in the Capital Investment Strategic Plan will be sequenced based on consideration of a range of factors (detail on following page).

4. NSW Health State-wide prioritisation approach and methodology

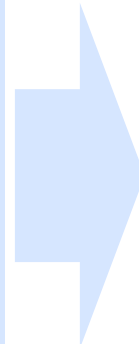
Strategic alignment tests

The three new strategic alignment tests each comprises a series of criteria that reflect the strategic directions of the 20-Year Health Infrastructure Strategy and the Investment Principles. The strategic need and benefit test (test 1) will be treated as a gateway to proceed to the other two tests. Investment proposals that fail to meet any of the criteria in Test 1 will be rejected. Each Health Organisation will receive feedback for the investment proposals they have put forward against the three tests. This will be used to facilitate discussion during the asset strategic planning cycle as well as form an input into the prioritisation and sequencing of Health Organisation investments proposals across the 10-year Capital Investment Strategic Plan.

Test 1: Strategic need and benefit*

Test Criteria:

- Does the investment align with NSW Health Policy Framework?
- Does the investment have clear alignment to NSW Treasury's outcomes budgeting framework?
- Does the investment demonstrate a clear service need, backed with evidence?
- Does the investment demonstrate a positive benefit cost-ratio (preliminary CBA)?



Test 2: System and service transformation

Test Criteria:

- Does the investment facilitate greater integration of primary care and community based-services and early treatment?
- Does the investment facilitate greater volumes of out-of-hospital care?
- Does the investment cater for growth in non-acute outpatient care including same-day surgery, diagnosis and community health?
- Does the investment encourage diversion of avoidable ED presentations to lower cost settings/facilities?
- Does the investment facilitate greater volumes of virtual or telehealth models?
- Is the investment geared towards optimising service delivery across the whole portfolio?

Test 3: Sustainability and efficiency

Test Criteria

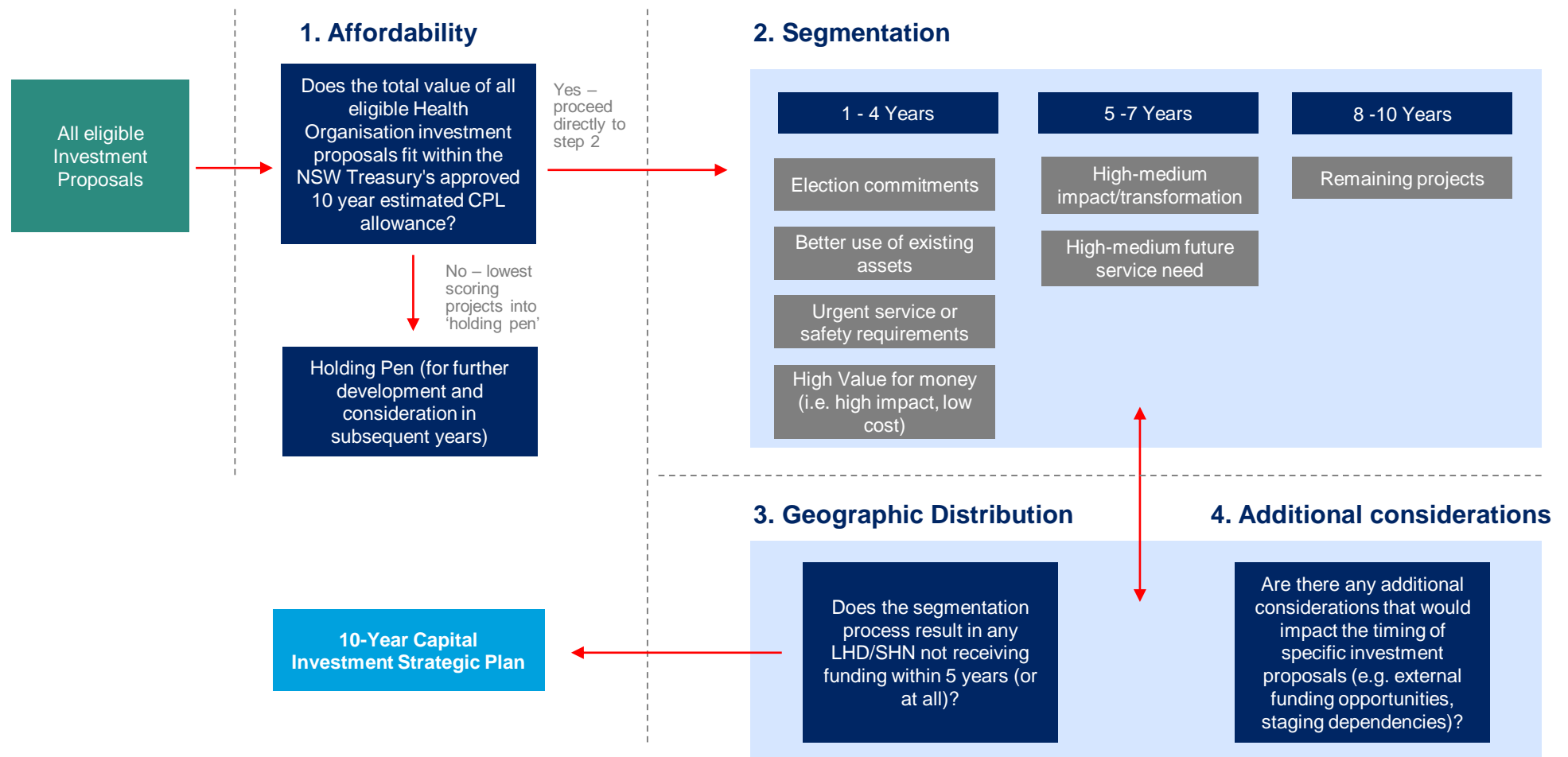
- Does the investment consider whole-of-life costs and operating requirements?
- Does the investment demonstrate potential to reduce ongoing recurrent costs without compromising patient outcomes?
- Is the investment future-proofed (for example, through for example adaptable and flexible assets or innovative procurement models)?
- Does the investment reduce risk, early obsolescence, or prevent unnecessary or premature asset replacement?
- Does the investment limit or reduce impact to the environment?
- Does the investment take into account preparedness for unknown high impact events?

*Gateway test – projects that fail to meet any of the criteria in this test will not proceed to tests 2 and 3.

4. NSW Health State-wide prioritisation approach and methodology

Prioritisation and sequencing

Once Health Organisation investment proposals have been deemed eligible for funding consideration, the Ministry will undertake a prioritisation exercise to determine sequencing of eligible investment proposal across the 10-year Capital Investment Strategic Plan. This will comprise a series of checks and categorisation processes outlined in detail below.



5. Appendices



5. Appendix A

Alignment of investment principles to the test criteria

The three new strategic alignment tests each comprises a series of criteria that reflect the strategic directions of the 20-Year Health Infrastructure Strategy and the Investment Principles contained in this document. The table below illustrates the alignment and applicability of these investment principles to each of the criteria under the three strategic alignment tests.

		Strategic alignment test criteria														
		1. Strategic need and benefit				2. System and service transformation						3. Sustainability and efficiency				
		1.1 Does the investment align with NSW Government priorities?	1.2 Does the investment have clear alignment to NSW Treasury's outcomes budgeting framework.	1.3 Does the investment demonstrate a clear service need, backed with evidence?	1.4 Does the investment demonstrates a positive benefit cost-ratio (preliminary CBA)?	2.1 Does the investment facilitate greater integration of primary care and community based-services and early treatment?	2.2 Does the investment facilitate greater volumes of out-of-hospital care?	2.3 Does the investment cater for growth in non-acute outpatient care including same-day surgery, diagnosis and community health?	2.4 Does the investment encourage diversion of avoidable ED presentations to lower cost settings/facilities?	2.5 Does the investment facilitate greater volumes of virtual or telehealth models?	2.6 Is the investment geared towards optimising service delivery across the whole portfolio?	3.1 Does the investment consider whole-of-life costs and operating requirements?	3.2 Does the investment demonstrate potential to reduce ongoing recurrent costs without compromising patient outcomes?	3.3 Is the investment future-proofed (through for example adaptable and flexible assets or innovative procurement models)?	3.4 Does the investment reduce risk, early obsolescence, or prevent unnecessary or premature asset replacement?	3.5 Does the investment limit or reduce impact to the environment?
Investment Principles	1. Places patient outcomes at the centre															
	2. Improves long-term financial sustainability of the system															
	3. Enables innovative and transformative ways of delivering health care															
	4. Makes better use of assets and considers non asset solutions															
	5. Considers whole-of-life cycle costs				N/A											
	6. Takes a whole of portfolio approach															
	7. Is adaptive, resilient and environmentally sustainable															
	8. Maximises place-based synergies															
	9. Delivers wider economic and community benefits															

5. Appendix B – Scoring Approach

Scoring approach: Strategic alignment test 1 – Strategic need and benefit*

Criteria	Score
1.1 Does the investment align with NSW Government priorities?	Yes / No
1.2 Does the investment have clear alignment to NSW Treasury's outcomes budgeting framework.	Yes / No
1.3 Does the investment demonstrate a clear service need, backed with evidence?	Yes / No
1.4 Does the investment demonstrate a positive benefit cost-ratio (preliminary CBA)?	Yes / No

*Gateway test – projects that fail to meet any of the criteria in this test will not proceed to tests 2 and 3.

5. Appendix B – Scoring Approach

Scoring approach: Strategic alignment test 2 – System and services transformation

Criteria	Score				
	0	1	2	3	4
2.1 Does the investment facilitate greater integration of primary care and community based-services and early treatment?	The investment does not integrate primary-based care and community based care.	The solution partially integrates primary-based care and community based care.	The solution moderately integrates primary-based care and community based care.	The investment highly supports the integration of primary-based care and community based care.	The solution fully integrates primary-based care, community based-services and early preventative treatment methods
2.2 Does the investment facilitate greater volumes of out-of-hospital care?	The investment does not consider out-of-hospital care options.	Minor impact – the investment results in minimal support for increasing volumes of out-of-hospital care.	Moderate impact – the investment results in a moderate support for increasing volumes of out-of-hospital care.	High impact – the investment highly supports increasing volumes of out-of-hospital care.	Game changer – the investment makes a step-change towards supporting or facilitating greater volumes of out-of-hospital care.
2.3 Does the investment cater for growth in non-acute outpatient care including same-day surgery, diagnosis and community health?	The investment does not support non-acute outpatient care.	Minor impact – the investment results in a minimal increase towards supporting non-acute outpatient care	Moderate impact – the investment results in a moderate increase towards supporting non-acute outpatient care	High impact – the investment results in a high increase towards supporting non-acute outpatient care	Game changer – the investment makes a step-change towards supporting non-acute outpatient care.
2.4 Does the investment encourage diversion of avoidable ED presentations to lower cost settings/facilities?	The investment does not divert avoidable ED presentations to lower cost settings/facilities.	Minor impact – the investment results in a minimal increase towards supporting or facilitating greater volumes of home-based care	Moderate impact – the investment results in a moderate increase diversion of avoidable ED to lower cost settings/facilities	High impact – the investment results in a high increase in diversion of avoidable ED to lower cost settings/facilities	Game changer – the investment makes a step-change towards increasing diversion of avoidable ED to lower cost settings/facilities
2.5 Does the investment facilitate greater volumes of virtual or telehealth models?	The investment does not facilitate greater volumes of virtual or telehealth models.	Minor impact – the investment results in a minimal increase for greater volumes of virtual-based care	Moderate impact – the investment results in a moderate increase for greater volumes of virtual-based care	High impact – the investment results in a high increase in greater volumes of virtual or telehealth models	Game changer – the investment makes a step-change towards supporting or facilitating greater volumes of virtual or telehealth models
2.6 Is the investment geared towards optimising service delivery across the whole portfolio?	The investment does not optimise service delivery across the whole portfolio	Minor impact – the investment to a minor degree optimises service delivery across the whole portfolio	Moderate impact – the investment to a moderate degree optimises service delivery across the whole portfolio	High impact – the investment to a high degree optimises service delivery across the whole portfolio	The investments is part of a whole of portfolio reconfiguration

5. Appendix B – Scoring Approach

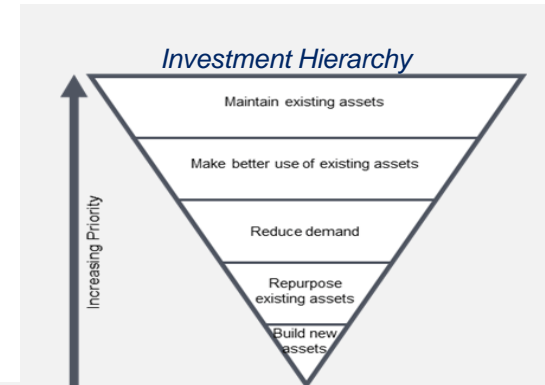
Scoring approach: Strategic alignment test 3 – Sustainability and efficiency

Criteria	Score				
	0	1	2	3	4
3.1 Does the investment consider whole-of-life costs and operating requirements?	No project cost items have been identified	Capital cost components within the project have been identified at an aggregate level. There is no breakdown on project cost components.	Project cost components within the bulk of the project have been identified, but there are notable gaps in areas such as capital costs, ongoing recurrent costs.	Most cost components throughout the lifetime of the project have been identified but there are minor gaps in areas such as capital costs, ongoing recurrent costs.	All cost items throughout the lifetime of the project have been identified including capital costs, ongoing recurrent costs.
3.2 Does the investment demonstrate potential to reduce ongoing recurrent costs (e.g. through services delivery, technology, staffing, asset utilisation, environmental sustainability) without compromising patient outcomes?	The investment does not reduce ongoing recurrent costs	Minor impact – the investment results in a minimal reduction of recurrent costs	Moderate impact – the investment results in a moderate reduction of recurrent costs	High Impact – the investment results in a high reduction of recurrent costs	Game changer – the investment makes a step-change in the reduction of recurrent costs
3.3 Is the investment future-proofed (through for example adaptable and flexible assets or innovative procurement models)?	The investment does not demonstrate future adaptability.	Investment considers minor capability for future adaptability.	Investment considers moderate capability for future adaptability.	Investment considers major capability for future adaptability.	The investment makes a step-change for future adaptability.
3.4 Does the investment reduce risk, early obsolesce, or prevent unnecessary or premature asset replacement?	The investment does not demonstrate early prevention of asset replacement.	Minor impact – the investment takes minimal measures to reduce risk of asset disposal and prevent premature asset replacement.	Moderate impact – the investment takes some measures to reduce risk of asset disposal and prevents premature asset replacement.	High Impact – the investment takes multiple measures to reduce risk of asset disposal and prevents premature asset replacement.	The investment makes a step-change in reducing the risk of asset disposal and preventing premature asset replacement.
3.5 Does the investment limit or reduce impact to the environment? (e.g. considers environmentally friendly investments such as renewable energy sources (solar energy) and sustainable water use)	The investment does not demonstrate reducing impact to the environment.	Minor impact – the investment takes minimal measures to reduce impact to the environment.	Moderate impact – the investment takes some measures to reduce impact to the environment.	High Impact – the investment takes multiple measures to reduce impact to the environment.	The investment makes a step-change in reducing impact to the environment.
3.6 Does the investment take into account preparedness for unknown high impact events?	The investment does not take into account preparedness to respond to uncertain events.	Minor impact – the investment to a minor degree takes into account preparedness to respond to uncertain events.	Moderate impact – the investment to a moderate degree takes into account preparedness to respond to uncertain events.	High impact – the investment to a high degree takes into account preparedness to respond to uncertain events.	The investments ensures full preparedness for unknown high impact events.

5. Appendix C – Non-capital and non-traditional asset solutions

Delivering non-capital and non-traditional asset solutions

The State-wide investment and prioritisation framework encourages non-capital responses as part of a holistic solution for delivering health outcomes, with incentives for better use and maintenance of assets, future re-purposing and demand reduction strategies for hospital-based care. The Framework seeks to promote a rebalanced portfolio that provides more care in non-hospital settings, including alternate community based settings and virtual care. Although not all health care services are eligible for non-capital alternatives, the table below is intended to provide a high-level guide on what non-capital solutions could improve the delivery of certain health care services.



20-Year HIS Strategic Directions	Non-capital solution approach	Potential applications (examples)
<p>Investing in the next wave of future health-care facilities</p>	<p>Treat people earlier in non hospital settings extending from the patient’s home to their local centre and to the hospital. Non-acute facilities or home based care can provide the opportunity for NSW to rethink the role, size and service offering of the current acute-facility asset base and reduce its ongoing service and maintenance funding requirements.</p>	<ul style="list-style-type: none"> • Ambulatory and diagnostic centres could target low complexity high volume short stay, same day surgical, outpatient and diagnostic services • Urgent care centres could target selected low acuity ED activity • Hospital-in-the-home for aged care, palliative, chronic conditions or rehabilitation
<p>Accelerating virtual and digitally enabled care</p>	<p>Digitally-enabled health services: supporting self-directed and self-managed care through investment in ICT, that improves connectivity between the consumer and health care providers.</p>	<ul style="list-style-type: none"> • Virtual care for mental health and rehabilitation, digital diabetes solutions • Virtual practitioner consults for primary care (e.g. colds, minor skin conditions, psychotherapy).
<p>Better use of our assets</p>	<p>Consideration to a range of options for meeting service demand including maintenance and management of existing assets, better use of existing capacity including redesigning and repurposing current assets to extend operating life and widen potential uses or increase asset utilisation.</p>	<ul style="list-style-type: none"> • Adapt buildings to enhance patient access (e.g. pop up drive by testing centres). • Transforming operating rooms into intensive care units • Shift from filling beds to maximising space
<p>Advancing whole-of-system digitisation</p>	<p>Enabling increased personalisation of care, requires investment in virtual platforms and predictive analytical tools that provide better information and insights into consumer decisions.</p>	<ul style="list-style-type: none"> • Predictive analytics based on lab testing, biometric data, patient generated health data can allow healthcare providers insight into early treatment services or wellness activities (e.g. machine learning predicting clinical events such as acute kidney injury or sepsis).