



Dot point advice for Minister's Office

Post-meeting follow up – St Vincent's Health Network Sydney – Electronic Medical Record Business Case/St Joseph's Hospital

Issue 1: Electronic medical record business case

Background

- In October 2020, NSW Health representatives met with St Vincent's Health senior executives to discuss funding of their electronic medical record (eMR).
- St Vincent's Health Network Sydney submitted a business case to the Ministry of Health for funding of their eMR but was advised at the time that there was no funding source for either capital or recurrent funding of this nature.
- St Vincent's Health Network Sydney is not included in the scope for NSW Health's Single Digital Patient Record (SDPR) Business Case. The SDPR project has approved capital funding of \$660M over six years and is fully committed for implementation across Local Health Districts. Therefore, any application of this funding to meet the business case submitted by St Vincent's Health Network Sydney would place the statewide rollout of SDPR at significant risk.
- St Vincent's Health Network Sydney representatives met with NSW Health representatives again on 2 February 2022 to discuss the same matter and the future of St Joseph's Hospital.

Key discussion points from the meeting

- St Vincent's Health Australia (SVHA) is seeking to procure and implement an EMR for its entire Australian network. Meditech has been selected as their preferred vendor after a market testing process as it best suits their needs. This vendor is not currently used by NBSW Health nor is there any possibility that this vendor would be part of the SDPR solution in NSW Health. However, technologies now exist to enable some form of near real time sharing of clinical data across disparate EMRs and this might provide a way for St Vincent's Health Network in NSW to interact with LHDs.
- St Vincent's Health Network Sydney indicated that eHealth NSW has helped to ensure the learnings from NSW Health are taken into consideration for system selection and interoperability.
- eHealth NSW noted an enterprise-level eMR would be the minimum requirement to allow St Vincent's Health Network Sydney to participate in and leverage NSW Health's digital health initiatives.
- SVHA intends to share the cost of funding the investment with state governments across Australia. The Victorian Government has confirmed plans to fund the investment for the Victorian component.
- SVHA has invested approximately \$200 million in technology to uplift St Vincent's Health Network Sydney capability.
- St Vincent's Health Network Sydney is seeking an 80% contribution from the NSW Government to the capital cost of \$62.5 million. This would equate to a NSW contribution of \$50M over three years, or \$16.7 million per annum. St Vincent's Health Network Sydney would fund the remaining \$12.5 million of the capital cost and all ongoing operational costs. An alternative proposed funding option is a contribution of \$5M per year over a period of 10 years for the capital costs with St Vincent's Health Network Sydney to manage the ongoing operational costs.

Recommendations/ Next steps

- The Minister for Health took an action to discuss potential funding allocation to St Vincent's Health Network Sydney with the Ministry of Health Finance branch.

- SVHA is looking to integrate its eMR solution into NSW Health systems. eHealth NSW notes that integration can be achieved by including St Vincent's Health Network Sydney in NSW Health's clinical health information exchange (CHIE) in a similar approach as to that adopted for the Northern Beaches Hospital.
- eHealth NSW confirms that NSW Health's existing ICT investment pipeline is fully committed and allocated to a portfolio of high priority projects, which are already underway. There is no funding available in the existing ICT investment pipeline that would meet the requirements of St Vincent's Health Network and a source of any additional funding would have to be identified by the Ministry of Health and/or Treasury.
- In the absence of any available capital funding currently to support this proposal, St Vincent's Health Network may wish to consider re-submitting this funding request through the 2022 Capital Investment Planning processes.

Issue 2: St Joseph's Hospital

Background

- In December 2020, Mr McClintock wrote to the Minister for Health about the sustainability of St Joseph's and the consideration to close the hospital permanently.
- This issue was discussed with the Minister on 2 February 2022 and is referenced in the correspondence that followed the meeting. The Network notes ongoing financial, operational and infrastructure challenges. At the meeting, SVHN indicated that they now need to take action on this matter, and the Board is not able to support future delivery of services at the site.
- The received correspondence do not include details or analysis about current activity and staffing levels, options for future delivery of this activity, or costs that would be involved in refurbishing the site.
- The SVHN position is that:
 - If there is no investment for future capital and infrastructure, the Network preference is to close the hospital permanently.
 - They would like NSW Government support for employee redundancy if staff cannot be redeployed.
 - They would like the activity and funding to be reallocated to St Vincent's Darlinghurst.

Analysis

- At the recent meeting, the cost to refurbish the St Joseph's Hospital site was estimated by the Network to be around \$80 million. This funding is not available from the Ministry and is not included in the agreed capital redevelopment plans, which focus on the Darlinghurst campus.
- Previous internal Ministry advice in 2021 about redundancy cost was that Affiliated Health Organisations listed in Schedule 3 to the Health Services Act are responsible for their own financial affairs. The respective responsibilities of SVHN and the NSW Ministry of Health regarding service delivery and funding are articulated in the annual Service Agreement. The Ministry does not have the budget to offer discretionary funding to SVHN.
- The proposal to reallocate activity and funding from St Joseph's Hospital to St Vincent's Darlinghurst should be developed and then submitted by the Network through their purchasing negotiations with the Ministry. Further information and analysis about the current activity and the proposal will be needed to inform these discussions.
- An initial review by Health and Social Policy Branch of activity data for St Joseph's Hospital from the last three years identifies some of the issues to be considered. The data indicates that reallocation of activity and funding to St Vincent's Darlinghurst is likely to create funding gaps, service gaps and unmet demand.
- In each of the last three years, the cost of care reported by St Joseph's Hospital has been more than \$21 million per year. In 2020-21, the total National Weighted Activity Unit (NWAU) was 3604, and a total cost of \$21.5 million.
- St Joseph's Hospital mainly provides subacute admitted care (maintenance, rehabilitation, and palliative care), admitted mental health care, and non-admitted care. In 2020-21 there were 12,389 encounters of non-admitted care, and 1509 encounters of admitted care reported. The highest number of inpatient encounters were for palliative care (1145). It is not clear if the intended activity at St Vincent's Darlinghurst would also be sub-acute and non-admitted care.

- The nature of care provided at St Joseph's Hospital involves high average length of stay for rehabilitation (24 days), maintenance (19 days), and mental health (44 days).
- St Joseph's Hospital mainly serves people in Western Sydney with more than 90 per cent of encounters across all care types provided to people who are resident in the Western Sydney Local Health District (WSLHD) area.
- WSLHD is likely to be a key partner in addressing service and activity gaps if the proposal is implemented, and other districts including South Western Sydney will also be impacted to some degree.
- Formal engagement by SVHN with WSLHD is required to understand the district's capacity and readiness to respond to the potential closure of St Joseph's Hospital across the relevant services, as well as timeframe and cost implications.
- The assumptions made by SVHN about the district's capacity have not been tested and the Ministry is concerned they are inaccurate. For palliative care, SVHN has indicated that WSLHD will be able to provide services to the local population and does not need St Joseph's Hospital to provide inpatient care. This is inconsistent with district advice to the Ministry. The report and recommendations of the recent independent review of palliative care by WSLHD includes the assumption that the current level of capacity at St Joseph's Hospital will be maintained.

Recommendations/ Next steps

- SVHN plans should reflect their financial responsibilities as an Affiliated Health Organisation, including managing their own financial affairs (e.g. redundancy payments) and service delivery as per annual Service Agreements.
- A more detailed proposal, including current activity, capital cost estimates, and proposed activity and funding transfer should be provided by SVHN as a pre-requisite to any negotiating discussions. The proposal should be explicit about what engagement has taken place with WSLHD.
- It is recommended that SVHN should submit this detailed proposal as part of their purchasing negotiations.

Approval

Name	Position	Date
Wayne Jones	Deputy Secretary, Patient Experience and System Performance	13/05/2022
Dr Nigel Lyons	Deputy Secretary, Health System Strategy and Planning	13/05/2022
Alfa D'Amato	Chief Financial Officer & Deputy Secretary, Finance	10/05/2022 Update: 14/06/2022
Bee Lim	A/Executive Director, Financial Data Analytics, Reporting and Governance	05/05/2022 Update: 14/06/2022
Joe Portelli	Executive Director, System Purchasing Branch	28/03/2022
Vince McTaggart	A/Executive Director, Strategic Reform and Planning	03/03/2022
Tish Bruce	Executive Director, Health and Social Policy Branch	03/03/2022
Zoran Bolevich	Chief Executive, eHealth NSW and Chief Information Officer, NSW Health	24/02/2022 Update: 09/06/2022

**Health**

Mr Paul McClintock AO
Chairman
St Vincent's Health Australia
Email: [REDACTED]

Our ref M22/1586

Dear Mr McClintock

Thank you for writing to the Minister for Health about St Joseph's Hospital and St Vincent's Health Network Sydney's electronic medical record (eMR) Business Case. Minister Hazzard has asked me to respond.

I acknowledge your proposal and appreciate your interest in this matter. I understand you met with representatives from the NSW Ministry of Health and eHealth NSW in October 2021 to discuss funding for your eMR proposal, and in February 2022, you met with the Minister about the sustainability of St Joseph's Hospital.

Dr Zoran Bolevich, Chief Executive, eHealth NSW and Chief Information Officer, has advised that NSW Health's existing ICT investment pipeline is fully committed and allocated to a portfolio of high priority NSW Health ICT programs, which are already underway. Regrettably, there is no funding available in the existing ICT investment pipeline that would meet the requirements of St Vincent's Health Network.

In the absence of any available capital funding currently to support this proposal, the Network may wish to consider resubmitting this funding request through the 2022 Capital Investment Planning processes.

Mr Alfa D'Amato, Chief Financial Officer and Deputy Secretary, Financial Services and Asset Management, has advised that any plans by the Network about a relocation of services from St Joseph's Hospital to St Vincent's Darlinghurst will need to be managed within the Network, as per annual Service Agreements.

I encourage the Network to provide a detailed proposal, including current activity, capital cost estimates, and proposed activity and funding transfer before further negotiating discussions, including what engagement has taken place with Western Sydney Local Health District.

Thank you again for writing. For more information on the eMR, please contact Ms Vicki Fleming, Executive Director, Program Delivery, eHealth NSW, at [REDACTED]

Yours sincerely

Susan Pearce
Secretary, NSW Health

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