

Budget Sensitive

Office of the Minister of Health

Chair, Cabinet Business Committee

National Bowel Screening Programme Progress to Date and Extension of Capital Contingency

Proposal

- 1 I ask that the Committee:
 - 1.1 approves an extension to the contingency of \$15.969 million for Vote Health for the capital component of the National Bowel Screening Programme (NBSP) to 31 December 2018. The contingency first expired in 1 February 2017 [CAB-16-MIN-0189.14 refers], and was extended to 1 February 2018 [SOC-17-MIN-003 refers].
 - 1.2 agrees the Ministry of Health (the Ministry) may draw down \$2 million from the contingency to support the discovery and detailed design phase before the Ministry submits the National Screening Information Technology solution (NSS) business case in June 2018.
- 2 I ask that the Committee notes the progress to date, as well as the benefits and challenges of implementing the NBSP, and extended roll-out timeframe, which aims to complete the national roll-out by the end of the 2020/21 financial year (a delay of at least a year from the previously envisaged timeframe).
- 3 I ask that the Committee notes that the final roll-out dates and implementation approach will not be known until the completion of the NSS discovery and solution design phase and will be confirmed in the NSS business case in June 2018.

Executive Summary

- 4 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.
- 5 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.
- 6 The NBSP is a critical programme for the health and well-being of New Zealanders which is planned to be fully implemented by the end of the 2020/21 financial year, giving all New Zealanders, aged 60-74 years, access to bowel screening.
- 7 Once fully implemented the NBSP will invite 700,000 New Zealanders to participate in bowel screening every two years, finding between 500-700 cancers every year.

- 8 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.
- 9 Budget 2016 allocated \$39.3 million, over four years, for the NBSP establishment. Budget 2017 allocated \$38.5 million, over four years, for the operational cost of the NBSP in the first five DHBs, including a proportion of the National Coordination Centre and Regional Centres.
- 10 Budget 2016 also allocated contingency capital funding of \$15.969 million for Information Technology (IT) development, subject to Cabinet approval of the business case for the National Screening Information Technology solution (NSS). The contingency expires on 1 February 2018, having previously been extended after it expired on 1 February 2017.
- 11 The NSS business case will provide the confirmed cost of the capital requirement, and the re-stated programme timeframes and cost and benefits profiles. It is expected to be with the Ministers' of Health and Finance for consideration in June 2018.
- 12 The paper seeks an early drawdown of up to \$2 million of the capital contingency funding, in the 2017/18 financial year prior to submission of the National Screening IT solution business case, to complete the discovery and solution design phase. This will be a charge against the National Bowel Screening capital contingency established as part of Budget 2016. The nature of the anticipated costs for the discovery and solution design phase of the project may result in an operating expense in accordance with generally accepted accounting practice and the need for a funding swap from a capital contingency to operating expense funding.
- 13 The key components to achieve the roll-out of the bowel screening programme are the:
 - 13.1 Interim service model including the interim IT solution: implementation of the programme by November 2018 in eight DHBs (Hutt Valley, Wairarapa, Waitemata, Southern, Counties Manukau, Nelson Marlborough, Lakes and Hawkes Bay).
 - 13.2 National service model including the National Screening IT solution: National Coordination Centre, four regional centres, clinical and service supports. Phased implementation of the programme in the remaining 12 DHBs by 30 June 2021.
 - 13.3 Transition of the eight DHBs on the interim IT solution to the National Screening IT solution, early in the 2021/22 financial year after the NBSP has been fully implemented.
- 14 The first two DHBs (Hutt Valley and Wairarapa) commenced the NBSP on 17 July 2017. Waitemata DHB will transition to the national programme on completion of the pilot on 1 January 2018.
- 15 The four regional centres are in place to support their DHBs as they get ready to implement bowel screening.

- 16 The National Coordination Centre replaced the Waitemata DHB interim coordination centre on 27 November 2017 (a month earlier than scheduled).
- 17 The challenge for the NBSP has always been the complexity of rolling-out a programme that is delivered across a large number of organisations in the health sector; is supported by clear accountabilities; an effective information technology (IT) solution; with robust safety and performance monitoring, and quality standards.
- 18 The Ministry is managing these challenges by running a disciplined and robust project management process that is based on:
 - 18.1 gradually implementing the NBSP across New Zealand with several gateway decision points to manage complexity and challenges, where it is possible to pause and assess progress;
 - 18.2 closely supporting each DHB as they develop their implementation business case and then as they build capacity and capability to go live;
 - 18.3 building on lessons learned from the pilot to develop performance indicators, Quality Standards and a monitoring framework for the national programme.
- 19 The most significant challenge to implementation is development of the NSS. The Ministry will have identified preferred solution partner(s) by mid December 2017. The first eight DHBs will implement the screening programme using the interim IT solution based on an enhanced version of the Waitemata pilot IT system. Taking this approach allows the Ministry to progress the roll-out whilst allowing time for the best technology partner and solution to be found.
- 20 The NBSP timetable will contain a degree of uncertainty until the completion of the discovery and solution design phase of the NSS development. The timetable for the implementation of the NSS will be provided in the technology business case in June 2018 along with any contingent changes to the operational delivery.

Background

Bowel screening

- 21 The NBSP will be available to all eligible men and women aged 60-74 in New Zealand. Once fully implemented the NBSP 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 expected uptake levels of 62%.
- 22 The NBSP is critically important for the health and wellbeing of New Zealanders as 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, with approximately 3,016 new cases per year and 1,283 deaths in 2012. New Zealand has the third highest mortality rate for bowel cancer in the OECD for women and the sixth highest for men.
- 23 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.

- 24 Significant social and economic benefits are expected, including Quality Adjusted Life Years (QALYs) saved, and an increase in the paid workforce (estimated at \$1,184 million over the 20 year modelled period). The wider contribution to society, for example, from volunteering or acting as caregivers, has been estimated at \$671 million over 20 years
- 25 A person's risk of developing bowel cancer rises steeply from 0.6 percent at age 50, to 5.6 percent by the age of 75 years. The number of cases diagnosed each year in New Zealand is therefore expected to increase as our population ages.
- 26 The age range for the National Bowel Screening Programme (60-74 years) is comparable to age parameters for other international bowel screening programmes, and focuses on the population cohort that is most at risk. Of all cancers in the Waitemata DHB pilot, 82 percent were detected in this age range.
- 27 The planned positivity threshold of 200ngHb/ml reduces the harm associated with unnecessary colonoscopies by targeting those most at risk. The faecal immunochemical test (FIT) positivity threshold will be similar to levels used in Ireland and the Netherlands.
- 28 When combined with the positivity threshold 62% of the cancers found in the Waitemata DHB pilot will be detected in the NBSP. The age range and positivity threshold parameters will be evaluated and reviewed after screening has been successfully implemented. Changes could be made to these parameters if required, once quality, safety and resource issues have been assessed and robust clinical evidence for the change has been generated.
- 29 In the initial few years of the programme DHBs will experience a temporary increase in demand for surgical and oncology services to treat bowel cancers detected by the programme. Ongoing demand for bowel cancer treatment services will drop to below current levels as the NBSP takes effect. DHBs have indicated that they will be able to meet the demand predicted during the temporary increase, and the DHB's business plan will include how referral demand will be managed. DHBs will fund the cost of bowel cancer treatment from baseline funding.
- 30 In line with international experience the National Bowel Screening Programme will be implemented in a staged manner, over five-years, to enable a safe manageable roll-out. With five DHBs implementing bowel screening each financial year. This differs from the original timetable to implement bowel screening over four-years. The revised timetable for the implementation of the National Bowel Screening Programme is attached at appendix one.

Progress to date

- 31 Hutt Valley and Wairarapa DHB commenced the NBSP on 17 July 2017.
- 32 The four regional centres hosted by Healthshare (the shared services agency for the Midland region DHBs), Waitemata, Hutt Valley and Southern DHBs are in place. The regional centres will support their region's DHBs as they: (1) build the necessary capability and capacity; and (2) implement a safe, quality bowel screening service.

- 33 The National Coordination Centre assumed responsibility, from the Waitemata DHB interim coordination centre on 27 November 2017 (a month earlier than scheduled), for invitation and recall of eligible people to participate in bowel screening and track participants progress along the screening pathway.
- 34 Waitemata DHB will transition to the national programme from the pilot on 1 January 2018.

Funding the NBSP

- 35 Budget 2016 allocated \$39.3 million, over four years, for the NBSP establishment, subject to the approval of the NBSP Business Case [CAB-16-MIN-0189.14].
- 36 The National Bowel Screening Programme Business Case was approved by Cabinet in August 2016. The 20-year lifetime cost of the Programme was s9(2)(f)(iv). Approval of this business case released the \$39.3 million allocated in Budget 2016.
- 37 Budget 2016 also allocated contingency capital funding of \$15.969 million for IT development, subject to approval by the joint Ministers' of Health and Finance of the NSS business case. The contingency expired on 1 February 2017. In February 2017 Cabinet extended the contingency expiry date to 1 February 2018 [SOC-17-MIN-003 refers].
- 38 Budget 2017 allocated \$38.5 million (including \$12.4 million in contingency), over four years, for the operational cost of the NBSP in the first five DHBs (Hutt Valley, Wairarapa, Waitemata, Southern and Counties Manukau). This also included a proportion of the National Coordination Centre and Regional Centres operational costs. Approval of the business case for bowel screening implementation at Southern and Counties Manukau DHBs released the Budget 2017 contingency of \$12.4 million.
- 39 Due to the complexity and timeframe associated with the implementation of the NBSP funding is allocated for each fiscal year. Operational funding for each of the DHBs is subject to a Budget bid and a business case providing detail on the implementation, including IT integration, workforce, capacity, capital requirements, impact of supporting treatment services (radiology, surgical, oncology etc.), internal DHB change capability and leadership.
- 40 Table one details the funding the Ministry has received in Budgets 16 and 17. Table two shows the amount sought in future budget bids for the remaining ten DHBs.

Table 1 - NBSP approved budget bids

National Bowel Screening Project Costs	2016/17 \$'M	2017/18 \$'M	2018/19 \$'M	2019/20 \$'M	2020/21 \$'M	2021/22 \$'M	Total 6 Years to 2021/22 \$'M
Total Ministry DE	s9(2)(j)						
Information System Costs DE	s9(2)(j)						
National Co-ordination Centre	s9(2)(j)						
National FIT Laboratory	s9(2)(j)						
Bowel Screening Regional Centre	s9(2)(j)						
DHBs	s9(2)(j)						
Training, Quality & Communication	s9(2)(j)						
Waitemata 50-60 transition cost	s9(2)(j)						
Total Budget 16	11.901	11.761	7.987	7.660	6.961	6.961	45.604
National Co-ordination Centre	-	s9(2)(j)					
National FIT Laboratory	-	s9(2)(j)					
Bowel Screening Regional Centre	-	s9(2)(j)					
DHBs	-	s9(2)(j)					
Training, Quality & Communication	-	s9(2)(j)					
Total Budget 17	-	9.070	9.995	9.286	10.198	10.198	38.549
Total Operating Cost	11.901	20.831	17.982	16.946	17.159	17.159	84.153
Total Capital Funding		6.189	5.441	4.339			15.969
Total NBSP Funding	11.901	27.020	23.423	21.285	17.159	17.159	100.122

Table 2 - NBSP future budget bids

National Bowel Screening Project Costs	2018/19 \$'M	2019/20 \$'M	2020/21 \$'M	2021/22 \$'M	Total 4 Years to 2021/22 \$'M
Total Ministry DE	s9(2)(j)				
Information System Costs DE	s9(2)(j)				
National Co-ordination Centre	s9(2)(j)				
National FIT Laboratory	s9(2)(j)				
Bowel Screening Regional Centre	s9(2)(j)				
DHBs	s9(2)(j)				
Training, Quality & Communication	s9(2)(j)				
Waitemata 50-60 transition cost	s9(2)(j)				
Total Budget 18	17.391	17.178	15.814	16.696	67.085

Capital contingency

- 41 It was anticipated that the NSS business case, required to draw down the capital contingency allocated in Budget 16, would be finalised at the end of the procurement process due for completion in October 2017, with the submission of the NSS business case to the joint Ministers' of Health and Finance in December 2017. This would have been prior to the expiry of the capital contingency, which expires on 1 February 2018.
- 42 The NSS business case will provide detailed information including a fixed price, defined scope and implementation timetable. The NSS business case will be presented to the Ministers of Finance and Health for consideration in June 2018.
- 43 The lengthened timeframe for submission of the NSS business case has occurred for three reasons:
 - 43.1 A longer procurement phase due to the extension of scope to position the solution as an integrated screening platform. The wider scope provides the capacity and capability for use by other screening programmes in the future and a first step towards developing integrated systems.

- 43.2 The end of the procurement phase will not provide sufficient detailed information for a robust business case as the detailed requirements need to be developed in conjunction with the preferred NSS vendor and stakeholders.
- 43.3 A detailed business case including a fixed price, defined scope and implementation timetable can only be submitted after the discovery and solution design phase is completed with the preferred NSS vendor.
- 44 The change in the strategic approach to the national IT solution may result in these costs being treated as operating expenditure in accordance with generally accepted accounting practice. While the costs will remain a call on the capital contingency a change is sought so part of the total project's allocation be swapped from a capital funding to operating expense funding. The total costs of the project does not change. In the 2016 Programme Business Case the strategic approach for the national IT solution was a bespoke build (led by the Ministry) as opposed to the purchase of a commercial off the shelf product, which may be purchased as a service.

Progress on confirming capital requirements

- 45 The Ministry in partnership with Ernst and Young (EY) and with support from The Treasury and the Government Chief Digital Officer (GCDO) undertook an options analysis and market scan for the NBSP IT solution to ascertain whether the required solution had to be custom built, or if a commercial product could be purchased. The market scan confirmed there were a number of different IT solution approach options that would meet the NBSP's needs and EY also identified a number of potential partners in the market that could supply suitable solutions.

Components of the IT solution

- 46 The IT solution is a programme of work, which breaks down into three major components, collectively referred to as the National Screening Solution (NSS):
- 46.1 The NSS core invites and recalls eligible people and tracks individuals through the bowel screening pathway.
- 46.2 The integration service enabling links to other key systems, for example laboratory information systems, ProVation (a database of gastroenterology medical procedure information), and patient / provider identifier systems eg National Health Index.
- 46.3 The 'datamart' a data storage tool from which data can be accessed, analysed and create reports to monitor programme outcomes.
- 47 The NSS is a critical enabler for the NBSP. All three components of the NSS must be presented in the business case to demonstrate the compelling investment proposal and benefit realisation approach.

Procurement process for NSS Core

- 48 A registration of interest was issued in April 2017 to test the availability of a market and identify potential IT solution partners. This resulted in a short-list of potential partners to receive the NSS core RFP, which closed on 24 October 2017.

- 49 The procurement timetable for the NSS Core was extended to allow for a broadening of the project scope to include the capability to provide a population register for screening participants on any of the screening programmes, with an initial focus on bowel screening. The National Cervical Screening Programme (NCSP) was highlighted as the next likely adopter of the NSS. This expanded scope was agreed by senior leaders within the Ministry, as well as the Treasury in July 2017 (as reported in the July 2017 Major Projects Performance Report).
- 50 The Ministry expects to identify preferred partner(s) by mid December 2017. Due diligence and negotiations will be undertaken with the preferred partner(s) before commencing the discovery and solution design phase.

NSS Core Discovery and Solution Design

- 51 The delivery process for the NSS is likely to entail an:
- 51.1 initial 'discovery and solution design' component, delivery by the successful vendor of the end-to-end design to enable the customisation and configuration phase to commence, including:
- Documented end-to-end design including technical, functional, architectural, data model and data migration requirements.
 - Agreed contract terms including a fixed price for the build, implementation and stabilisation of the NSS.
 - Working with the Ministry, GCDO and Health Sector stakeholders to develop detail-level requirements and information sharing needs through analysis and a co-design workshop process including user experience design.
 - Project plan, including scope, resource requirements, risk management, timeframe etc.
- 51.2 'customisation, configuration and test' phase to complete the end-to-end solution, which can be deployed as the first NSS version in support of the National Bowel Screening Programme.
- 52 Undertaking the initial discovery and solution design component prior to submission of the business case is the best practice approach to system design providing the most robust level of detail for the business case as well as achieving a faster NSS design and development path.
- 53 In order for the Ministry to fund the discovery and solution design phase in the 2017/18 year \$2 million of the capital contingency fund, is required prior to the submission of the NSS business case. This requires an agreement by Cabinet to change the basis on which the capital contingency can be drawn down.
- 54 The nature of the anticipated costs for the discovery and solution design phase of the project may result in an operating expense in accordance with generally accepted accounting practice and the need for a funding swap from a capital contingency to operating expense funding
- 55 The Ministry is preparing Budget 2018 bids to support the development of the NSS for both the NBSP and NCSP.

56 The NSS business case is anticipated to be presented to the Ministers of Finance and Health by June 2018. This is after the contingency expiry date of 1 February 2018. As funding for the NSS is still required to ensure the successful delivery of the National Bowel Screening Programme, I request that the contingency be extended to 31 December 2018.

Next steps and implementation timing

57 The Ministry is managing the ongoing development of the NBSP carefully, consistently testing its approach to ensure delivery of a safe, high quality programme. The implementation timetable is subject to a number of dependencies and DHB capacity and capability challenges, including clinical facilities and staffing and managing colonoscopy wait times.

58 The completion of the NSS discovery and solution design phase is required before final timings and implementation approach will be known. Based on the current project plan the timing for implementation is as follows:

58.1 Hutt Valley and Wairarapa DHB commenced screening in July 2017, and Waitatmata DHB will transition to the national programme in January 2018.

58.2 Southern and Counties Manukau DHBs commence bowel screening by 30 June 2018. Followed by Nelson Marlborough, Lakes and Hawkes Bay DHBs by 30 November 2018. These eight DHBs will use the interim IT solution.

58.3 The NSS is ready for initial deployment by March 2019. Two DHBs (yet to be confirmed but proposed to be Whanganui and Mid-Central) roll-out bowel screening by 30 June 2019 using the NSS.

58.4 The remaining 10 DHBs will commence bowel screening over the next two financial years (2019/20 and 2020/21), using the NSS. The Ministry is re-evaluating the DHB roll-out order based on the five performance criteria used to assess readiness:

- Colonoscopy Wait Time Indicators
- Faster Cancer Treatment targets
- Financial Performance
- DHB Impact Assessment
- DHB Electives Performance

58.5 The timing of roll-out for the ten DHBs over two financial years is a change to the previously agreed timeframe but provides more surety of delivering a safe quality programme given the capacity and capability pressures being experienced by DHBs, including managing colonoscopy wait times.

58.6 The first eight DHBs (Hutt Valley, Wairarapa, Waitemata, Southern, Counties Manukau Nelson Marlborough, Lakes and Hawkes Bay) which commenced bowel screening using the interim IT solution are likely to migrate to the NSS after 30 June 2021.

- 59 The Ministry will use the Datamart to consolidate the data from the interim IT solution and the NSS to monitor the performance of the NBSP over the period the two IT solutions operate side by side.
- 60 Implementing bowel screening is a complex process with a number of operational, technical and clinical dependencies, such as facilities, equipment, information technology and staffing. Roll-out of the NBSP is reliant on the ability of each DHB to provide clinically safe and appropriate services. If a DHB is not ready, its go-live date will be altered, and this may impact the completion date for NBSP implementation.
- 61 Funding is provided to DHBs for both the planning and implementation phases of commencing bowel screening, as well as the ongoing operational cost of the screening service.
- 62 Additional funding for performance of symptomatic colonoscopy within agreed wait time indicators has been provided over the past four financial years to enable DHBs to build the additional capacity required by bowel screening and ensure symptomatic patients are provided the diagnostic procedure in a timely manner.
- 63 National colonoscopy wait time indicator performance has steadily improved, with patients waiting longer than recommended for a colonoscopy, down 56 percent in June 2017 compared to June 2014. However, increased demand and higher targets for wait times has been a challenge and colonoscopy wait time indicator performance has plateaued over the last quarter.
- 64 The Ministry is using a number of mechanisms to prepare DHBs to roll-out bowel screening. Expectations are outlined in the DHB annual planning process and the Ministry monitors performance against expectations and symptomatic colonoscopy wait time indicators. The Bowel Screening Regional Centres also support colonoscopy production planning to smooth capacity and demand across the region.

Participation rates and equity

- 65 The equity issues identified for the NBSP are similar to equity issues identified in other screening programmes, and access to health services generally.
- 66 The Ministry, using the pilot data, has identified points along the programme pathway where participation rates and equity may differ dependent on age, gender, ethnicity, and residential area. The Ministry is working with the four Regional Centres and DHBs to encourage participation by Māori, Pacific people, and those living in the most deprived areas.
- 67 The Ministry is developing key indicators for the NBSP based on lessons learnt from the pilot and other screening programmes. The indicators will include measures about participation rates, and results that can be searched by age, ethnicity, or deprivation measures.
- 68 The Ministry, working with the DHBs, has communications material to inform and encourage participation in the programme. DHBs will be able to adapt the communications material for their communities.

No other assistance is required

- 69 The high-profile nature of the NBSP requires careful risk management across the Corporate Centre (The Treasury, the Government Chief Digital Officer and the Ministry of Business, Innovation and Employment), as well as its regular reviews.
- 70 The Treasury is engaged with the Ministry about the NBSP through its Vote Health team, the Better Business Case process, the Gateway reviews, and the Major Projects Team.
- 71 With the significant information technology investment, the Ministry is in regular contact with: MBIE about procurement processes to ensure that due process is followed; and the GCDO to ensure stakeholders have confidence that the IT related investment outcomes are delivered to schedule, budget and required level of quality.
- 72 The Ministry will review and update the programme assurance plan, in accordance with the GCDO template, to ensure it continues to reflect the activities needed to successfully implement the NBSP
- 73 The Ministry has reported that the level of support it is receiving from The Treasury, the GCDO and MBIE is sufficient to support the implementation of the NBSP.

Financial Implications

- 74 The change proposed in this paper will result in a call of \$2 million against the previously agreed capital contingency.
- 75 The nature of the anticipated costs for the discovery and solution design phase of the project may result in some or all of these costs being treated as an operating expense in accordance with generally accepted accounting practice. s9(2)(f)(iv).

Consultation

- 76 The Treasury, the GCDO and the Department of the Prime Minister and Cabinet have been consulted in the development of this paper. The Ministry of Business, Innovation, and Employment were informed.
- 77 Treasury and GCDO Comment
 - 77.1 The Treasury and GCDO support the extension of the capital contingency and the early drawdown of \$2 million to support the discovery and solution design phase of the project.

Human Rights

- 78 The National Bowel Screening Programme raises issues under the New Zealand Bill of Rights Act (1990) and the Human Rights Act (1993) because of the proposed age criteria. This discrimination is justified on the basis that the majority of cancers are detected in the proposed age band (as observed by the pilot).

Legislative Implications

79 There are no legislative proposals in this paper.

Regulatory Impact Analysis

80 The Regulatory Impact Analysis requirements do not apply to this paper.

Gender Implications

81 There are no gender implications for the National Bowel Screening Programme. Bowel screening will be the first cancer screening programme in New Zealand to apply to both men and women in the age-appropriate population.

Disability Perspective

82 The design of the NBSP will include provision for people with disabilities who may need assistance to complete tests.

Publicity

83 There is significant public and media interest in the NBSP. Media statements will be issued, when appropriate, as implementation of the NBSP progresses.

84 I intend to release this Cabinet paper and minute decisions proactively in due course, subject to any material being withheld as necessary as if a request for release had been made under the Official Information Act 1982.

Recommendations

I recommend that the Committee:

- 1 **Note** the progress to date implementing the National Bowel Screening Programme.
- 2 **Note** the revised approach and extended timeframe for roll-out of the National Bowel Screening Programme planned for 2020/21 (a delay of at least a year from the previously envisaged timeframes) due to the failure of the previous government to plan adequately for the complexity of implementation with its inter-related components. The phased roll-out enables careful management to deliver a clinically safe, equitable, effective and high quality screening programme.
- 3 **Note** the timetable for the implementation of the National Screening IT solution will be provided in the technology Business Case in June 2018 along with any contingent changes to the operational delivery.
- 4 **Agree** that Cabinet will receive a progress update report on the National Bowel Screening Programme in June 2018, including restated programme timeframes and cost and benefit profiles, to align with the submission of the National Screening IT solution Business Case.
- 5 **Note** that \$15.969 million capital funding for the development of a National Bowel Screening Programme IT solution was placed in contingency in Budget 2016, subject to Cabinet approval of the Business Case for the National Screening IT solution.

- 6 **Note** the contingency expires on 1 February 2018.
- 7 **Agree** to extend the expiry date of the National Bowel Screening Programme contingency to 31 December 2018.
- 8 **Note** that the phasing of the funding for the project is expected to be as follows:

	\$m - increase/(decrease)				
	2016/17	2017/18	2018/19	2019/20	2020/21 and Out years
National Bowel Screening Programme Roll-out	-	2.000	13.969		-
Total Capital	-	2.000	13.969		-

- 9 **Agree** to the drawdown of \$2 million in the 2017/18 financial year as a charge against the National Bowel Screening capital contingency.
- 10 **Note** this is to meet the anticipated costs for the discovery and solution design phase of the project, prior to submission of the National Screening IT solution business case in order to complete the discovery and solution design phase.
- 11 **Approve** the following capital injection to the Ministry of Health to give effect to the decision in recommendation 9 above, with a corresponding impact on debt:

	\$M – increase / (decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
Ministry of Health Capital injection	2.000	-	-	-	-

- 12 **Agree** that the proposed capital injection for 2017/18 above be included in the 2017/18 Supplementary Estimates and that, in the interim, the capital injection be met from Imprest Supply;
- 13 **Note** that the nature of the anticipated costs for the discovery and solution design phase of the project agreed to in recommendation 11 above may result in some costs being treated as operating expense in accordance with generally accepted accounting practice and may require a funding swap from capital to operating expense funding.

Authorised for lodgement

Hon Dr David Clark
Minister for Health

Appendix one – National Bowel Screening Programme implementation revised timetable

Milestone	August 2016 Business Case	April 2017 Cabinet paper	Current state
FY2017/18			
Hutt Valley & Wairarapa DHBs implemented	July 2017	July 2017	July 2017
National Coordination Centre in place	January 2018	January 2018	November 2017
Regional Centres in place	January 2018	February 2018	November 2017
Waitemata DHB transitions from Pilot to NBSP	January 2018	January 2018	January 2018
Counties Manukau and Southern DHBs implemented	By June 2018	By June 2018	By June 2018
FY2018/19			
Nelson Marlborough, Lakes and Hawkes Bay DHBs implemented	By June 2018	By December 2018	By December 2018
National Screening IT Solution (NSS) implemented	February 2018	-	March 2019
DHBs 9 and 10 implemented	By December 2018	By June 2019	By June 2019
FY2019/20			
DHBs 11 to 14 implemented	By December 2018	By June 2019	By June 2020
FY2020/21			
DHBs 15 to 20 implemented	By December 2019	By June 2020	By June 2021
FY2021/22			
Migrate the eight DHBs using the interim IT solution to the NSS	-	-	TBC, likely after 30 June 2021