

# Medical equipment asset management framework

Medical Equipment Business Case Endorsement by Health Service

<b>Health Service:</b>		
<b>Hospital:</b>	<b>Department:</b>	
<b>Equipment Requested:</b>		
<b>Business Case Prepared by:</b>	<b>Name:</b> <b>Role:</b>	<b>Signature</b> <b>Date:</b>
<b>Relevant Key Stakeholder endorsing application</b> <small>[e.g. Chief Medical Officer, Director of Radiology, etc]</small>	<b>Name:</b> <b>Role:</b>	<b>Signature</b> <b>Date:</b>
<b>Relevant Key Stakeholder endorsing application</b> <small>[e.g. Chief Medical Officer, Director of Radiology, etc]</small>	<b>Name:</b> <b>Role:</b>	<b>Signature</b> <b>Date:</b>
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<b>Relevant Key Stakeholder endorsing application</b> <small>[e.g. Chief Medical Officer, Director of Radiology, etc]</small>	<b>Name:</b> <b>Role:</b>	<b>Signature</b> <b>Date:</b>
<b>Relevant Key Stakeholder endorsing application</b> <small>[e.g. Chief Medical Officer, Director of Radiology, etc]</small>	<b>Name:</b> <b>Role:</b>	<b>Signature</b> <b>Date:</b>
<b>Endorsement of Chief Financial Officer of Health Service</b>		
<b>Name of CFO:</b>	<b>Signature</b>	<b>Date</b>
<b>Endorsement of Chief Executive Officer of Health Service</b>		
<b>Name of CEO:</b>	<b>Signature</b>	<b>Date</b>

# Medical equipment business case

*(This section mirrors Section C of the Medical equipment business case package (<http://www.health.vic.gov.au/med-equip/mebcp.pdf>) and is provided in Word format)*

Please Note: The Medical equipment business case pack

## Executive summary

### Executive summary checklist

Ensure the following has been included:

- how the equipment or system will meet the identified service need
- alignment of the acquisition to the service objectives of the health service, as well as Department of Health and whole-of-government strategic directions
- the options considered for meeting the service need
- the short-listed options and the basis for the short listing
- rationale for the preferred option based on fitness for purpose, costs, benefits and risks
- readiness to implement and timeframes for implementation
- the life cycle costs associated with the preferred option
- the budgetary implications for the acquisition – both recurrent and non-recurrent – and how it will be funded
- planning for implementation including project management and governance, procurement strategy, post-implementation assessment and project risk management.

## Description of medical equipment needs

## Introduction and background

## Strategic context

Policy statement/strategic objective	Degree of alignment (High/medium/low)	Evidence supporting degree of alignment

It should be noted that the business cases received by the Department are reviewed by multiple areas within the Department relevant to the services that the medical equipment supports; and linkages with such services need to be clearly made within the business case.

### **Strategic context checklist**

- Clearly demonstrates alignment with strategic directions for service delivery.
- References to supporting documents are identified or included as attachments to the business case.

## Service profile

### ***Current service profile***

#### **Current service profile checklist**

Ensure the following has been included, where relevant:

- types of services/procedures provided
- number of services/procedures provided
- service capacity
- waiting times for procedures
- patient profile and mix (public, private)
- service demand, utilisation, burden of disease
- condition, use and effectiveness of equipment (capacity to sustain service delivery)
- relationships with other service providers and models of care.

### ***Future service profile***

#### **Future service profile checklist**

Ensure the following has been included, where relevant:

- projected impact of policies and strategies on the delivery of health services and models of care
- projected service demand and utilisation trends
- estimated service/procedure capacity requirements
- types of services/procedures to be provided
- projected activity levels by service type/procedure
- workforce requirements.

*Identified service need*

Service profile indicators	Current	KPI /evidence to support current profile	Future	KPI /evidence to support future profile

**Identified service need checklist**

- Clearly outlines the gaps between the current service profile and the future profile.
- Outlines how these identified gaps can be overcome through the proposed equipment acquisition.

Option evaluation

Summary of options

Options development

Process for option development

**Options development checklist**

- A range of options to meet the identified service need have been developed.
- The process and criteria for short-listing options has been documented.
- A 'do nothing' option has been included in the short list.

Option analysis

**Qualitative analysis**

Evaluation criteria	Base case ('do nothing' option)	Option 1	Option 2	Option 3
<b>Total score</b>				
<b>Average score</b>				

**Qualitative analysis checklist**

- Evaluation criteria have been developed and documented.
- Appropriate weightings have been applied to each criterion.
- Each option has been evaluated and scored against the evaluation criteria.

**Financial analysis**

Life cycle costs	Base case ('do nothing' option)	Option 1	Option 2	Option 3
Revenues				
Residual value				
<b>Total revenue</b>				
Acquisition costs				
Leasing costs				
Maintenance costs				
Repair costs				
Operating costs				
Disposal costs				
<b>Total costs</b>				
<b>Total net life cycle costs (net present cost)</b>				
<b>Score</b>				

**Financial analysis checklist**

- Full life cycle costing template completed and included as an attachment to the business case.
- Summary data presented in tabular form.
- Each option has been scored.

**Overall analysis**

This section should summarise the qualitative and financial analysis and provide commentary on the overall scores of the various options.

	Base case ('do nothing' option)	Option 1	Option 2	Option 3
Qualitative analysis				
<b>Weighted qualitative analysis score (x%)</b>				
Financial analysis				
<b>Weighted financial analysis score (y%)</b>				
<b>Combined weighted score</b>				

**Overall analysis checklist**

- Weightings determined for quantitative analysis and financial analysis.
- Scores calculated based on weightings.
- Summary analysis included.
- Options ranked.

Preferred option

**Preferred option checklist**

- Preferred option has been documented in detail.
- Reasons for being considered the preferred option have been documented.

## Implementing the preferred option

### Project management and implementation

#### *Project management and governance*

##### **Project management and governance checklist**

- Organisational arrangements have been (or will be) implemented to manage and support the project.
- Any internal and external resources required to support the project have been identified.
- Reporting and monitoring processes have been put in place.

#### *Project risk management*

<b>Risk description</b>	<b>Likelihood of occurrence</b>	<b>Consequence</b>	<b>Mitigation strategy</b>

##### **Risk management checklist**

- Key risks have been identified and rated and recorded in a risk register.
- Mitigation strategies have been developed and costed (where possible).

#### *Transition planning*

##### **Transition planning checklist**

- Transition issues have been identified and documented.
- Strategies to manage the transition issues have been outlined.

## Procurement

### Procurement checklist

- Procurement method determined.
- Rationale for the proposed procurement method has been documented.

## Project implementation and timing

Work step	Deadline	Resource

### Project implementation checklist

- Key work steps have been identified.
- Resources required have been identified and secured.
- Realistic timeframes and milestones have been determined and [project timeplan presented](#).
- **Time required for pre-tender preparation, tendering, selection, ordering, delivery, installation, testing and commencement of clinical usage will need to be outlined.**

## Funding strategy

### Funding strategy checklist

- Funding requirements fully costed.
- Proposed funding strategy and sources documented.
- Steps and approvals required to obtain funding have been documented.

Total funding requested from the Department (in accordance with funding guidelines) needs to be clearly identified.

## Approvals and sign-off

### Approvals checklist

- Documentation has been provided to the relevant parties/delegated officers.
- Endorsements from key stakeholders and signatures obtained from relevant parties e.g. Chief Medical Officer, Director of Radiology, Chief Financial Officer and final authorisation by the Health Service [Chief Executive Officer](#).