

**PUBLIC HEALTH AND SOCIAL SERVICES:  
OVERSEAS MEDICAL REFERRALS**



**VALUE FOR MONEY REPORT**

*Final v. 1.0*





|                 |          |
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| DATE            | May 2008 |
| AUDIT REFERENCE | V49      |

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## EXECUTIVE SUMMARY

The Overseas Medical Referrals Review forms part of the Value For Money Audit Plan 2007/08. The objective of the audit was to examine whether the policies and procedures in place for Overseas Medical Referrals are achieving Value For Money.

Overseas Medical Referrals are managed by Public Health and Social Services (PHSSD). The PHSSD Overseas Referrals Committee considers any eligible person who is referred by a medical officer and a recommendation will be made depending on patient condition and need, cost and budgetary constraints.

Costs of Overseas Medical Referrals are continually monitored. Whilst PHSSD strive to keep the number of referrals down through increased capacity for on-island care, the advent of new and expensive technologies and treatment keeps the number of referrals high.

Based upon the work undertaken and the findings detailed in the body of this report, the overall opinion is given below. The range of possible audit opinions given for Value For Money is good, adequate and inadequate. Definitions of the audit opinions can be found at Appendix A to the main report.

### OVERSEAS MEDICAL REFERRALS POLICIES AND PROCEDURES

#### Adequate

Management arrangements are generally conducive to achieving Value For Money – but further important enhancements could be made.

Public Health and Social Services has a policy that outlines their responsibility for overseas medical referral cases. This policy includes sensible criteria they consider when deciding if a patient should be referred for overseas medical treatment.

The Public Health and Social Services policy does not elaborate on the costs paid by Public Health and Social Services for overseas medical referrals, the department has a verbal policy on what costs for overseas medical referrals are covered. Public Health and Social Services also have a tight cost control process, where they have engaged agents in both Cape Town and UK for assisting with medically referred patients.

During the audit it was noted that eligibility for overseas medical referrals is currently in need of updating. Public Health and Social Services are currently working on a larger scale review of who is eligible and what contributory schemes could be introduced for medical services on St Helena, as specified by the Sustainable Development Strategy. i.e. "it will be examined how Saint Helenians working abroad will be encouraged to participate in any health insurance arrangement in order to be able to access health services under the same conditions as local Saint Helenians once they return to live on the Island."

Overall Public Health and Social Services have a fair policy for considering patients for referral. Public Health and Social Services are confident in their cost procedures; however at this stage they are not documented in writing. The overseas medical referrals policy should include policy on what costs are covered.

We have made one recommendations for management to consider:

- Public Health and Social Services should update their policy for overseas medical referrals, once they have drafted their policy regarding eligibility for health care services on Island. To also include all costs they are required to pay for overseas medical referrals.

## 1. INTRODUCTION

- 1.1 The Overseas Medical Referrals Review forms part of the Value For Money Audit Plan 2007/08. The objective of the audit was to examine whether the policies and procedures in place for Overseas Medical Referrals are achieving Value For Money.
- 1.2 Overseas Medical Referrals are managed by Public Health and Social Services (PHSSD). The PHSSD Overseas Referrals Committee considers any eligible person who is referred by a medical officer and a decision will be made depending on patient condition and need, cost and budgetary constraints.
- 1.3 Costs of Overseas Medical Referrals are continually monitored. Whilst PHSSD strive to keep the number of referrals down through increased capacity for on-island care, the advent of new and expensive technologies and treatment keeps the number of referrals high.
- 1.4 Value For Money (VFM) audits are conducted by the Audit Service on behalf of the Legislative Council, in order to determine whether St Helena Government (SHG) resources have been used with proper regard to economy, efficiency and effectiveness.

## 2. SCOPE AND RESOURCING

- 2.1 To examine whether the policies and or procedures for Overseas Medical Referrals are achieving VFM, the Audit Service structured a programme to assess two processes:
1. Overseas Medical Referrals:
    - To determine whether there is a policy for overseas medical referrals;
    - To determine how patients are referred for overseas medical treatment; and
    - To determine what the deciding factors for a patient to be referred for overseas medical treatment and are they adequate.
  2. Cost Control:
    - To determine whether there is a cost control policy for identified overseas medical referrals;
    - To determine what the policy covers and is it adequate; and
    - To determine what the budget control for overseas medical referrals is.

- 2.2 This was done by interviewing the Chief Administrative, Health and Social Services Officer (CAHSSO) and counterpart and researching information.
- 2.3 The audit was undertaken during the period February to March 2008 by Helena Bennett, VFM Audit Manager (Trainee) and Sheridan Richards, VFM Auditor (Trainee). Support and guidance was given by Tony Kilner, Chief Auditor. The total cost of undertaking the audit was £1,390.
- 2.4 The assistance given by CAHSSO and PHSSD staff is acknowledged with appreciation.
- 2.5 Copies of the final report will be provided to the CAHSSO, the Public Health and Social Services Committee, Chief Secretary, Financial Secretary and Legislative Council. It will be made available to the public through publication on our website ([www.audit.gov.sh](http://www.audit.gov.sh)), in the Public Library and at the Audit Service Offices. The executive summary will be provided to the Audit Committee.

## 3. FINDINGS AND CONCLUSIONS

- 3.1 The main findings and conclusions are presented here and are based upon the agreed scope of the audit and the actual work undertaken and evidence gathered.
- 3.2 Those findings which have resulted in recommendations being made are presented in Section 4 of this report together with management responses and action plans.

### Overseas Medical Referrals

- 3.3 PHSSD had drafted a policy in 1995 that sets criteria for referring patients overseas for medical treatment, if treatment cannot be provided on Island. The policy includes a number of factors which are considered for each unique medical case. Some of these factors are:
- Will the condition become life threatening if not treated now?
  - Will the patient get tangible medical benefit?
  - Will the treatment add to the quality of life or longevity?
  - Does St Helena have the facilities to provide aftercare?
  - Is the condition urgent or can the patient wait on a specialist?

- Is it impossible to achieve a medically acceptable outcome without referral?

3.4 The policy currently states residents of St Helena who have 'islander status' are eligible for overseas treatment. 'Islander status' does not apply to children born after 1999.  
(See Recommendation 1)

3.5 Currently the policy also indicates that eligibility needs to be considered for Saint Helenians returning to the Island permanently or for holidays and for British Citizens working and paying income tax on St Helena. This issue was highlighted in the Sustainable Development Strategy which PHSSD are currently addressing (see figure below). PHSSD plans to draft a new policy specifically for returning Saint Helenians. Eligibility should be updated in the overseas medical referrals policy when the new policy has been approved.  
(See Recommendation 1)

**Extract from:  
Sustainable Development Strategy  
Care of the Vulnerable  
4.4.11 Health care**

*"In this context, it will be examined how Saint Helenians working abroad will be encouraged to participate in any health insurance arrangements in order to be able to access health services under the same conditions as local Saint Helenians once they return to the island"*

3.6 Patients are identified for overseas medical referral on recommendation of their doctor. The doctor takes his or her recommendation forward to the Overseas Referrals Committee.

3.7 The Overseas Referrals Committee consists of four doctors and the CAHSSO, who presides over the committee. The committee considers the recommendation in line with the policy guidelines. It requires all committee members to agree whether the patient needs to be referred or not.

3.8 In conclusion, PHSSD has an adequate policy outlining how they consider a patient for overseas medical referrals. The policy should be updated.

## Cost Control

3.9 There is no separate cost control policy or procedure for overseas medical referrals. The policy in paragraph 3.3 above states PHSSD takes responsibility for all costs involved with the patient whilst off the Island and in the event of death whilst on overseas medical treatment.

3.10 The policy does not include other types of costs that PHSSD had paid for in unique situations, such as:

- The costs of a parent or guardian, if the patient is a minor;
- The travelling costs of a companion, if the patient cannot help themselves;
- The travelling costs of 2 nurses, if the patient requires twenty four hour care; and
- The costs of a donor or potential donors, if the patient requires transplant.

(See Recommendation 1)

3.11 To ensure government funds are not misused during an overseas medical referral, PHSSD have an agent in both Cape Town and UK to assist with the medical referrals. These agents ensure patients attend their medical appointments on time and they liaise with the hospitals and doctors to determine extent of after care required before returning to St Helena, etc.

3.12 Where possible, patients are sent to Cape Town. It has been found that patients often wait for long periods before having an appointment in UK. PHSSD have established a working relationship with various Health Organisations in Cape Town, who understand St Helena's unique situation.

3.13 For long term treatment, PHSSD refers patients to the UK. The UK government provides St Helena with four beds per year in a National Health Service (NHS) hospital. PHSSD are also allowed to carry over patients from one year to another if requiring follow up treatment. This does not affect the yearly allowance.

3.14 St Helena patients are usually regarded as private patients when being referred to overseas medical hospitals. PHSSD are required to pay the private rates, which is much higher than the healthcare rates for nationals. PHSSD make deals with various Health Organisations in Cape Town and St

Helena patients now receive a discount on medical fees of up to 30%.

3.15 PHSSD are trying to keep overseas medical referrals to a minimum and provide more specialists medical services on Island, but with changes in medical technology, PHSSD cannot keep up. Even if they purchase enhanced medical equipment, PHSSD does not have the staff or funding to provide specialist technicians to operate and maintain the equipment.

3.16 In 2006, the Department for International Development (DFID) commissioned Lasse Nielson from their Health Resource Centre to

review - *cost-effective delivery of specialist medical services to the St Helena population*. Mr Nielson made six recommendations for St Helena, which PHSSD have accepted. PHSSD are currently researching the use of telemedicine and making formal arrangements with providers of health services in South Africa.

3.17 In conclusion, PHSSD are controlling the current costs of overseas medical referrals. PHSSD are also researching different options to help minimise costs of medical treatment as recommended by Mr Nielson, DFID Health Resource Centre.

#### 4. MANGEMENT RESPONSE AND ACTION PLAN

Please see Appendix A for Audit Recommendation Priorities Definitions

|   |   |
|---|---|
| Recommendation<br><b>1</b><br>Priority: (H/M/L) | <b>PHSSD should update the overseas medical referral policy to include the following:</b> <ul style="list-style-type: none"> <li>- <b>Eligibility of persons for overseas medical referrals, once they have drafted their policy regarding eligibility for health services on Island; and</b></li> <li>- <b>Types of cost that PHSSD currently pays for overseas medical referrals.</b></li> </ul> <p><i>(For Audit Findings on which this is based, refer to Main Report, Section 3.4, 3.5 &amp; 3.10)</i></p> |
| <b>MEDIUM</b>                                   |   |
| Management Response                             | General comments:<br><i>Agreed</i><br>Officer responsible for Implementation:<br><i>Chief Administrative, Health and Social Services Officer</i><br>Implementation expected to be complete by: (Month & Year)<br><i>April 2009</i>  |

**APPENDIX A****AUDIT OPINION DEFINITIONS**

Every Value For Money audit concludes with an overall opinion based upon individual opinions that are applied to each of the review areas identified in the scope of the audit. The range of opinions, together with an explanation of their meanings, is as follows:

| <i><b>Value Form Money Opinions</b></i> |  |
|---|--|
| <b>GOOD</b>                             | Management arrangements are conducive to achieving Value For Money and only minor enhancements, if any, can be identified.       |
| <b>ADEQUATE</b>                         | Management arrangements are generally conducive to achieving Value For Money – but further important enhancements could be made. |
| <b>INADEQUATE</b>                       | Management arrangements are not considered to be adequately conducive to achieving maximum Value For Money.                      |