

Medical Equipment and Imaging Replacement Program Policy

1. Purpose

The Medical Equipment and Imaging Replacement Program (MEIRP) is a capital works program that provides funding to Health Service Providers (HSPs) and the Department of Health (the Department) for the replacement of medical and imaging equipment that have exceeded its useful life or is not fit for purpose. The aim of the MEIRP is to have the right medical and imaging equipment at the right time and the right place to deliver a safe and high-level patient care.

This policy establishes 2 sub-programs, Medical Equipment Replacement Program (MERP) and Medical Imaging Replacement Program (MIRP), as they have different sets of demands, risks and procurement time frames.

The policy outlines the requirements for a consistent approach to the replacement of medical and imaging equipment.

This policy is a mandatory requirement for Health Service Providers under the *Infrastructure (Asset Management) Policy Framework* pursuant to section 26(2)(d) and 34(2)(j) of the *Health Services Act 2016*.

This policy is also a mandatory requirement for the Department of Health pursuant to section 29 of the *Public Sector Management Act 1994*.

This policy must be read in conjunction with [MP 0110/19 Management of Medical Equipment policy](#).

2. Applicability

This policy is applicable to HSPs and the Department.

3. Policy Requirements

3.1 Governance Structure

- MERP – Each HSP must have a medical equipment management working group (MEWG), chaired by an Executive Sponsor. The MEWG will escalate issues to the system wide Medical Equipment Management Working Group (MEMWG).
- MIRP – The Medical Imaging Replacement Program Advisory Committee (MIRPAC), consisting of Chief Imaging Technologists and the Medical Heads of Departments for each HSP provides advice and guidance on the prioritisation of acquisition and

management of MIE across the system in consultation with the Department, HSPs and their Chief Executives (CEs).

- The executive sponsor from each HSP MEWG sits on the overarching MEMWG along with a representative from the Department to discuss issues and risks and provide updates to the System-wide Infrastructure Steering Committee.

3.2 Eligibility

Funding is for replacement of capital ME and MIE with a minimum individual value of \$5,000 or aggregated value of \$15,000. Eligible MIE must be managed by the Radiology and Nuclear Medicine Departments within each HSP.

Refer to the MEIRP guidelines for eligible equipment categories and for the list of equipment approved for aggregated procurement.

- Funding must only be used for the replacement of items that have exceeded their useful life. Refer to Appendix 730-C Guide to Measurement of Assets and Depreciation in the [WA Health Financial Management Manual](#) for the useful life of medical equipment.
- The replacement of an asset is the responsibility of the HSP who owns the asset.
- Repairs and maintenance must be funded from the HSP's repairs and maintenance budget.
- The initial cost of ME and MIE is recognised in accordance with Australian Accounting Standard AASB 116 (par 16) *Property Plant and Equipment*.

3.3 Prioritisation

Once the System Manager allocates and communicates the funding, HSPs are responsible for planning and prioritising the replacement of ME and MIE to minimise risk or disruption to patient, staff or service delivery and to accommodate the time required to undertake a procurement process.

Replacement prioritisation must be based on risk, service planning as well as the criticality of the service role within the health system. HSPs or MIRPAC (with HSP's input) must determine their top replacement priorities and use the funding allocated for the replacement of highest risk equipment in the first instance.

HSPs must use the [Risk Assessment Tables](#) for the WA Health System when prioritising the replacement of ME and MIE.

3.4 Reporting

- HSPs must submit their four-year replacement plan to the Department by no later than the last business day of August each year detailing all the replacement needs (timetable exceptions may apply in election years or special circumstances).
- HSPs must provide a procurement plan to the Department by the last business day of September, detailing how funding will be spent in the current and the following financial year. This must align to the allocated funding.
 - If applicable, HSPs will need to confirm that approval has been obtained for any associated recurrent and/or capital expenditure funding.
- Procurement plans must be signed off by the HSPs' delegated authority.

- HSPs must notify the Department of any changes to a procurement plan within the same financial year.
- HSP must complete and return to the Department the monthly cash expenditure report issued by the Department.
 - The forecast expenditure provided in the report must align with the open purchase order commitments.
 - The May monthly cash expenditure report must include the projected expenditure for the following year.
- Reporting must be on cash basis to align with the Department of Treasury's requirements.

3.5 Progress Indicators

The monitoring of the program will be based on the following progress indicators:

- Purchase order commitments plus actual expenditure versus total budget:
 - 50% by end of Quarter 2
 - 70% by end of Quarter 3
 - 90% by end of Quarter 4.

4. Compliance Monitoring

The System Manager via the Major Health Projects & Infrastructure directorate will undertake the following compliance monitoring activities:

- analyse the four-year replacement plan
- analyse the procurement plan
- monitor HSPs' expenditure through a monthly report sent via email
- monitor HSP achievement of progress indicator.

5. Related Documents

The following documents are mandatory pursuant to this policy:

- [Four-year replacement plan template](#)
- [Two-Year procurement plan template](#)
- [Monthly cash expenditure report template](#)

6. Supporting Information

The following information is not mandatory but informs and/or supports the implementation of this policy:

- [Medical Equipment and Imaging Replacement Program Guidelines](#)
- [Risk Assessment Tables for the WA Health System](#)

7. Definitions

The following definition(s) are relevant to this policy.

Term	Definition
Asset	For the purpose of this policy, assets are defined as items with a purchase price of \$5,000 (excluding GST) or greater, and a useful life of two years or more.
Medical equipment	For the purposes of this policy, a medical equipment eligible for the MEIRP is defined as any instrument, apparatus or appliance, including software and reprocessing equipment whether used alone or in combination, together with any accessories necessary for correct operation, that makes physical or electrical contact with the patient, or transfers energy to or from the patient, or detects such energy transfer to or from the patient, or is intended to diagnose, treat or monitor a patient. However, it excludes implantable, disposable and single-use medical devices and medical imaging equipment managed by the radiology and nuclear medicine departments.
Medical imaging equipment	For the purposes of this policy, medical imaging equipment eligible for the MEIRP is defined as medical imaging equipment managed by the radiology and nuclear medicine departments within the WA health system. Examples include Angiography, Computed Tomography, Mammography, Fluoroscopy, Nuclear Medicine, Magnetic Resonance Imaging, Orthopantomogram, X-ray systems and Ultrasound.
Useful life	The life span of medical and imaging equipment as per the Department's useful life policy which is documented in the Department's Financial Management Manual (Guide to Measurement of Assets and Depreciation).
WA health system	The WA health system is comprised of: (i) the Department; (ii) Health Service Providers; and (iii) contracted health entities, to the extent they provide health services to the State.

8. Policy Contact

Enquiries relating to this Policy may be directed to:

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9. Document Control

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10. Approval

Approval by	Megan Inglis, Acting Assistant Director General, Strategy and Governance Division, Department of Health
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