

Submission to HSPL Management Committee

Re: QH510 Provision of Radiology Services for Bayside
A/C: Queensland Health

Scope

Health Services Purchasing and Logistics has been requested to arrange offers for Radiology Services on behalf of Clinical and Statewide Services.

This arrangement is for the following facilities:

- Redland Hospital
- Wynnum Hospital

Introduction

Health Services Purchasing and Logistics in conjunction with a Statewide Radiology Advisory Committee and the Legal Unit has prepared an offer template requesting four (4) types of Radiology Services:-

- Part 1 - Reporting Services
- Part 2 - Off-Site Imaging Services
- Part 3 - On-Site Imaging Services
- Part 4 - Radiologist Services

The evaluation criteria included in the offer document was as follows:-

- Offerer's compliance with the Specification, Conditions of Contract and Additional Conditions
- Offerer's ability to provide the requested services in a timely manner
- Skill's Qualifications, Accreditations and Memberships relevant to the services sought
- Offerer's ability to provide appropriately qualified staff
- Suitability of the administrative procedures and the appropriateness of invoice and accounting systems
- Comparative Costs of the requested services
- Past Performance of the Offerer from internal/external sources
- Willingness of the Offerer to work with Queensland Health to achieve the electronic transfer of images and reports to and from Queensland Health in Queensland Health's preferred format.

The term of the proposed arrangement is for an initial period two (2) years with the option to extend for three (3) further periods of up to twelve (12) months each.

Invitation of Offers

Offer PL501/1/1 closed 18 December 2009.

Five (5) offers were received from the following suppliers:

1. s.47(3)(b)
2.
3.
4.
5. Premier Medical Imaging

Evaluation of Offers and Recommendations

The arrangement for Bayside includes the following services:-

- Part 1 - Reporting Services
- Part 2 - Off-Site Imaging Services
- Part 3 - On-Site Imaging Services
- Part 4 - Radiologist Services

Offers were evaluated at a Radiology Services Advisory Committee (RSAC) on 22 March 2010. Present at the meeting were representatives from Redland Hospital and Health Services Purchasing and Logistics.

Offers were short-listed to only those offerers that included an offer for Part 4. These short-listed offerers, stated that their offer was conditional upon being accepted for multiple types of services. Having a single supplier also reduces administrative costs.

The RSAC recommended the offer received from Premier Medical Imaging Pty Ltd due to being the lowest offer received.

Premier Medical Imaging Pty Ltd	s. 47(3)(b)
\$1,145,145.94	

A summary of all offers received is as follows:-

Part 1 - Reporting Services

Reporting		Estimated number of studies to be reported annually	Time for performance of Reporting Services						
			Urgent (30mins)		Priority (4 hours)		Intermediate (24 hours)		Routine (3 business days)
			% during business hrs	% outside business hrs	% during business hrs	% outside business hrs	% during business hrs	% outside business hrs	% during business hrs
Group 11 - Ultrasound		7,500	5				80		15
Group 12 - Computerised Tomography		4,500	10	25	25		30		10
Group 13 - Diagnostic Radiography	X-Ray	30,000	1		10		64		25

Pricing offered was based upon of a percentage of the MBS Scheduled Fee which is current at the time of the study.

Premier Medical Imaging Pty Ltd	s. 47(3)(b)
\$1,033,044.61	

* only offered for after hours reporting

Part 2 – Off-Site Imaging Services

Off-Site Imaging		Estimated number of procedures to be performed annually	Time for performance of Reporting Services						
			Urgent (30mins)		Priority (4 hours)		Intermediate (24 hours)		Routine (3 business days)
			% during business hrs	% outside business hrs	% during business hrs	% outside business hrs	% during business hrs	% outside business hrs	% during business hrs
Group 13 - Diagnostic Radiography	Fluoroscopic	100							100
	Interventional	10							100

Pricing offered was based upon of a percentage of the MBS Scheduled Fee which is current at the time of the study.

Premier Medical Imaging Pty Ltd	s. 47(3)(b)
\$11,534.72	

Part 3 - On-Site Imaging Services

On-Site Imaging		Estimated number of procedures to be performed annually	Time for performance of Reporting Services						
			Urgent (30mins)		Priority (4 hours)		Intermediate (24 hours)		Routine (3 business days)
			% during business hrs	% outside business hrs	% during business hrs	% outside business hrs	% during business hrs	% outside business hrs	% during business hrs
Fluoroscopic Procedures		75					15		85
Interventional	Drainage	30					15		85
	Biopsy	30			15		5		80

The Supplier must ensure that an Approved Radiologist provides the On-site Services a minimum of 3 hours per week.

Premier Medical Imaging Pty Ltd	s. 47(3)(b)
\$9,566.61	

Part 4 - Radiologist Services

- Clinical consultation/advice whilst providing Reporting Services on-site - for a minimum of 20 hours per week
- Meetings/educational sessions - for a minimum of 3 hours per week

Pricing offered was based upon an hourly cost for the minimum number of hours to provide services as specified. (It was expected that the hourly cost offered would be minimal as any reporting services undertaken during the sessions will be charged as per the fees offered for Part 1. This hourly rate allows compensation for time not spent reporting when consultation/advice is required.

Premier Medical Imaging Pty Ltd	s. 47(3)(b)
\$91,000.00	

Price Variation Formula/Methodology

Pricing offered was based upon of a percentage of the MBS Scheduled Fee which is current at the time of the study.

Quality Assurance

The specification stated that for this arrangement the offerer shall be compliant with the Accreditation Scheme for Practices providing Diagnostic Imaging Services, as required by the Australian Government Department of Health and Aging.

The specification stated that for this arrangement the Offerer shall comply with all the Accreditation requirements for Practices providing Diagnostic Imaging Services, as issued from time to time by the Australian Government Department of Health and Aging.

Premier Medical Imaging Pty Ltd has advised that they meet these requirements and are registered with the Queensland Medical Board.

Rebates

This arrangement is exempt from rebate requirements.

Savings and Benefits Achieved

Premier Medical Imaging Pty Ltd has stated that are prepared to provide a report for the billable patients at the same fee as for public patients. A directive was issued by Queensland Health many years ago, that facilities should charge a facility fee of 60% for billable patients, when the image is taken by Queensland Health and reported by a private provider. However, this may not occur at many facilities. Based on the offer from MIA Queensland Pty Ltd, the new facility fee would be s.47(3)

The percentage of the MBS Scheduled Fee offered by Premier Medical Imaging Pty Ltd for Part 1 ranges from s.47(3) to s.47(3) depending on the modality, when the report is requested and the timeframe required for the report.

Previous

Queensland X-Ray Pty Ltd at a cost of \$135,000 per month.

Significant Issues

Nil

Recommendation

Recommend that a Contract be entered into with Premier Medical Imaging Pty Ltd for the Provision of Radiology Services for Bayside for an initial period two (2) years with the option to extend for three (3) further periods of up to twelve (12) months each.

ESTIMATED VALUE - \$2,290,290

Prepared by:

s.47(3)(b)

Checked by:

s.47(3)(b)

Sharon Benson
A/Assistant Manager HTPU
30/03/2010

Dean Schipplock
A/Principal Projects Officer
30/03/2010

DECISION:

Approved -

John Lee

s.47(3)(b)

Director Procurement Contract Management
Health Services Purchasing and Logistics
01/04/2010

RTI Released

Submission to HSPL Management Committee

Re: QH510 Provision of Radiology Services for Logan-Beaudesert
A/C: Queensland Health

Scope

Health Services Purchasing and Logistics has been requested to arrange offers for Radiology Services on behalf of Clinical and Statewide Services.

This arrangement is for the following facilities:

- Logan Hospital
- Beaudesert Hospital

Introduction

Health Services Purchasing and Logistics in conjunction with a Statewide Radiology Advisory Committee and the Legal Unit has prepared an offer template requesting four (4) types of Radiology Services:-

- Part 1 - Reporting Services
- Part 2 - Off-Site Imaging Services
- Part 3 - On-Site Imaging Services
- Part 4 - Radiologist Services

The evaluation criteria included in the offer document was as follows:-

- Offerer's compliance with the Specification, Conditions of Contract and Additional Conditions
- Offerer's ability to provide the requested services in a timely manner
- Skill's Qualifications, Accreditations and Memberships relevant to the services sought
- Offerer's ability to provide appropriately qualified staff
- Suitability of the administrative procedures and the appropriateness of invoice and accounting systems
- Comparative Costs of the requested services
- Past Performance of the Offerer from internal/external sources
- Willingness of the Offerer to work with Queensland Health to achieve the electronic transfer of images and reports to and from Queensland Health in Queensland Health's preferred format.

The term of the proposed arrangement is for an initial period two (2) years with the option to extend for three (3) further periods of up to twelve (12) months each.

Invitation of Offers

Offer PL509/1/1 closed 18 December 2009.

Six (6) offers were received from the following suppliers:

1. s.47(3)(b)
- 2.
- 3.
- 4.
5. Premier Medical Imaging
6. s.47(3)(b)

Evaluation of Offers and Recommendations

The arrangement for Redcliffe includes the following services:-

- Part 1 - Reporting Services
- Part 3 - On-Site Imaging Services
- Part 4 - Radiologist Services

Offers were evaluated at a Radiology Services Advisory Committee (RSAC) on 26 March 2010. Present at the meeting were representatives from Logan Hospital and Health Services Purchasing and Logistics.

Offers were short-listed to only those offerers that included an offer for Part 4. These short-listed offerers, stated that their offer was conditional upon being accepted for multiple types of services. Having a single supplier also reduces administrative costs.

The RSAC recommended the offer received from Premier Medical Imaging Pty Ltd due to being the lowest offer received.

Premier Medical Imaging Pty Ltd	s. 47(3)(b)
\$2,796,377.43	

A summary of all offers received is as follows:-

Part 1 - Reporting Services

Reporting		Estimated number of studies to be reported annually	Time for performance of Reporting Services						
			Urgent (30mins)		Priority (4 hours)		Intermediate (24 hours)		Routine (3 business days)
			% during business hrs	% outside business hrs	% during business hrs	% outside business hrs	% during business hrs	% outside business hrs	% during business hrs
Group 11 - Ultrasound		10,000	5				80		15
Group 12 - Computerised Tomography		10,000	10	30	30		25		5
Group 13 - Diagnostic Radiography	X-Ray	41,000	1		10		64		25
Group 15 – Magnetic Resonance Imaging		4,000	1	1	5		13		80

Pricing offered was based upon of a percentage of the MBS Scheduled Fee which is current at the time of the study.

Premier Medical Imaging Pty Ltd	s. 47(3)(b)
\$2,360,658.81	

* only offered for after hours reporting

Part 2 - Off-Site Imaging Services

Not Required

Part 3 - On-Site Imaging Services

On-Site Imaging		Estimated number of procedures to be performed annually	Time for performance of Reporting Services						
			Urgent (30mins)		Priority (4 hours)		Intermediate (24 hours)		Routine (3 business days)
			% during business hrs	% outside business hrs	% during business hrs	% outside business hrs	% during business hrs	% outside business hrs	% during business hrs
Fluoroscopic Procedures		700					15		85
Interventional	Drainage	300					15		85
	Biopsy	350			15		5		80
	Venous Access	100							

The Supplier must ensure that an Approved Radiologist provides the On-site Services a minimum of 15 hours per week at the Logan Hospital.

Premier Medical Imaging Pty Ltd	s. 47(3)(b)
\$97,718.63	

Part 4 - Radiologist Services

- Clinical consultation/advice whilst providing Reporting Services on-site - for a minimum of 55 hours per week at the Logan Hospital
- Meetings/educational sessions - for a minimum of 15 hours per week at the Logan Hospital

Pricing offered was based upon an hourly cost for the minimum number of hours to provide services as specified. (It was expected that the hourly cost offered would be minimal as any reporting services undertaken during the sessions will be charged as per the fees offered for Part 1. This hourly rate allows compensation for time not spent reporting when consultation/advice is required.

Premier Medical Imaging Pty Ltd	s. 47(3)(b)
\$338,000.00	

Price Variation Formula/Methodology

Pricing offered was based upon of a percentage of the MBS Scheduled Fee which is current at the time of the study.

Quality Assurance

The specification stated that for this arrangement the offerer shall be compliant with the Accreditation Scheme for Practices providing Diagnostic Imaging Services, as required by the Australian Government Department of Health and Aging.

The specification stated that for this arrangement the Offerer shall comply with all the Accreditation requirements for Practices providing Diagnostic Imaging Services, as issued from time to time by the Australian Government Department of Health and Aging.

Premier Medical Imaging Pty Ltd has advised that they meet these requirements and are registered with the Queensland Medical Board.

Rebates

This arrangement is exempt from rebate requirements.

Savings and Benefits Achieved

Premier Medical Imaging Pty Ltd has stated that are prepared to provide a report for the billable patients at the same fee as for public patients. A directive was issued by Queensland Health many years ago, that facilities should charge a facility fee of 60% for billable patients, when the image is taken by Queensland Health and reported by a private provider. However, this may not occur at many facilities. Based on the offer from MIA Queensland Pty Ltd, the new facility fee would be s.47(3)

The percentage of the MBS Scheduled Fee offered by Premier Medical Imaging Pty Ltd for Part 1 ranges from s.47(3) to s.47 depending on the modality, when the report is requested and the timeframe required for the report.

Previous

QScan (Premier Medical Imaging Pty Ltd) is the current supplier. The costs offered on this occasion are comparable.

Significant Issues

Nil

Recommendation

Recommend that a Contract be entered into with Premier Medical Imaging Pty Ltd for the Provision of Radiology Services for Logan-Beaudesert for an initial period two (2) years with the option to extend for three (3) further periods of up to twelve (12) months each.

ESTIMATED VALUE - \$6,053,500

Prepared by:

s.47(3)(b)

Sharon Benson
A/Assistant Manager HTPU
30/03/2010

Checked by:

s.47(3)(b)

Dean Schipplock
A/Principal Projects Officer
30/03/2010

DECISION:

Approved

John Lee

s.47(3)(b)

Director Procurement Contract Management
Health Services Purchasing and Logistics
01/04/2010

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Submission to HSPL Management Committee

Re: QH510 Provision of Radiology Services for Redcliffe
A/C: Queensland Health

Scope

Health Services Purchasing and Logistics has been requested to arrange offers for Radiology Services on behalf of Clinical and Statewide Services.

This arrangement is for the following facilities:

- Redcliffe
- Kilcoy

The Redcliffe Hospital has advised that reporting of images for Kilcoy Hospital may be transferred to The Prince Charles Hospital during the term of this arrangement and therefore will no longer be covered by this arrangement.

When the North Lakes Precinct begins imaging, Redcliffe will be reporting those images.

Introduction

Health Services Purchasing and Logistics in conjunction with a Statewide Radiology Advisory Committee and the Legal Unit has prepared an offer template requesting four (4) types of Radiology Services:-

- Part 1 - Reporting Services
- Part 2 - On-Site Imaging Services
- Part 3 - Off-Site Imaging Services
- Part 4 - Radiologist Services

The evaluation criteria included in the offer document was as follows:-

- Offerer's compliance with the Specification, Conditions of Contract and Additional Conditions
- Offerer's ability to provide the requested services in a timely manner
- Skill's Qualifications, Accreditations and Memberships relevant to the services sought
- Offerer's ability to provide appropriately qualified staff
- Suitability of the administrative procedures and the appropriateness of invoice and accounting systems
- Comparative Costs of the requested services
- Past Performance of the Offerer from internal/external sources
- Willingness of the Offerer to work with Queensland Health to achieve the electronic transfer of images and reports to and from Queensland Health in Queensland Health's preferred format.

The term of the proposed arrangement is for an initial period two (2) years with the option to extend for three (3) further periods of up to twelve (12) months each.

Invitation of Offers

Offer PL510/1/1 closed 18 December 2009.

Seven (7) offers were received from the following suppliers:

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.

s. 47(3)(b)

Premier Medical Imaging

s. 47(3)(b)

Evaluation of Offers and Recommendations

The arrangement for Redcliffe includes the following services:-

- Part 1 - Reporting Services
- Part 2 - On-Site Imaging Services
- Part 3 - Off-Site Imaging Services
- Part 4 - Radiologist Services

Offers were evaluated at a Radiology Services Advisory Committee (RSAC) on 19 March 2010. Present at the meeting were representatives from Redcliffe Hospital and Health Services Purchasing and Logistics.

Offers were short-listed to only those offerers that included an offer for Part 4. These short-listed offerers, stated that their offer was conditional upon being accepted for multiple types of services. Having a single supplier also reduces administrative costs.

The RSAC recommended the offer received from Premier Medical Imaging Pty Ltd due to being the lowest offer received.

Premier Medical Imaging Pty Ltd	s. 47(3)(b)
\$3,026,687.10	

A summary of all offers received is as follows:-

Part 1 - Reporting Services

Reporting		Estimated number of studies to be reported annually	Time for performance of Reporting Services						
			Urgent (30mins)		Priority (4 hours)		Intermediate (24 hours)		Routine (3 business days)
			% during business hrs	% outside business hrs	% during business hrs	% outside business hrs	% during business hrs	% outside business hrs	% during business hrs
Group 11 - Ultrasound		900			60		40		
Group 12 - Computerised Tomography		3000		100					
Group 12 - Computerised Tomography		12000			85		15		
Group 13 - Diagnostic Radiography	Redcliffe	35000			20		70		10
X-Ray	Kilcoy	400							100

Pricing offered was based upon of a percentage of the MBS Scheduled Fee which is current at the time of the study.

Premier Medical Imaging Pty Ltd	s. 47(3)(b)-
\$2,057,175.60	

* only offered for after hours reporting

Part 2 – Off-Site Imaging Services

Off-Site Imaging		Estimated number of procedures to be performed annually	Time for performance of Reporting Services						
			Urgent (30mins)		Priority (4 hours)		Intermediate (24 hours)		Routine (3 business days)
			% during business hrs	% outside business hrs	% during business hrs	% outside business hrs	% during business hrs	% outside business hrs	% during business hrs
Group 13 - Diagnostic Radiography	Mammography	50					100		
Group 14 - Nuclear Medicine		150					100		
Group 15 – Magnetic Resonance Imaging		800					100		

Pricing offered was based upon of a percentage of the MBS Scheduled Fee which is current at the time of the study.

Premier Medical Imaging Pty Ltd	s. 47(3)(b)
\$501,773.44	

Part 3 - On-Site Imaging Services

The Supplier must ensure that an Approved Radiologist provides the On-site Services a minimum of 24 hours per week at the Redcliffe Hospital.

Premier Medical Imaging Pty Ltd	s. 47(3)(b)
\$77,738.06	

Part 4 - Radiologist Services

- Clinical consultation/advice whilst providing Reporting Services on-site - for a minimum of 60 hours per week at the Redcliffe Hospital
- Meetings/educational sessions - for a minimum of 18 hours per week at the Redcliffe Hospital

Pricing offered was based upon an hourly cost for the minimum number of hours to provide services as specified. (It was expected that the hourly cost offered would be minimal as any reporting services undertaken during the sessions will be charged as per the fees offered for Part 1. This hourly rate allows compensation for time not spent reporting when consultation/advice is required.

Premier Medical Imaging Pty Ltd	s.47(3)(b) -
\$390,000.00	

Price Variation Formula/Methodology

Pricing offered was based upon of a percentage of the MBS Scheduled Fee which is current at the time of the study.

Quality Assurance

The specification stated that for this arrangement the offerer shall be compliant with the Accreditation Scheme for Practices providing Diagnostic Imaging Services, as required by the Australian Government Department of Health and Aging.

The specification stated that for this arrangement the Offerer shall comply with all the Accreditation requirements for Practices providing Diagnostic Imaging Services, as issued from time to time by the Australian Government Department of Health and Aging.

Premier Medical Imaging Pty Ltd has advised that they meet these requirements and are registered with the Queensland Medical Board.

Rebates

This arrangement is exempt from rebate requirements.

Savings and Benefits Achieved

Premier Medical Imaging Pty Ltd has stated that are prepared to provide a report for the billable patients at the same fee as for public patients. A directive was issued by Queensland Health many years ago, that facilities should charge a facility fee of 60% for billable patients, when the image is taken by Queensland Health and reported by a private provider. However, this does not occur at many facilities. Based on the offer from Premier Medical Imaging Pty Ltd, the new facility fee would be

s.47(3)(b)

The percentage of the MBS Scheduled Fee offered by Premier Medical Imaging Pty Ltd for Part 1 ranges from s.47(3) to s.47(3) depending on the modality, when the report is requested and the timeframe required for the report. The s.47(3) fee to report all on-site images during business hours is considered very competitive. A comparison of urgent after hours CT reporting is s.47(3)(b) and \$658,173.75 for Premier Medical Imaging Pty Ltd.

The percentage of the MBS Scheduled Fee offered by Premier Medical Imaging Pty Ltd for Part 2 ranges is s.47(3)

Previous

Queensland Diagnostic Imaging is the current supplier.

Significant Issues

Nil

Recommendation

Recommend that a Contract be entered into with Premier Medical Imaging Pty Ltd for the Provision of Radiology Services for Redcliffe for an initial period two (2) years with the option to extend for three (3) further periods of up to twelve (12) months each.

ESTIMATED VALUE - \$6,053,500

Prepared by:

s. 47(3)(b)

Sharon Benson
A/Assistant Manager HTPU
19/03/2010

Checked by:

s. 47(3)(b)

Dean Schipplock
A/Principal Projects Officer
19/03/2010

DECISION:

Approved

John Lee

Director Procurement Contract Management
Health Services Purchasing and Logistics
22/03/2010

s. 47(3)(b)

RTI Release