

healthcare sector must use their own judgement and satisfy themselves in relation to the feasibility of their projects. The same material required by local health Authorities as part of the deliverables of Part F may be used by the owners/ operators/ investors to support their funding applications. However, the recommendations of this Part, the Approval in Principle (AIP) or approval of Licensing Applications cannot be used as evidence of the feasibility of healthcare facilities for the purpose of funding.

6 Feasibility Planning and Costing

In the context of these Guidelines, “Feasibility Planning and Costing” is a process for the evaluation, documentation and approval of projects to assist with the development and procurement of sustainable healthcare infrastructure.

In the case of private facilities, they must be based on sound business principles, be capable of capital and recurrent funding and long-term operation. Public facilities must demonstrate value - for money and clear, holistic benefit to the community.

7 The terms used in these Guidelines

“Feasibility Planning” is a generic term used within these Guidelines. The same (or very similar subjects) may also be referred to as:

- Feasibility Study
- Business Case
- Service Procurement Plan
- Project Feasibility Plan
- Project Development Plan
- Financial Assessment

Within these Guidelines reference is made to “Service Lines” and “Diagnosis Related Groups” or DRG’s. Consultants and industry groups may also be familiar with other terms which partly or wholly cover the meaning of these terms such as:

- Specialities
- Clinical Services
- Clinical Specialities
- Medical Disciplines
- HRG’s
- IRDRG’s
- SRG’s

The applicants and consultants are encouraged to adopt the terms used in these Guidelines.

Similarly, the “Costing”, both Capital and Recurrent referred to in these Guidelines may already be available for the given project under different titles such as:

- Cost Estimate
- Budget Estimate
- Cost Plan
- Order of Cost
- Priced Bill of Quantities
- Pre-tender Estimate
- Running Cost
- Operational Cost

- Internal Rate of Return
- Cost Benefit Ratio
- Net Present Value

If such documents are available for the given project, they may well satisfy the requirements of these Guidelines. In such a situation, the minimum requirement of compliance with these Guidelines is to:

- present the conclusions of the Study/Plan /Estimate into the “deliverables” format required
- complete and attach the required checklist
- attach a copy of the original document

In order to minimize misunderstandings and promote effective communication within the industry, in all applications to the health authority and documents specifically produced for submission to an authority, only the terms used in these Guidelines should be used. If other documents are supplied in support of the applications to the Authority, the clear meaning of the terms used in said documents under the terms of these Guidelines should be stated in a cover page, cover letter or similar communication.

Many complex issues can be expected in every proposal. These guidelines make no attempt to predict all such circumstances or provide a perfect solution for all conditions. These guidelines are not exhaustive. The key issues and expectations are covered with descriptions which apply to most facilities. Applicants and users of these guidelines should apply the principles stated or implied in these guidelines to circumstances which are not explicitly covered.

The key steps of Feasibility Planning and Costing are described in the following sections. Care should be taken not to repeat the same subject, but rather remain focussed and concise. If a subject does not apply to the given circumstances, a simple statement to this effect should suffice. As far as possible, the language of the study should be clear, simple and non-academic. The terminology used should match those used in the International Guidelines.

8 Structure & Methodology

Feasibility Planning involves a methodical study, which is documented and presented to assist in sound decision-making by private and public healthcare facility owners, operators, investors and developers. The minimum required structure is described below.

Executive Summary

Provide a one- page summary of the proposal and cover as a minimum the following:

- Name of the project
- The author of the Feasibility Study
- Location – provided through a diagram or map
- Key features
- Key quantities, numbers, size
- Timeframe for delivery
- Estimated Capital Cost

Strategic Context

The study should briefly establish the strategic context of the proposal. The typical elements of the strategic context are:

- The regulatory framework
- The current state of the healthcare industry
- Population factors
- Existing facilities reaching their limits or too hard to upgrade