

# FUTURE DIRECTIONS FOR ACTIVITY BASED FUNDING



IHPA

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- Classification Development
- Costing
- Benchmarking
- Pricing Approaches



# National Efficient Price 2015-16

- NEP15 is \$4,971
- 3% increase from NEP14 once revisions taken into account
- 3% indexation factor applied to 2012-13 cost data



# Classification Development

- Classification development is crucial part of IHPAs functions.
- Resource intensive, time consuming process.
- Relies on data, which in some cases isn't readily available and requires one off studies.
- Needs clinical input and review.



# Mental Health

- Mental health classification development is well underway.
- Costing study conducted at over 20 sites nationally



# Step three: undertake a costing study



# Mental Health

- Mental health classification development is well underway.
- Costing study conducted at over 20 sites nationally
  - Public and private hospitals
  - Admitted, community and residential services covered
- Cost and activity data on over 65,000 encounters collected



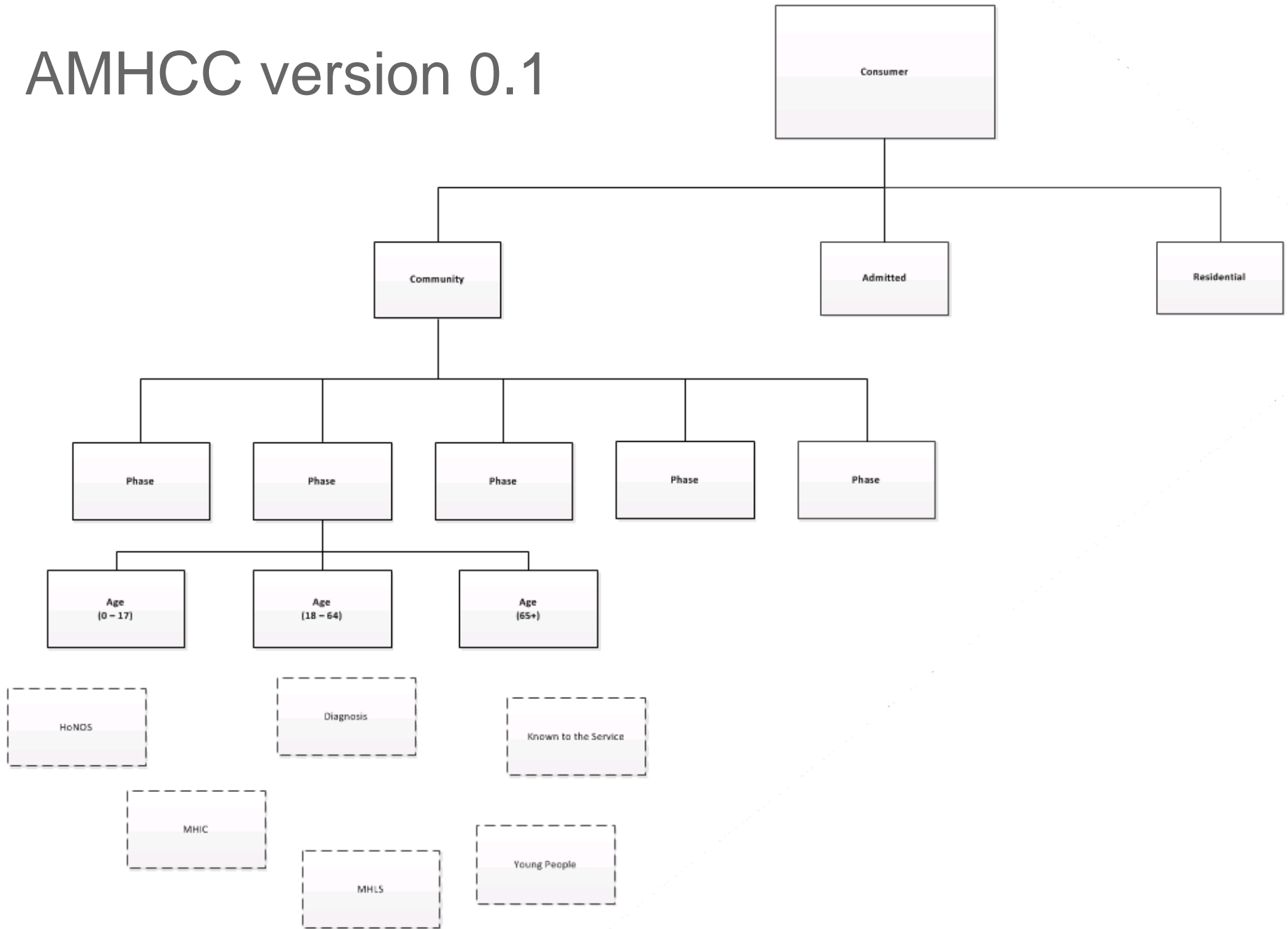
# Mental Health

- Key data for new classification:
  - Phase of care (the prospective goal of care)
  - First episode of mental health care
  - NOCC data items:
    - HoNOS
    - Life Skills Profile (LSP)
    - RUG-ADL
  - Interventions (using the MHIC)





# AMHCC version 0.1



# Teaching Training and Research

- Significant foundation work complete for TTR, including:
  - Definition of scope
  - Evaluation of cost drivers
  - Establishment of data collection
- Costing study now underway:
  - 20 sites nationally
  - 6 month data collection window
- Classification development will commence in early 2016



# Emergency Services Classification

- Development of a diagnosis shortlist – to improve the consistency of diagnosis selection
- Redevelopment of the URG system
  - Ground up rebuild based on findings of 2013 review. Aim to better differentiate complexity in ED patients
  - Will include short, intensive data collection period
  - Complete mid to late 2016



# Non-admitted classification

- Development of new non-admitted classification will commence in 2015.
- Will utilise data from 2013 Non-admitted costing study – including diagnosis and procedure codes
- Will be patient level and will require investment in data collection systems.

# AN-SNAP V4.0

- Completed late 2014
- Includes new paediatric classes
- Impairment specific weights to the FIM item scores for rehabilitation
- GEM included recognition of delirium and dementia
- Further data collection of GEM specific cognition tool data is underway



# AR-DRG V8.0

- ICD-10-AM 9<sup>th</sup> Ed and AR-DRG V8.0 completed in late 2014.
- 9<sup>th</sup> edition coding started 1 July 2015.
- DRG V8.0 includes total rework of complexity measurement system, less reliance on administrative variables.
- Performance improvements evident in pricing model.
- Expect NEP16 will use DRG V8.0



# Costing

- Costing standard update process currently underway.
- Standards will be more clear and concise, give better direction on requirements.
- Will separate business rules from standards.
- Includes an extensive evaluation of cost allocation methodologies.



# Benchmarking Portal

- IHPA intends to establish a national benchmarking portal over the next year.
- Aim is to allow jurisdictions, LHNs and hospital managers to compare their performance against their peers.
- Proposal has strong support from most jurisdictions





# Pricing for Safety and Quality

- Working with Australian Commission on Safety and Quality in Health Care to explore opportunities for incorporating safety and quality into the National Efficient Price.
- Joint Working Party has overseen the work
- Two streams of work:
  - High Priority Complications
  - Best Practice Pricing



# High Priority Complications

- A draft set of 39 complications has been developed through a clinician led process
- 36 are identifiable in current admitted patient data sets using the condition onset flag
- 3 have required development of new data elements
- Proof of concept study underway now



# Best Practice Pricing

- A subgroup has been defining best practice care for fractured neck of femur patients
  - Around 20,000 patients per annum
  - Approx \$250 million expenditure
- Best practice includes:
  - Time to theatre
  - Orthogeriatric model of care
  - Mental state assessment
  - Early remobilisation



# Pricing Framework Consultation

- Public consultation paper to inform the 2016-17 Pricing Framework begins end June.
- Important chance to influence IHPAs pricing policy for future years.
- Submissions that are supported by data and facts always well received.
- See website for details.





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