

## **Navigating the Blurry Waters of Defining Costing Methodology Amidst a Major Healthcare System Overhaul in the Province of Quebec (Canada)**

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The Quebec public healthcare system has seen considerable changes in the past few years. Firstly, in 2014, an Expert group mandated by the Ministry of Health (MSSS) published a report recommending a change in paradigm from historical funding to activity-based funding (ABF) which resulted in MSSS adding a strategic axis regarding ABF in their 2015-2020 strategic plan. Secondly, a law was adopted in 2015 which resulted in the merger of 182 public healthcare organisations into 34 “mega-establishments” with expenditures ranging from 400M\$ to 1.3B\$ which further warranted the need for ABF. Thirdly, the Cost per Clinical Care Pathway Project (CPSS) was launched in 2016 and PPM was selected as the costing solution in 2017. Finally, that same year, two other major projects were launched: the creation of a unified healthcare chart of accounts and the implementation of a unified medical record number across Quebec.

Although many other countries are very advanced in healthcare costing, the use of benchmark methodologies is not possible across Quebec because the service provision model is different and not all establishments have the same source systems or available data. A methodology committee comprised of representatives from the MSSS, PHS, the CDO (entity responsible for the continuance of the project after the implementation) and select establishments met biweekly for nearly 2 years to discuss and approve the methodology to be applied provincially. A subcommittee also discussed any methodology issues arising during implementations. Raising issues to this subcommittee was a chance for establishments to question the methodology and propose alternatives supported by concrete data demonstrations using PPM results.

This presentation will focus on how the costing methodology was developed and structured in Quebec, the issues that arose and how it evolved based on recommendations from establishments who were responsible for its application and finally we have a look at some of the initial benchmarking information that is coming out of the project.