Implementing ABF in NSW

A bulletin for health service executives, clinicians, staff involved in funding, costing, clinical coding, performance and health information management.

April 2014

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- ‘Controlling Costly Care’ through ABM

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National Weighted Activity Unit (NWAU) 2014-15

Last month, the Independent Hospital Pricing Authority (IHPA) released the National Efficient Price (NEP) and National Efficient Cost (NEC) Determinations for Australian public hospitals services for 2014-15. Below is an outline of the adjustments applicable to the NWAU for the new financial year (NWAU14) and changes compared to 2013-14.

<table>
<thead>
<tr>
<th>Adjustment</th>
<th>NWAU14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indigenous</td>
<td></td>
</tr>
<tr>
<td>Acute: 4%</td>
<td></td>
</tr>
<tr>
<td>Subacute: 17%</td>
<td></td>
</tr>
<tr>
<td>Outer regional Area</td>
<td>7% ↓</td>
</tr>
<tr>
<td>Remote Area</td>
<td>15%</td>
</tr>
<tr>
<td>Very Remote Area</td>
<td>21% ↓</td>
</tr>
<tr>
<td>Admitted Subacute Paediatric (any facility)</td>
<td>196% ↓</td>
</tr>
<tr>
<td>Specialist Psychiatric (age ≤ 17)</td>
<td>40%</td>
</tr>
<tr>
<td>Specialist Psychiatric (age 65 to 84)</td>
<td>5%</td>
</tr>
<tr>
<td>Specialist Psychiatric (age ≥ 85)</td>
<td>9%</td>
</tr>
<tr>
<td>ICU</td>
<td>NWAU= 0.0426/hour (ICU Hospital eligibility based on Level 3 grading, with minimum of 24,000 ICU hours reported, 20% of which must have mechanical ventilation)</td>
</tr>
<tr>
<td>Radiotherapy</td>
<td>24% (specific ICD-10-AM v.8 radiotherapy procedure code)</td>
</tr>
</tbody>
</table>

Want to know how the NEP and NEC affect your funding? Read IHPA’s publications available at http://www.ihpa.gov.au.

Want to know more about the NWAU? Visit the ABF Taskforce intranet site.

NSW Mental Health Costing Study

In February this year, IHPA commissioned HealthConsult to undertake a six month costing study of public, private and community mental health services.

This study follows the recommendations by the University of Queensland, who found current mental health costing data submitted to the National Hospital Cost Data collection (NHCDC) to be of poor quality or incomplete. The costing study is expected to be finalised by early 2015.

Continued next page...
The results of this costing study will inform the development of an Australian Mental Health Care classification system which is vital for future activity based funding purposes. Mental Health is currently grouped and costed under the Australian Refined Diagnosis Related Groups (AR-DRG) and Tier 2 Classifications, which have widely been considered inadequate to use for mental health in the long term. IHPA has foreshadowed the implementation of the new classification into the pricing model by July 2016.

For more information contact Sharon Smith (Manager of SNAP and MH Workstreams, ABF Taskforce)
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2014 IHPA ABF Conference in June

IHPA is holding their annual ABF Conference in Melbourne from 23-25 June. Guest speakers include Dr Stephen Duckett from the Grattan Institute and Cathy Schoen from The Commonwealth Fund.

The conference will cover:
- Implementing ABF - a clinician’s perspective
- Models of care for out-patients
- Using cost data to make strategic funding decisions
- Subacute care in an ABF setting
- Hospital case studies - best practice ABF implementation
- Best practice budgeting for ABF - reconciling the general ledger
- Improving quality through efficient coding
- Understanding the NEC and funding for small rural hospitals

Early registration discounts end 22 April. Forms and further details available online at http://abfconference.com.au.

ABM Portal Demonstration to Council of Board Chairs

NSW Health Minister Jillian Skinner took the opportunity last month to showcase the ABM Portal program to Board Chairs from LHDs and SHNs. Presented by the Deputy Director General of the NSW Health Strategy & Resources Division, Dr Rohan Hammett, attendees were impressed by the user friendliness of the application, as well as the depth of information available to interrogate and present comparative hospital and patient detail.

The ABM Portal is a comprehensive multipurpose online program that assists NSW health workers in evaluating the efficiency and efficacy of local health service delivery. It provides comparative costing data on some health services and frequent patient characteristics, simplifying performance benchmarking, fostering intradepartmental collaboration, and highlighting clinical variation. It is currently available to nominated representatives from all districts. For more information, visit the ABF Taskforce intranet site or contact your ABF district representative.

Looking Ahead…

MAY
12 Workshop hosted by ABF Taskforce:
Reporting & Clinical Analytics

JUNE
– Release of LHD/State Service Agreements 2014-15
– ABF Taskforce to release 2014-15
NSW Cost Accounting Guidelines
23–25 2014 IHPA ABF Conference,
Melbourne

FOR NOTE: For NWAU13, any missing URG NWAU values are substituted with the UDG NWAU.