Background Paper on NSW Emergency Care Services - Activity Based Funding Issues

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Prepared by members of the NSW ED Working Group (TRIM 12/23358-2)

1.0 Background

A key part of the National Health Reform Agreement signed by the Council of Australian Governments (COAG) in August 2011 is the implementation of a national system of Activity Based Funding (ABF) for public hospitals from 1 July 2012.

Under the Agreement, ABF will commence for all admitted patients services, emergency and outpatients (part of non-admitted services) from 1 July 2012. This will be followed by subacute, mental health and hospital funded community health services from July 2013.

The NSW Ministry of Health has developed a strategic ABF work program that includes a range of projects and initiatives relating to the classification, costing and funding of the work-streams identified in the National ABF Framework and Implementation Plan\(^1\). One of these is the development and implementation of consistent standards for the counting and costing of Emergency Care services.

In February 2011, the Health Policy Analysis consultancy (HPA) was engaged to undertake a NSW Emergency Care classification, costing and funding project, which was completed on 25 July 2011.

One of the key issues arising for NSW from the 2011 ED project is its ability to classify emergency care services in the Utilisation Resource Groups classification system (URGs), which is the national classification system for ABF for emergency care services. The project also highlighted some weaknesses in NSW’s current costing approaches for emergency care.

That project recommended work to improve the collection of diagnosis data by adopting the National eHealth Transition Authority (NeHTA) standardised ED Diagnosis Reference Set from SNOMED CT-AU. This would also ensure diagnosis codes would be able to be grouped into URGs. Additional work is also required to adopt the use of values from within the NeHTA ED Reference Sets for Presenting Problem.

As part of the 2011 ED project, NSW Health convened a workshop involving ED Clinicians and LHD representatives to investigate how best to improve the quality of its ED costing data. Key actions that came from this workshop were:

- Use of a managed set of ED Diagnosis Codes for use within ED Information systems that, when reported, are able to be grouped into URGs.
- Investigate the option of adopting a standard set of Presenting Problem Codes for ED Information Systems in order to support consistent state and national reporting.

\(^1\) Activity Based Funding Framework and Implementation Plan (2009)

Additionally, the HPA consultants recommended that NSW commission a prospective study of Emergency Department costs involving an appropriate sample of NSW Emergency Departments. The study will be designed to develop accurate cost estimates for all URG categories, and should involve direct capture of information on clinical time and other resource consumption at the patient level.

2.0 Changes to Collection of Emergency Department Data

**Standardisation of Diagnosis Code Set for FirstNet Sites**

NSW Health has adopted the NeHTA issued national terminology - National ED Diagnosis Reference Set of SNOMED CT-AU, for use in the FirstNet ED Information System. This is a subset of 5000 clinically relevant diagnosis terms for use in EDs. The EMR FirstNet Application Specialists in the LHDs will be supplied these codes for testing and installation across the state. Confirmation of activation of these data sets within FirstNet will be provided closer to the installation date.

**Impact on ED clinicians** – Once the new codes are loaded you will notice a change to the list of diagnosis codes available. The screen and field names remain the same. Favourites lists will need to be deleted and rebuilt using the new ED Diagnosis Reference Set. Your Application Specialist can provide you with assistance and direction on how to do this.

**EDs not using FirstNet**

Several ED sites, namely all Hunter New England sites, Children’s Hospital Westmead, St Vincents Hospital and Hawkesbury Hospital, need to ensure they establish the use of ICD10 v6 or v7 as the coding used for capturing ED diagnoses. Additionally these sites need to consider the adoption of an ICD 10 version set that is compatible and consistent with the hospital’s inpatient coding. This approach creates a direct link to resources and support across emergency and inpatient reporting.

**Standardisation of Presenting Problem Code Set**

NSW Health is also implementing the NSW Health ED Presenting Problem List – an agreed subset of the NeHTA National ED Presenting Problem Reference Sets for use in ED Information Systems.

**Impact on ED clinicians** – Once the new codes are loaded you will no longer be able to use free text and you will be restricted to the list of presenting problem codes available. The screen and field names remain the same. EMR FirstNet sites on code levels of 2010 and greater may also set this to be a mandatory field (recommended) and compliant to the requirements of the NSW ED Data Dictionary.

**Delivery and Implementation of the URG Grouper**

The URG software is an application that takes an input file of ED presentation records containing, amongst other data ED Diagnosis, and generates an output file which includes the URG for each record. URGs are to be used in the national classification system for ABF for emergency care services. In April 2012, the Ministry of Health will provide advice on the use of the URG software and instructions about following a defined process for sourcing HIE ED data and then writing back to the HIE the resulting set from the URG software. Initial work will allow generation of URG output for historical data and will be carried out by HIE Coordinators. Ongoing execution of the process to allow ED data to be grouped on an “as needed” basis and at least monthly by LHDs will be performed by nominated LHD staff. This means the URG data for EDs will be available in the local HIE. The NSW Ministry of Health will use the same processes to group Ministry HIE ED data.
There is new functionality to assist with the management of NEAT in ED. There is a new four-hour column and icon / colour added to the ED Tracking List screen. Delay reasons have been changed to either four hours or eight hours and will now be reflected in reports.

**EMR FirstNet Application Specialists – First point of contact**

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### 3.0 Prospective Study of Emergency Department Costs

As already mentioned, the 2011 NSW Emergency Care classification, costing and funding project recommended that NSW should develop a robust patient level ED costing methodology and a set of costing relative value units to support ABF costing, pricing and budgeting into the future. Discussion of potential study project plans identified that data collection and sampling plan needs to be developed, agreed and implemented with early input from ED clinicians.

**Project Objectives**

The key objectives of the project are:

- To develop and implement a costing methodology that captures the utilisation of key cost drivers such as ED staff, tests and consumables in EDs, based on a sample of NSW EDs. The size of the sample and period for data collection would need to be determined statistically. During the study, real-time information would be collected through analysis of data and observation of clinicians on the clinical time spent with individual patients treated, procedures performed, consumables, pharmacy and other costs, and the length of stay in the Emergency Department.
- Using this data, to formulate a process for allocating costs to patients treated in the Emergency Department.

The information generated by this study is expected to have a high value, as a study of this nature has not been completed in Australia for approximately 15 years. The resulting ED costing data can be used by the Ministry to form the basis of its negotiations with the Independent Hospital Pricing Authority (IHPA), which is the Commonwealth agency responsible for setting the national efficient prices of hospital services. The information will also be used for a range of other ED projects and reports.

Secondary objectives could include:

- Collecting data to inform discussion on development of improved national ED classification issues.
- Investigating use of new technology such as bar coding to collect information on patient interventions, timings and resource use within some of the EDs participating in the study; this option can be explored in the project planning phase of the study, in consultation with ED staff.
**Stakeholder consultation**

Prior to engaging consultants and as part of preparing for the ED costing study, the ABF Taskforce would like to consult with ED clinicians to seek their advice and input on:

- Developing a realistic strategy for collecting patient level data on site and estimating the staff resources that would be required to collect the data; and
- Developing a hospital sampling framework.

The Emergency Care Institute (part of the Agency for Clinical Innovation) has been suggested as an avenue for developing and monitoring of this study.

### 4.0 Summary

- NSW Health is progressing to a Standardised ED Diagnosis Code set in April 2012 for FirstNet sites; other sites will need to ensure they meet the minimum data standards by that time.
- The URG Grouper has been released to LHDs and a standardised process is being documented for local sites to group URGs and to have that data available locally in their HIE.
- Standardisation of Presenting Problem data is also being addressed.
- The proposed ED Costing Study project needs to be undertaken in consultation with ED clinical representatives, to develop and confirm the project methodology.