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Queensland Government

Queensland Health

Elective Surgery Business Rules 2002/03

Surgical Access Service

Waiting List Reduction Strategy

BACKGROUND:

The Elective Surgery Business Rules (ESBR) have been developed to specify the conventions associated with gaining access to additional Elective Surgery funding, the allocation of surgical targets and the reporting requirements of Queensland Health. The ESBR additionally specify the timetable of events for surgical payments and the roles and responsibilities of the parties involved.

The 2002/03 funding model for Elective Surgery was created to purchase additional activity to Base targets established in the 1996/97 financial year. Additional Elective Surgery funding has been provided under the following initiatives:

- Elective Surgery Fund (ESF) – Phase 5 marginal rate funding
- Surgical Incentive Fund (SIF) – Phase 5 marginal rate funding
- Elective Surgery Enhancement Initiative (ESEI) – Conditional Phase 7 full rate funding

Further Surgical activity has been identified through the allocation of additional funds for Growth and New Initiatives.

ISSUES:**Surgical Criteria**

The **Surgical Criteria** will remain unchanged from the 2001/02 ESBR.

Elective Surgery:

- Elective Status of patient: 2 Elective
- DRG Type: S Surgical
- Urgency Category: 1, 2 or 3
- NMDS Speciality: Between 1 and 11
- Admission type: 01 Acute; 05 New born

Emergency Surgery:

- Elective Status of patient: 1 Emergency
- DRG Type: S Surgical
- Admission type: 01 Acute, 05 New born

Other Surgery – patients not included above and;

- Elective Status of patient: 2 Elective or 3 Not Assigned
- DRG Type: S Surgical
- Admission type: 01 Acute, 05 New born

Therefore **Total Surgery** will encompass all activity that has a Surgical DRG and an admission type of 01 – Acute or 05 – New born.

2. Surgical Activity Targets

Surgical Activity Targets are established at the commencement of the financial year. The following process has been adopted for the allocation of funding and associated targets.

- A review of the hospitals historical performance in terms of activity achieved against allocated targets.
- A review of statewide and site specific issues that have impacted upon the ability to achieve targets.
- A review of past and current waiting list performance and demand issues.
- A review of the facilities end of year budget position.
- A review of previous growth or new initiative funds provided and their associated impact upon surgical activity.
- An assessment of the impact on surgical activity of current Growth and New Initiative funds.

In light of the above conditions, draft targets and funding are provided to the Zonal Management Units. The Surgical Access Service finalises the process after the Zonal Management Units conduct a consultative process with each of the District Executives.

3. Elective Surgery Budget Line Items

The model detailed above for target establishment will also enable the pooling of existing funds for each facility. There are three budget line items for the 2002/03 financial year:

- **Elective Surgery Fund**
Combination of ESMF, ESMF-Supplementation, ESPF, ESPF-Special Initiatives.
- **Surgical Incentive Fund**
Combination of Surgical Incentive Fund and Targeted Elective Surgery Incentive Fund.
- **Elective Surgery Enhancement Initiative (2001/02 and 2002/03)**
An additional \$20M over two years as per the governments election commitment.

4. Elective Surgery Audits

The Surgical Access Service will undertake audits of Elective Surgery throughput claimed in accordance with the National Data Definitions established by the Australian Institute of Health and Welfare. Particular attention will be focussed on procedures that are excluded from Elective Surgery Waiting Lists.

5. Elective Surgery Budget Allocation

The distribution of Elective Surgery Budgets are:

- **Elective Surgery Fund** recurrently funded prospectively; payment made with the approval of funding and targets for the financial year.
- **Surgical Incentive Fund** non-recurrently funded.

- It is a condition of participation in this initiative that other Elective Surgery targets excluding those associated with the Elective Surgery Enhancement Initiative targets are met.
 - Initial budget adjustment for half of the proposed annual activity made with the approval of funding and targets.
 - Mid-year review conducted upon receipt of six (6) months of coded hospital morbidity data by the Data Services Unit. It is anticipated this would occur during February of any given year.
 - Reviews would be conducted by members of the Surgical Access Service, District Executive and Zonal representatives.
 - Post budget adjustment prepared for second half of the financial year taking into consideration outcomes of the mid-year review and projected activity levels. A three or six month payment may be made at this time.
 - A third quarter review conducted upon the receipt of nine (9) months of coded data by the Data Services Unit. It is anticipated this would occur during May of any given year. The adjustment will reflect the full year forecasted level of activity.
 - Post budget adjustment prepared for any shortfall in projected activity to the end of the financial year.
 - Funds remaining from non-achievement of activity targets will be rolled over to purchase additional activity or equipment in the following financial year. The finalisation of payments will be made upon receipt of 12 months of coded data by the Data Services Unit. It is anticipated that this would occur during September of the following financial year.
- **Elective Surgery Enhancement Initiative non-recurrently funded**
 - It is a condition of participation in this initiative that all other Elective Surgery targets are met.
 - Budget adjustments will be made on the same schedule as Surgical Incentive Funds.
 - Payment for activity will be at the same 'marginal rate' calculated for Surgical Incentive Funds where the facilities Category 1 or Category 2 'long wait' benchmark of 5% is not met and maintained, subject to approval of the General Manager Health Services. The definition for 'maintained' will be the reporting of Category 1 and Category 2 'long wait' patients below the benchmark for two (2) successive quarterly reports. The General Manager (Health Services) will have final authorisation in the application of this clause in the payment model.
 - Payment for activity will increase to Phase 7 of the Hospital Funding Model where facilities have met and maintained Category 1 and Category 2 patients below the 5% benchmark for 'long wait' patients, subject to the approval of the General Manager (Health Services).
 - It should be noted that ESEI funds are provided on a non-recurrent basis for the 2001/02 and 2002/03 financial years.
- **Total Surgery Target**
 - Performance against the Total Surgical Target will be reviewed during the financial year. Where a variation in excess of 2 percent of anticipated levels of activity occurs, a performance review will be undertaken in association with the Zonal and District Executives.

It is highlighted that Elective Surgery funding must continue to purchase additional Elective Surgery activity. As such, facilities that do not meet Elective Surgery Targets may have funds withdrawn for non-performance at the discretion of the General Manager (Health Services).

6. Proposed Timetable for Surgery 2002/03

Month	Elective Surgery Fund	Surgical Incentive Fund	Elective Surgery Enhancement Initiative
July 2002	Full year budget allocated		
Target/funding approval		July to December allocated	July to December allocated
September 2002	Review full year performance for activity achieved during 2001/02. Final adjustments for full year performance made.		
October 2002	Review 5% 'long wait' performance		
January 2003	Review 5% 'long wait' performance		
February 2003	Mid year review of activity against agreed targets		
March 2003		January – July allocated based on full year projection	January to July allocated based on full year projection
April 2003	Review 5% 'long wait' performance		
May 2003	Third quarter review of activity against agreed targets		
June 2003		Final allocations or adjustments made based on full year projection	Final allocations or adjustments made based on full year projection
July 2003	Review 5% 'long wait' performance		
September 2003	Review full year performance for activity achieved during 2002/03. Final adjustments for full year performance made.		

This funding methodology for ESEI funds provides significant incentive for facilities to achieve their Category 1 and Category 2 'long wait' benchmarks with an average statewide increase in payment of \$375 per Phase 7 weighted separation. This method will increase the incentive basis of the elective surgery funding model.

7. Reporting

Facilities will be required to report surgical activity and performance through the following:

- Monthly Surgical Activity Snapshot Report – comparison of activity against targets
- Monthly Elective Surgery Waiting List Census Report – 'Long wait' performance and throughput
- Daily Elective Surgery Waiting List data – 'Long wait' performance (automatic)

These reporting requirements are will also be detailed in your service level agreement.

8. Roles and Responsibilities

The Surgical Access Service is responsible for:

- Establishing base line Elective Surgery Activity Targets
- Accountability for dedicated Elective Surgery Funds
- Negotiating activity and funding levels with Zonal Management Units.
- Monitoring performance against agreed targets and benchmarks

- Recommending to the General Manager (Health Services) adjustments to activity and or Elective Surgery funding for activity or equipment.
- Processing surgical budget adjustments.
- Facilitating the process of transferring Elective Surgery funds between Districts.

The **Zonal Management Units** are responsible for:

- Consulting with District Executives regarding available resources and ability to achieve surgical activity targets.
- Consulting with the Surgical Access Team regarding requested alterations to activity and or funding.
- Negotiating and monitoring the impact of additional funding provided through Growth and New Initiatives.

The **District Executives** are responsible for:

- Ensuring appropriate and sufficient resources are allocated to achieve negotiated activity targets and meet or maintain surgical benchmarks.
- Corporately reporting details as specified in section 7 of the ESBR.

The **Health Services Council** is responsible for:

- Approving the Elective Surgery Business Rules
- Approving the initial allocation of Elective Surgery targets and fund distributions

The **General Manager Health Services** is responsible for:

- Approving post budget adjustments for Elective Surgery funds
- Approving alterations to Surgical activity targets

Contact

For further information contact the Surgical Access Service on (07) 3234 0500.