Funding Models Forum

Admitted Subacute – Subacute WIES2
Phuong Nguyen
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In 2013-14 the department commenced reform of the admitted subacute funding model with the introduction of a single bed day price and a classification system that captured all activity undertaken in the rehabilitation, geriatric evaluation and management, palliative care and maintenance care types.

In 2016-17, further reform was introduced with an episodic funding model commencing for rehabilitation and geriatric evaluation and management admitted activity. Palliative care and maintenance care retained bed day funding in 2016-17.

In 2017-18, as foreshadowed, palliative care will move to a sub-episodic (phase of care) funding approach to align with rehabilitation and geriatric evaluation and management care. Maintenance care will retain a bed day funding approach.
Australian National Subacute and Non-acute Patient Classification (AN-SNAP version 4)
A method of classifying patients with similar conditions and level of resources

The Victorian Admitted Episodes Dataset (VAED)
Contains information on all public hospital episodes of care (activity)

Subacute WIES2 funding model (TARGETS)

Patient Activity Costs
Obtained from the Cost Data Collection for all public admitted and non-admitted episodes (for payment rates)
Funding
Subacute WIES2

Adjusts cost weights for patients with different types of stay

- Extended hospital stay (high outlier)
- Typical hospital stay (inlier)
- Short hospital stay (low outlier)

Allocates additional cost weights for special types of care (co-payments)

- Aboriginal and Torres Strait Islander

Boundary policy:

- Average LOS +/- 4 days

- aims to more closely match funding with the actual costs of treating patients

- Adjusts a AN-SNAP cost weight (W) for time in hospital compared to the “typical” length of stay for like patients (Inlier Equivalent Separation, IES)
Adjusting Cost Weights for Length of Stay (Inlier Equivalence)

Length of stay (days)

Frequency

Low Boundary

Average LOS

High Boundary

1 Inlier equivalent

1 < Inliner equivalent

1 > Inliner equivalent

High Outliers

Low Outliers
Rehabilitation, GEM and palliative care

Length of stay (days)

Average Cost

Low Boundary

High Boundary

Funding
Subacute WIES2

Average Cost

1.00
Rehabilitation, GEM and palliative care

- **Admission**
- **Inliers**
  - Average Length of Stay (Ave LOS)
- **Short stay outliers**
  - (Ave LOS – 4 days)
- **Long stay outliers**
  - (Ave LOS + 4 days)
- **Inlier weight**
- **Low outlier weight**
- **High outlier rate**

Funding:
- **Subacute WIES2**
- Rehabilitation, GEM and palliative care
Calculating SWIES for Palliative Care patients

Subacute WIES2

Box 3.22: Calculating base Subacute WIES for each palliative care episode

If age ≤ 17 then

base_Subacute WIES = \text{sum (phase of care base\_Subacute\_WIES)} - (\text{leave days of episode X Paediatric Same-Day Palliative Care inlier weight (AN-SNAP Code 4P01)})

\hspace{1cm} \text{go to Box 3.23}

If age ≥ 18 then

base_Subacute WIES = \text{sum (phase of care base\_Subacute\_WIES)} - (\text{leave days of episode X Adult Same-Day Palliative Care inlier weight (AN-SNAP Code 4K01)})

\hspace{1cm} \text{go to Box 3.23}

Note: For 2017–18, all classes belonging to the same phase of care type will have a different Subacute WIES.
Example

**Palliative Care Subacute WIES2**

Variables:

- Unstable phase = 4BU1, Unstable phase, First phase in episode, RUG-ADL 4-14, LOS 5
- Deteriorating phase = 4BD3, Deteriorating phase, RUG-ADL 4-14, LOS 11
- Terminal phase = 4BT1, Terminal phase, LOS 13
Example
Palliative Care Subacute WIES2

• AN-SNAP class 4BU1, Unstable phase, First phase in episode, RUG-ADL 4-14
• Low boundary = 4
• High boundary = 12
• Average length of stay = 8.31 days
• Low outlier weight = 0.1082
• Inlier weight = 0.4327
• High outlier weight = 0.0757

Funding:
Subacute WIES2 = 0.8125 x 0.4327 = 0.3516
Revenue = 0.3516 x $10,401 = $3,656.67
Example

Palliative Care Subacute WIES2

- AN-SNAP class 4BD3, Deteriorating phase, RUG-ADL 5-18, Age 55-74
- Low boundary = 1
- High boundary = 10
- Average length of stay = 5.54 days
- Low outlier weight = 0.2751
- Inlier weight = 0.2751
- High outlier weight = 0.0783

Funding:

Subacute WIES2 = 0.2751 + (11-10) x 0.0783 = 0.3534
Revenue = 0.3534 x $10,401 = $3,675.71
Example

Palliative Care Subacute WIES2

- AN-SNAP class 4BT1, Terminal phase
- Low boundary = 1
- High boundary = 8
- Average length of stay = 3.58 days
- Low outlier weight = 0.2040
- Inlier weight = 0.2040
- High outlier weight = 0.0672

Funding:
Subacute WIES2 = 0.2040 + (13-8) x 0.0672 = 0.5400
Revenue = 0.5400 x $10,401 = $5,616.54
Example

Palliative Care Subacute WIES2

Total episode funding for patient stay in admitted palliative care:

- Subacute WIES2 = $3,656.67 + $3,675.71 + $5,616.54 = $12,948.92

- If the patient has leave days, then subtract from this amount the applicable leave funding value.
The 2017-18 admitted subacute funding model will be based on the AN-SNAP version 4 classification system, using 94 of the classes for admitted activity.

The funding model has allocated a cost weight and an inlier and outlier boundary point for the rehabilitation, geriatric evaluation and management classes and palliative care.

Maintenance care activity will continue to be funded using a bed day approach in 2017-18.

The model has been developed based on the 2015-16 Victorian Cost Data Collection.

There will be no reduction of targets at the health service level between 2016-17 and 2017-18.

There is a single peer group price for admitted subacute.

DVA activity will continue to attract a 21 per cent premium, although this will be reviewed in future years.