Specialist Clinics
Weighted Ambulatory Service Events (WASE1)

17 August 2017
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On 1 July 2017, the Weighted Ambulatory Service Events funding model was implemented in Victoria.

The funding model will:

- align Victoria’s specialist clinics funding with national funding models
- drive technical and allocative efficiency, encouraging better patient access to specialist clinics
- provide funding transparency and accountability for both health services and the department for specialist clinics services
- improve data reported to AIMS, VINAH and the VCDC
WASE1 – 2017-18

- WASE1 is the first year of the activity-based funding model for specialist clinics.
- There have been no changes to specialist clinics budgets.
- There may be a small amount of recall for underperformance.
- Health services may have the opportunity to earn additional funding for over-performance.
- We will be working with health services to make any adjustments that might be required for WASE2.
In 2017-18, each health service’s Weighted Ambulatory Service Event target will be derived in a two step process that is based on:

- Total specialist clinics budget (Weighted Ambulatory – Acute Specialist Clinics)
- Proportion of public and private services events that are reported to AIMS S10 between quarter 1 to quarter 3 2016-17
- Public Weighted Ambulatory Service Event price
- Private Weighted Ambulatory Service Event price

**Step 1:**

\[
\text{Total targets} = \frac{\text{Total specialist clinics budget}}{(\text{public price} \times \text{proportion of public WASE}) + (\text{private price} \times \text{proportion of private WASE})}
\]

**Step 2:**

- Total public targets = Total targets \times \text{proportion of public activity}
- Total private targets = Total targets \times \text{proportion of private activity}
Weighted Ambulatory Service Event

Overview

Non-admitted clinic management system

- AIMS Data → Activity count
- VCDC Data → Cost weights
- VINAH Data → Review proportion

Counting

Service events

Classification

Tier 2

Total WASE calculation

Total WASE
Revenue calculation

Prices
Public and private

Adjustment
New and review
# Weighted Ambulatory Service Event

## Overview

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<th>Component</th>
<th>2016-17 Shadow Model</th>
<th>WASE1</th>
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<tr>
<td>Classification</td>
<td>Tier 2</td>
<td>Tier 2</td>
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<tr>
<td>Counting</td>
<td>Service event – reported in the AIMS S10 form</td>
<td>Service event – reported in the AIMS S10 form</td>
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<tr>
<td>Costing</td>
<td>Six cost weights, calculated using Victorian cost data</td>
<td>Six cost weights, calculated using Victorian cost data</td>
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<td>Review discount</td>
<td>20 per cent discount</td>
<td>20 per cent discount</td>
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<td>Review adjustment calculation</td>
<td>Contact purpose</td>
<td>Adjusted contact purpose</td>
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<td>Price</td>
<td>Single price</td>
<td>Price for public and private</td>
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<td>Grants included</td>
<td>Acute Specialist Clinics - Non DVA</td>
<td>Acute Specialist Clinics - Non DVA \ VACS - Teaching</td>
</tr>
</tbody>
</table>
Each Tier 2 class has a cost weight that is derived from health services’ reported 2015-16 cost data (Victorian Cost Data Collection).

All cost data reported for non-admitted (i.e. Public, DVA and MBS) is considered in scope for the development of cost weights except costs:

- that did not pass the validation and quality assurance processes
- of activity that are already funded under other funding streams (e.g. HEN)
- that cannot be mapped to a NACMS registered specialist clinic.
- applied to clinics with less than five costed contacts
- that are associated with s100 and PBS drugs
A 20 per cent discount will be applied to ‘review’ service events.

The discount is applied to encourage:

- better access to specialist clinics
- Improved reporting of ‘new’ and ‘review’ data field.

There is no review discount for maternity activity (20.40, 20.53, 20.54, and 40.28).

The definition of a ‘new’ service event is:

- a clinician seeing a new patient for initial assessment or treatment.

A ‘new’ service event must meet this definition and be the first service event of the episode in a particular specialist clinics Program/Stream.
Weighted Ambulatory Service Event Review proportion

There are five stages to the proportion calculation:

1. Contact purpose
2. Adjusted contact purpose
3. Review service events
4. Proportion groups
5. Review proportion calculation
WASE for an individual Tier 2 class =

# service events for Tier 2 class x cost weight x review proportion x 80 per cent

+ # service events for Tier 2 class x cost weight x (1 - review proportion)
Step 1: Contact purpose

To calculate the review proportion VINAH data is used. Health services not reporting VINAH data will receive the statewide average review proportion.

Health services report ‘Contact purpose’ in VINAH.

- 72 – New patient consultation
- 71 – Follow up/Monitoring/Evaluation/Review
Step 2: Adjusted contact purpose

In acknowledgement of challenges health services have reporting ‘Contact purpose’ accurately, ‘Adjusted contact purpose’ is used in the 2017-18 funding model. This is an interim solution while the department works with health services to improve reporting.

In the event of multiple ‘new’ contacts within a derived Contact Program/Stream, only the first contact in the episode where the patient attends is counted as a ‘new’ contact. Subsequent ‘new’ contacts are adjusted to ‘review’.

‘New’ Contact Adjustments

**Rule 1:** If the derived Program/Stream has more than one contact in the same episode with a Contact Purpose = ‘72-New patient consultation’, only the contact occurring first in the derived Program/Stream is counted as a ‘New’ contact and subsequent contacts are counted as ‘Reviews’.

**Rule 2:** If there is a contact in the derived Program/Stream with a Contact Purpose = ‘72-New patient consultation’ but there is a preceding contact with Contact Purpose code = ‘71’ then all the contacts within the derived Program/Stream are counted as ‘Review’.
Step 3: Review service events

- Only one non-admitted service event may be counted for a patient at a clinic on a given calendar day.

- When contacts are rolled into service events, if one of the contacts has an adjusted contact purpose of ‘new’, the service event will be categorised as ‘new’.

- Where none of the contacts rolled into a service event have an adjusted contact purpose of ‘new’, the service event will be categorised as ‘review’.

- Where there is a on-to-one relationship between a contact and a service event, the service event will be categorised according to ‘Adjusted contact purpose’.
Weighted Ambulatory Service Event Review proportion

Step 4: Review proportion groups

All Tier 2 classes are mapped to a proportion group to calculate the review proportion.

This is because some health services only report a small number of service events for some Tier 2 classes.

No review proportion is calculated for Maternity Tier 2 classes (20.40, 20.53, 20.54, 40.28).

<table>
<thead>
<tr>
<th>Variable</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proportion Group 3</td>
<td>Refers to Tier 2 classes 40.07, 40.10, 40.13, 40.22, 40.26, 40.30, 40.31, 40.32, 40.35, 40.36, 40.37, 40.38, 40.39, 40.40, 40.41, 40.42, 40.43, 40.44, 40.45, 40.46, 40.47, 40.48, 40.49, 40.50, 40.51, 40.52, 40.53, 40.54, 40.55, 40.57, 40.58, 40.59, 40.61</td>
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<td>Proportion Group 4</td>
<td>Refers to Tier 2 classes 40.03, 40.04, 40.05, 40.06, 40.09, 40.11, 40.12, 40.14, 40.15, 40.16, 40.17, 40.18, 40.21, 40.23, 40.24, 40.25, 40.29, 40.56, 40.60</td>
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<tr>
<td>Proportion Group 5</td>
<td>Refers to Tier 2 classes 10.01, 10.02, 10.03, 10.04, 10.05, 10.06, 10.07, 10.08, 10.09, 10.11, 10.13, 10.14</td>
</tr>
</tbody>
</table>
Step 5: Calculate review proportions

Health services should calculate review proportions for each proportion group.

Review proportions are calculated by summing the review service events and dividing that by the sum of the review and new service events for each proportion group.

**Example:**

‘Proportion Group 1’
Proportion\_review = \text{Sum VINAH Proportion Group 1 Tier 2 service events (Review)} / \text{Sum VINAH Proportion Group 1 Tier 2 service events (New and Review)}
Proportion\_review = 72 \text{ (review service events)} / 100 \text{ (new + review service events)}
Proportion\_review = 72 \text{ per cent}
Weighted Ambulatory Service Event Review proportion

<table>
<thead>
<tr>
<th>Patient 1: 20.03</th>
<th>Contact Data</th>
<th>Adjusted Contact Data</th>
<th>Service Events</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Clinic ID 1003A</td>
<td>Date 16/8/17</td>
<td>Program/Stream 101</td>
</tr>
<tr>
<td></td>
<td>Review contact 1003A</td>
<td>Date 16/8/17</td>
<td>Program/Stream 101</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Patient 2: 20.04</th>
<th>Contact Data</th>
<th>Adjusted Contact Data</th>
<th>Service Events</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Clinic ID 1003B</td>
<td>Date 16/8/17</td>
<td>Program/Stream 101</td>
</tr>
<tr>
<td></td>
<td>Review contact 1003B</td>
<td>Date 16/8/17</td>
<td>Program/Stream 101</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Patient 3: 20.05</th>
<th>Contact Data</th>
<th>Adjusted Contact Data</th>
<th>Service Events</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Clinic ID 1003C</td>
<td>Date 14/8/17</td>
<td>Program/Stream 101</td>
</tr>
<tr>
<td></td>
<td>New contact 1003C</td>
<td>Date 15/8/17</td>
<td>Program/Stream 101</td>
</tr>
<tr>
<td></td>
<td>Review contact 1003C</td>
<td>Date 16/8/17</td>
<td>Program/Stream 101</td>
</tr>
</tbody>
</table>

Proportion\_review = 3 (review service events) / 5 (review and new service events)
Proportion\_review = \textbf{60 per cent}
Weighted Ambulatory Service Event Excluded activity

There is a range of activity report to the AIMS S10 that is out-of-scope for WASE1 funding.

- There are a range of Tier 2 classes funded through a different funding model (including HEN, TPN, and Genetics).
- DVA activity is funded under a different funding model and grant line.
- TAC, VWA, other compensable patients, and Medicare ineligible patients should be billed directly.
Weighted Ambulatory Service Event
Overview

WASE for an individual Tier 2 class =

\[
\text{# service events for Tier 2 class } \times \text{ cost weight } \times \text{ review proportion } \times 80 \text{ per cent} \\
+ \\
\text{# service events for Tier 2 class } \times \text{ cost weight } \times (1 - \text{ review proportion})
\]
The Weighted Ambulatory Service Event funding model has a ‘public’ price and a ‘private’ price.

The public price is set at a rate that is similar to the average national price.

The private price is set at 80 per cent of the public price to recognise third party revenue that health services receive (i.e. MBS)

A private service event is defined as a patient who has elected to be a private patient and the interaction has occurred with a provider who has a financial arrangement with a public health service.

A private service event does not include private consults in private rooms where there is no affiliation with a public health service.
Weighted Ambulatory Service Event

Recall

At the end of the financial year, targets will be recalibrated based on the final public/private mix.

There is no cash adjustment for public/private mix under the Weighted Ambulatory Service Event funding model.

Recall will be applied based on the following conditions:

<table>
<thead>
<tr>
<th>Activity performed</th>
<th>Recall applied</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-97 per cent of target</td>
<td>Recall will only be applied to 3 per cent of WASE target, at 50 per cent of the relevant price.</td>
</tr>
<tr>
<td>97-100 per cent of target</td>
<td>Recall will be applied at 50 per cent of the relevant price.</td>
</tr>
<tr>
<td>100-104 per cent of target</td>
<td>Additional funding will be provided at 50 per cent of the relevant price.</td>
</tr>
<tr>
<td>104+ per cent of target</td>
<td>Additional funding will only be provided, at 50 per cent of the relevant price, up to 4 per cent above WASE target.</td>
</tr>
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