

Developing a national mental health care classification for activity based funding

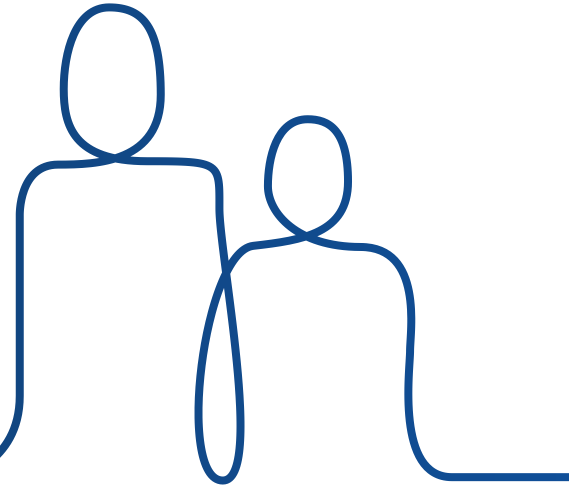
PCSI May 2024

Laura Harris – Director, Classifications

Independent Health and Aged Care Pricing Authority

Independent Health and Aged Care Pricing Authority (IHACPA)

- Independent government agency
- Provides evidence-based price determinations and pricing advice to fund hospital and aged care services more efficiently
- Established under the *National Health Reform Act 2011*
- Delivers annual determination of the national efficient price and national efficient cost to enable activity based funding
- Responsible for developing and refining Australian casemix classifications





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***Mental health care** is care in which the primary clinical purpose or treatment goal is improvement in the symptoms and/or psychosocial, environmental and physical functioning related to a patient’s mental disorder.*

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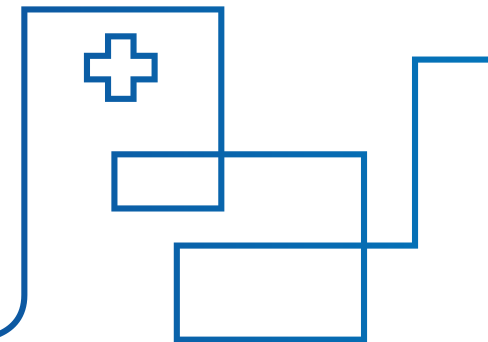


IHACPA, 2014

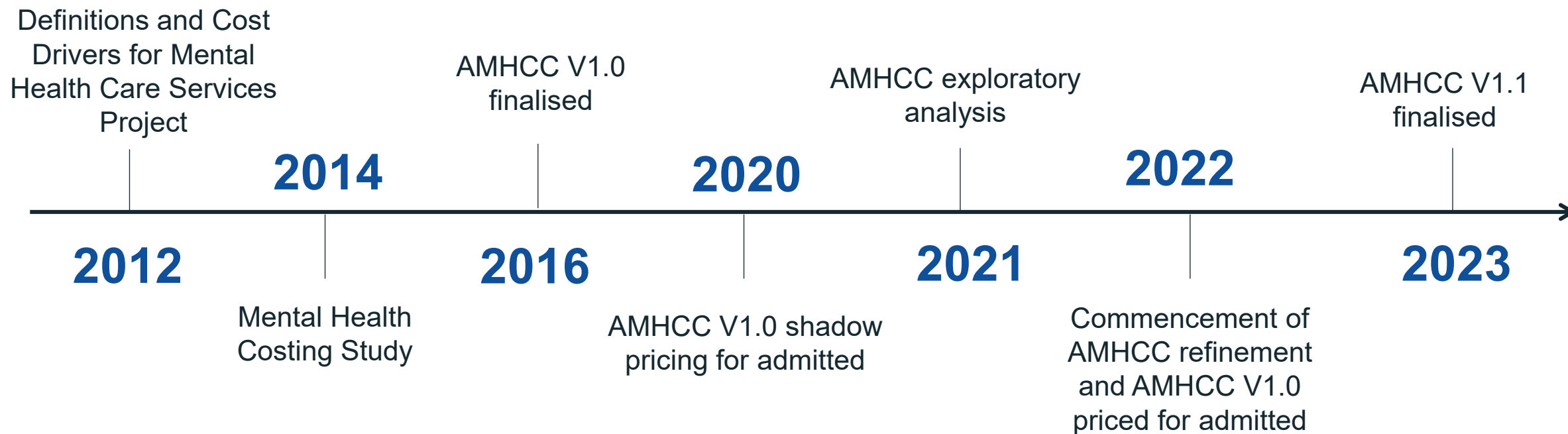
Classifying mental health care

IHACPA developed the Australian Mental Health Care Classification (AMHCC) to:

- improve the clinical meaningfulness of classifications for mental health care.
- provide a nationally consistent framework for transparency.
- ensure funding based on mental health activity.



Mental health classification history



AMHCC development

Key findings of the *Definition and Cost Drivers for Mental Health Services project*:

- Cost data submitted to the National Hospital Cost Data Collection (NHCDC) by jurisdictions not sufficient for classification development
- Important cost drivers (for example consumer clinical ratings) were either incomplete or not collected at critical points in the overall episode of mental health care
- Key recommendation: a comprehensive mental health costing study would be required

AMHCC development

In February 2014, IHACPA undertook a mental health costing study

- Produced a robust consumer level dataset representative of Australian mental health services
- Collected activity and cost data at the consumer level between 1 July and 31 December 2014
- Broadly representative for age, sex, Indigenous status and length of stay characteristics when compared to the national minimum data sets for admitted and community services
- Considered representative of mental health services provided in Australian admitted and community settings

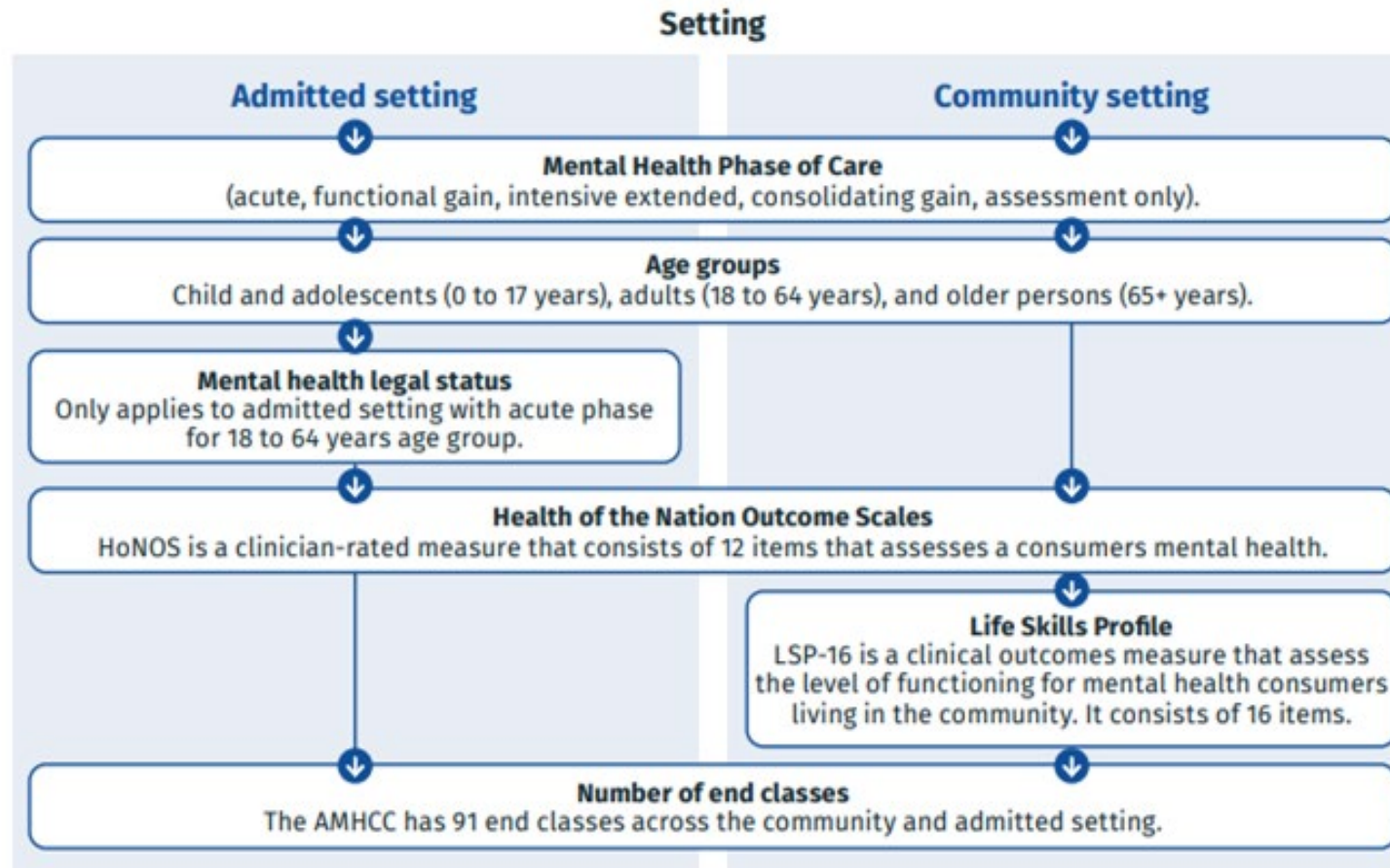


26 mental
health services



5 states and
territories

AMHCC structure



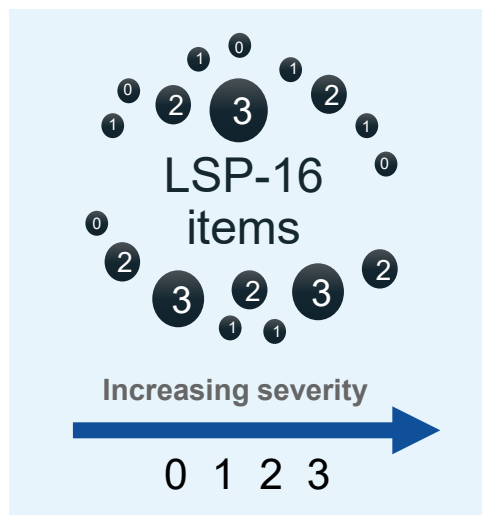
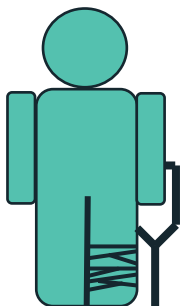
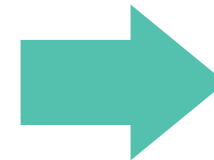
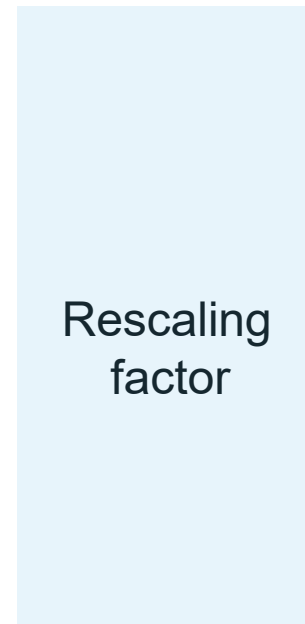
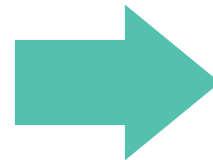
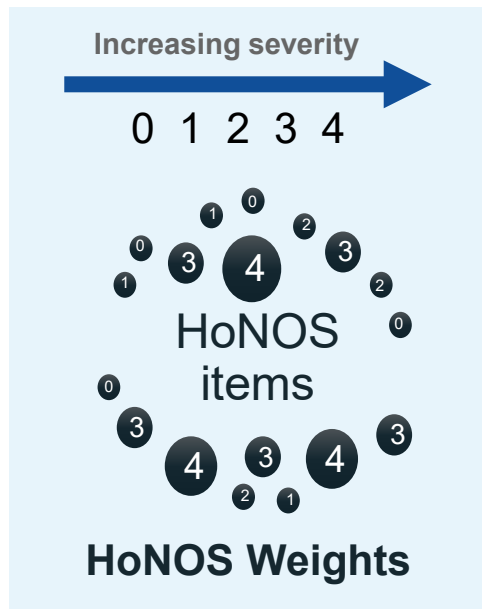
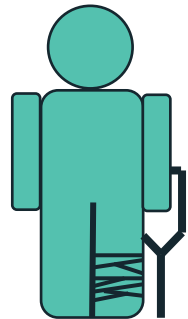
AMHCC V1.0 structure

Mental Health Phase of Care



Assessment Only is no longer a MHPoC. It is now a data item.

AMHCC Complexity Model



Benefits of AMHCC

- AR-DRG based on diagnosis not consumer
- AMHCC is a clinically relevant classification that better explains resource consumption (cost) at the consumer level
- Better cost predictiveness
- Avoids the use of administrative and input oriented variables
- Has a simple structure that allows flexibility for further refinement
- Has the potential to support integrated service delivery by providing data across different service settings and health services
- More accurately prices specialist mental health care
- Sustainable funding

Implementing AMHCC for admitted

AMHCC V1.0
released

**February
2016**

AMHCC V1.0
shadow priced
for admitted
mental health

**July
2020**

AMHCC V1.0
used to price
admitted
mental health

**July
2022**

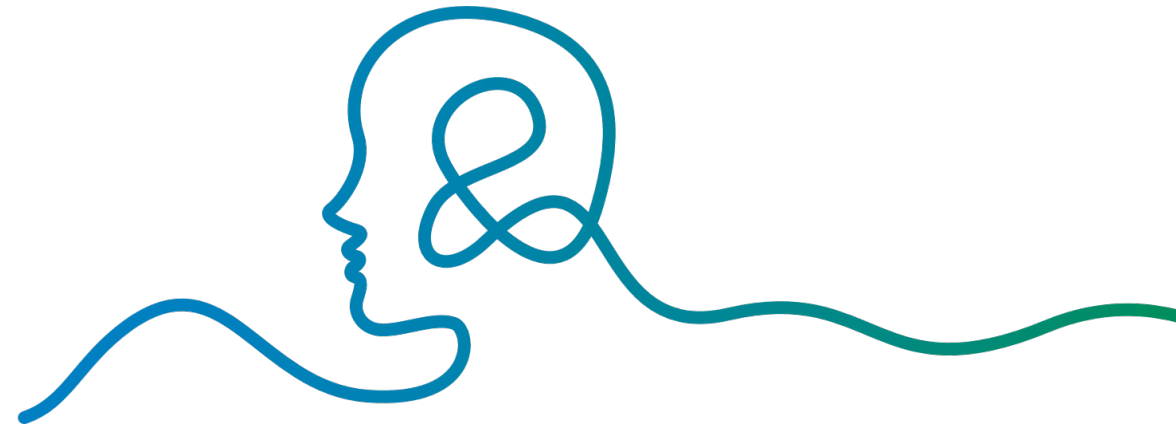
Next steps

AMHCC Version 2.0

- Value based care model
- Consumer-focused
- Clinical variables – HoNOS, LSP, Mental Health Legal Status
- Consumers complexity – age, diagnosis, ECT intervention

AMHCC Version 1.1

- Anticipated pricing using AMHCC V1.1 for both admitted and community



Questions?

Thank you

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