

Return to ABF in Ireland Post Covid-19

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Agenda

Introduction / Background

COVID-19 Impact

ABF Implementation Plan 2021 - 2023

Changes to ABF Model in 2023

ABF Benchmarking Model Outturn

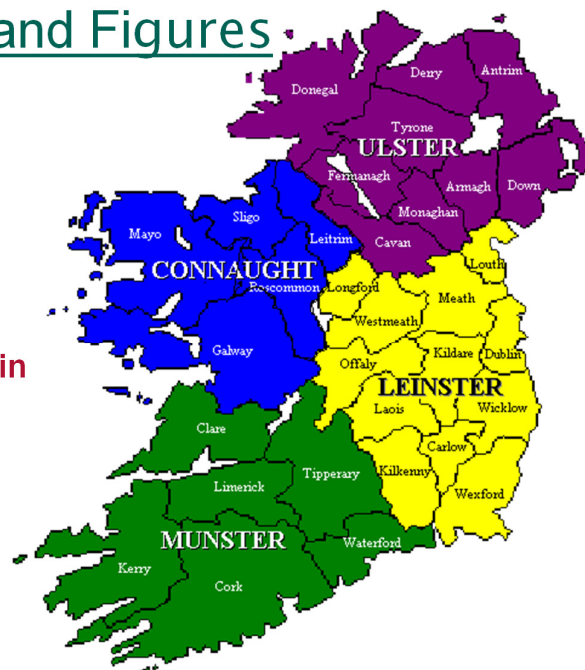
Hospital Level Reports on ABF Performance

Questions

Introduction / Background

Ireland: Some facts and Figures

- Population 5.2 million
- 49 Acute hospitals
- **44 ABF hospitals**
- **1.8 million admitted patients in ABF**
- 1.3 million ED attendances
- 3.5 million OPD attendances
- Public Budget €23bn

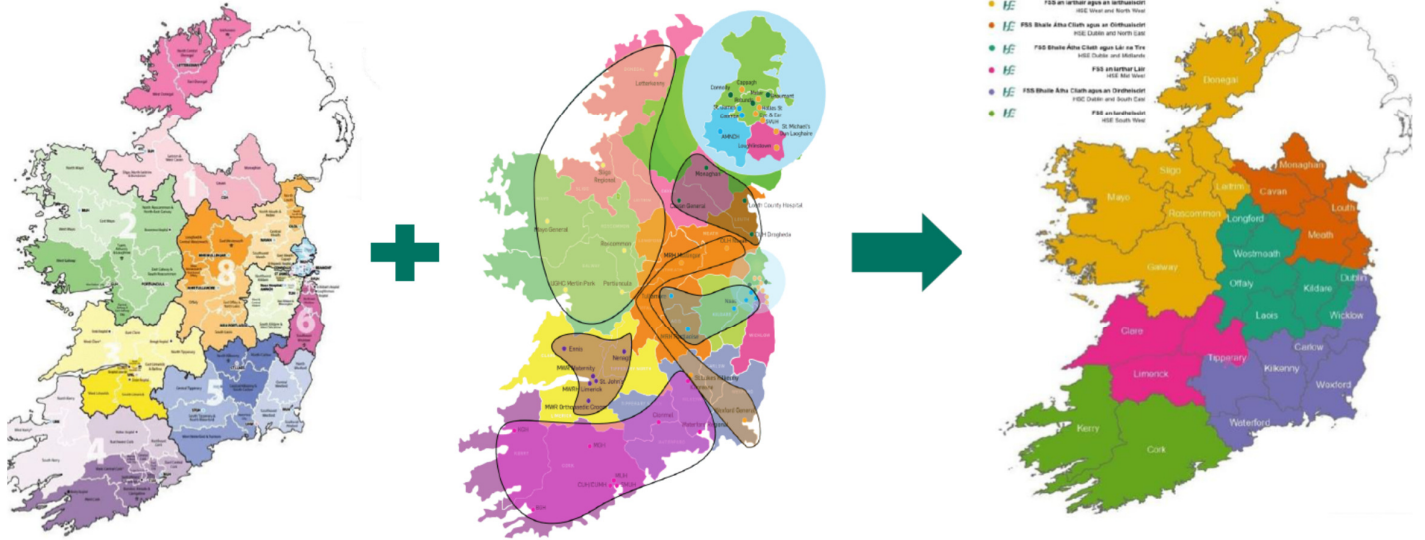


Health Regions Structure 2024

Community Health Organisations

Hospital Groups

HE Health regions

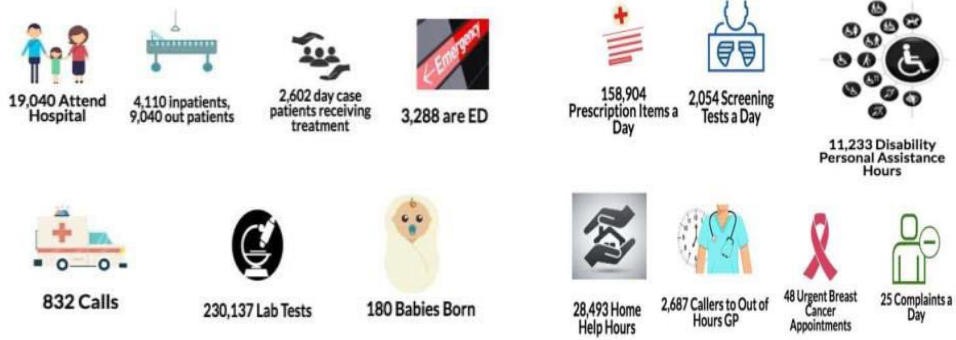


Irish Health Service

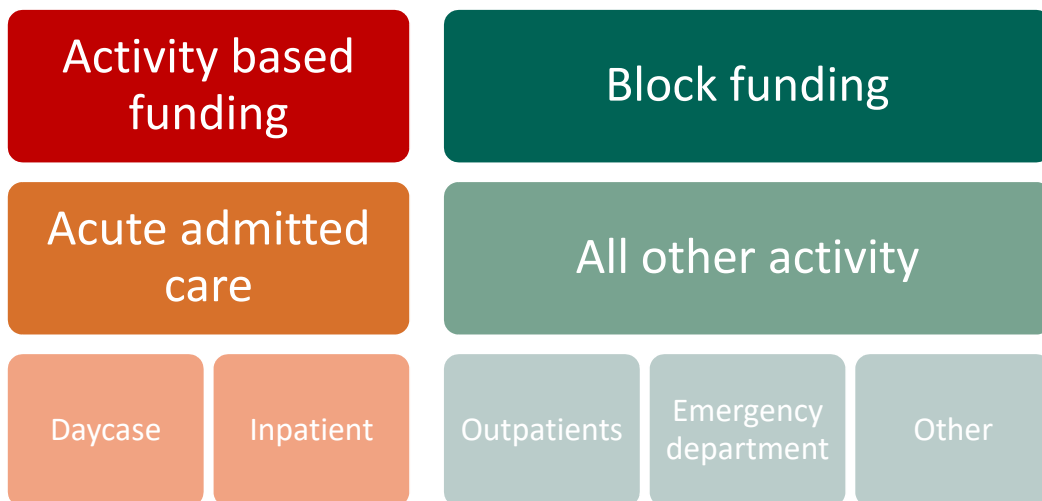
Funder and Provider of:

- – Primary Care
- – Acute Care
- – Mental health
- – Social Care
- – Health Protection
- – Health Promotion
- – Ambulance Services

A Day in the HSE



Current scope of ABF



DRG/ URG/ OCG Classifications

- Australian Refined Diagnosis Related Groups (AR- DRG)
 - No of DRG'S – 797
 - Areas Covered – Inpatients and Daycases
 - Up to 4 Severity Levels for certain DRG'S e.g. Stroke
 - Up to 5 prices for each DRG
- Urgency Related Groups (URG)
 - No of URG'S – 114
 - Areas Covered – ED, MAU and SAU
- Outpatient Clinic Group (OCG)
 - No of OCG'S – 106
 - Areas Covered – Outpatients

1.8 million episodes

797 Diagnosis Related Groups in AR-DRG version 10



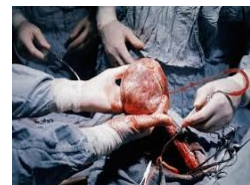
Dialysis
L61
170,000 patients



Normal delivery
O06C
20,000 patients



Knee replacement
I04B
2,000 patients



Heart transplant
A05Z
10 patients

Acute hospital expenditure 2022

ABF	€5.5bn	(66%)
Block	€2.9bn	(34%)
Total acute spend	€8.4bn	(100%)
<i>Block component of the above</i>		
Outpatient	€0.9bn	(11%)
Emergency department	€0.7bn	(7%)
Other	€1.3bn	(16%)
Total block spend	€2.9bn	(34%)

11

Policy Objectives



- To support the move to an **equitable** single-tier system
- To have a **fairer** system of resource allocation
- To drive **efficiency** in the provision of hospital services
- To increase **transparency** in the provision of hospital services
- ***Any 'ABF' system must support the delivery of quality care in the most appropriate setting***

ABF Process



- Pricing Office sets national price list using cost and activity data
- Minister sets global hospital budget and agrees national service targets.
- HSE agrees performance contracts with Hospital Groups



COVID-19 Impact



NATIONAL FINANCE DIVISION

ABF During the Covid-19 Pandemic

- The impact of Covid-19 created major challenges for the use of ABF to fund healthcare institutions.
- It was important to recognise and promote the ABF process as an important tool in monitoring and managing our healthcare system despite the requirement to tactically move to a block grant funding arrangement in response to the Covid-19 pandemic.
- **Ensuring that the data underpinning the ABF process continued to be collected for the future return to normal ABF funding was a key priority.**
- ABF and its building blocks have proved essential in providing the information needed to monitor the impact and effects of the disease and make important decisions as to where resources should be deployed.



COVID-19 – Summary of HIPE Data 2020-2023

Discharge

Year

- ☐ 2020
- ☐ 2021
- ☐ 2022
- ☐ 2023

83,753

Discharges

6%

ITU PCT of BDs

0

Youngest

108

Oldest

18.2

ALOS

1,521,239

Bed Days

68.0

Median Age

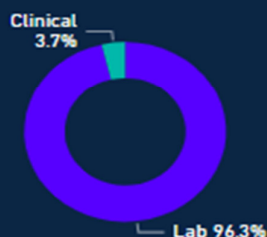
60.93

Average Age

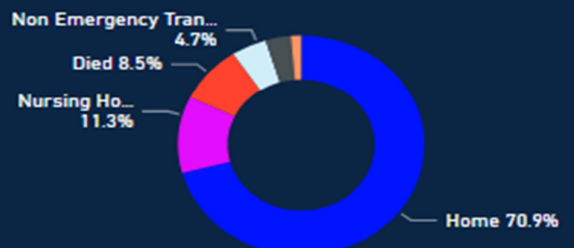
Discharges by Sex



Discharges by Covid Virus

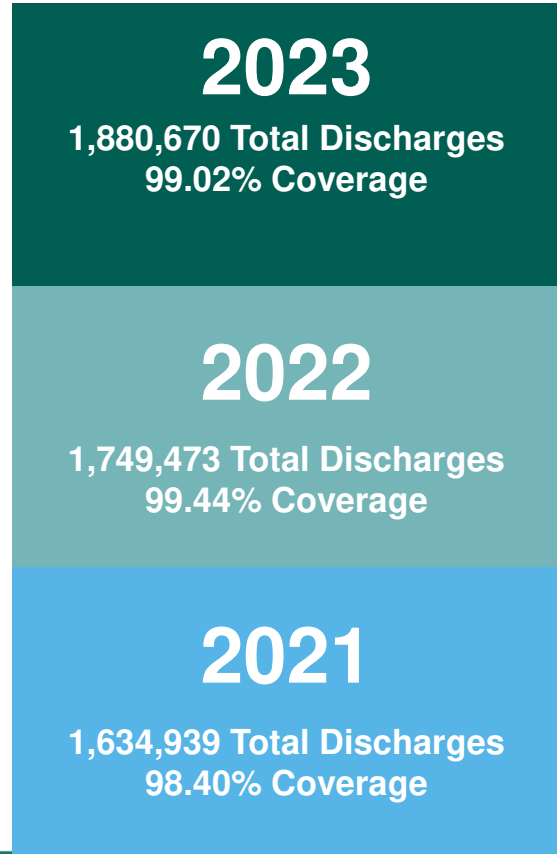


Discharges by Discharged



2023 = 99.02% HIPE coverage

- Full coverage matters – for patients, staff, wider health system and stakeholders
- Reviews of data at hospital level by policy makers – visibility of activity/costs



ABF Implementation Plan 2021-2023



- The Government has reaffirmed its commitment to ABF through the Sláintecare Implementation Strategy
- The ABF Implementation Plan provides a means for delivering on Sláintecare.
- The plan signals a shift in accountability for ABF from the HPO to the whole system
- The plan sets out a series of 35 actions for the Irish health system from 2021 onwards which will enable the ongoing implementation and expansion of ABF.

Action 7: Reform the funding system to support new models of care and drive value to make better use of resources

- 7.1.1 •Expand ABF for inpatient and day-cases to other acute hospitals
- 7.1.2 •Significantly increase the ABF proportion of hospital budgets by reducing transition payments and introducing stronger and more real-time financial incentives for productivity to drive value
- 7.1.3 •Examine the use of ABF for outpatient services
- 7.1.4 Advance the community-based costing programme to measure unit costs and productivity in community-based services.

1. Embedding and further developing ABF

- Transition hospitals further to ABF : a roadmap for transition payments (Sláintecare)
- Expand ABF for inpatient and day-cases to other acute hospitals (Sláintecare)
- Hospital-led local implementation plans to support the transition to ABF as 'business as usual'
- Publish price list and consult annually for clinical involvement and transparency in the price (Pricing Framework)
- Continue to Review and Refine the ABF Pricing Model and Methodology (Consultation Document)
- New classification systems for EDs and outpatient care as stepping stones to ABF (Sláintecare)



What the Plan Covers

2. Improving data and data collection

- Continued improvement of supporting data (HIPE and costing)
- Build stakeholder understanding and support for the value of good quality, timely ABF data
- Improve coordination and collaboration for ICT improvements or commissioning new systems



ABF Update against the Plan



ABF PRICING
FRAMEWORK FOR THE
2024 PRICE LIST

- A third Pricing Framework has been produced by the Healthcare Pricing Office (HPO).
- It describes the strategic approach to developing the Activity Based Funding (ABF) pricing model and Price List for 2024 and will be reviewed and published on an annual basis.
- The scope of ABF in Ireland and changes being considered.
 - The classifications used to describe services and those new classifications being developed.
 - The data collected by the HPO for the purposes of ABF and processes to improve data collection and quality.
 - How the price is set.
 - How the price works within a broader funding context.
 - Existing and new policy work being undertaken by the HPO.
 - The annual consultation process.

- The aim of this consultation paper is:
 - To inform ABF stakeholders about the methodological and policy changes that the HPO are considering for the 2025 price setting cycle.
 - To set out the process for making submissions on the 2024 price setting cycle



CONSULTATION PAPER
ON THE ABF PRICING
FRAMEWORK FOR THE
2025 PRICE LIST

- ABF can help improve quality and patient safety in our healthcare facilities through QBF adjustments
- QBF is the umbrella term to describe the different mechanisms for incentivising the provision of high quality and safe patient care through financial means.
- The purpose of the QBF is to describe the guidelines, processes and minimum requirements for making an application for creating and implementing a quality based ABF funding initiative.
- Such QBF initiatives should be considered to be separate to the baseline ABF funding model which essentially seeks to set prices that match the underlying costs rather than explicitly incentivise any particular clinical practices, pathway or mode of treatment delivery.



- Describes principles, minimum requirements and process for requesting a quality based funding adjustment.
- QBF is an umbrella term
 - Best Practice Tariffs
 - Outcome Based Payments
 - Value based Payments
 - Payment for Performance (P4P)
 - Pricing Signals
 - Price Incentives
 - Normative Pricing



Update of Coding and Classification



- Updating ICD10-AM-ACHI to Version 12
- AR DRG V8 to V10
- Keep up to date with changes in Clinical Practice including impact of COVID
- All coders were trained as part of the update
- E Book to assist coders in assigning the new codes to be developed by HPO IT.
- Coding in the new version commenced on 1 Jan 2024



Roadmap for Transition Adjustments



- ABF will recommence in Ireland in 2023 based on the 2022 Activity and Cost data. The proposed roadmap for the reduction of transition adjustments is outlined below.
- This roadmap will be reviewed periodically and the roadmap beyond 2026 will be agreed and communicated in collaboration with relevant stakeholders e.g. CFO, ND Acute Operations

CALENDAR YEAR	BASIS OF ABF BENCHMARKING	FUNDING IMPACTED	YEAR	TRANSITION ADJUSTMENT
2023	ACTUAL 2022 COST AND ACTIVITY	2024		85%
2024	ACTUAL 2023 COST AND ACTIVITY	2025		80%
2025	ACTUAL 2024 COST AND ACTIVITY	2026		75%



Linking Funding to NSP Activity Targets

- Renewal of ABF Funding will recreate the link between funding and activity targets.
- This link was broken during COVID and the reversal to Block Funding
- ABF Monthly reporting tool on Qlikview will allow hospitals to compare actual YTD activity against NSP target and whether they are managing this within budget.
- Will also assist in the quarterly forecasting process



Outpatients

- Outpatient Classification system has been completed to take account of COVID Impact
- IT based Outpatient Clinic Register has been developed
- Pilot with ULHG coming to a conclusion
- Classification is fit for purpose.
- Proposal is to include the OCG on the PAS system for existing and new clinics being set up
- Next steps includes developing a data collection process
- Expanding to other Hospital Groups / Regions
- Use of the classification system will need to be mandatory
- Health Information Bill coming down the tracks will assist.

- ED Pilot took place in Tullamore Hospital
- Purpose was to collect ED data using the ICD-10-AM short list to facilitate the grouping of patients into the 114 Urgency Resource Groups (URG's).
- Results were positive and gave the green light to proceed with the implementing an ED collection nationally.
- Kick Off Meetings have taken place with SSWHG, Dublin Midlands and Ireland East
- Remaining Group Meetings to take place by in June 2024
- Use of the classification system will need to be mandatory

Changes to the ABF Model in 2023



ABF Model in 2023

- Move from AR-DRG V8 to AR-DRG V10
- Methodology Changes as per Consultation Process 2023
 - Adoption of common admitted patient weighted unit
 - Introduction of hospital grouping in the model



First true Post-Covid Price List

- The Covid-19 pandemic significantly changed the relationship between cost and activity
 - Costs increased dramatically while activity levels dropped
 - Internationally, ABF funded systems reverted to block grant budget allocation during the pandemic and following years
 - We took the same approach in Ireland.
 - Although ABF wasn't used for funding in 2021, 2022 or 2023, the models were run in the usual manner however
 - The resulting prices were not used for the price list.
 - Instead the 2020 price list (based on 2019 data) was inflated each year.



Move from AR-DRG 8 to AR-DRG 10

	AR-DRG V8	AR-DRG V10
Total DRGs	807	795
Total ADRGs	406	397
DRGs Introduced		89
DRGs Dropped	101	
Common DRGs	706	706
ADRGs Introduced		19
ADRGs Dropped	28	
Common ADRGs	378	378



Further Details

- DRG Changes have a variety of sources e.g.
 - In most cases the new ADRG is a modification of an older one and they can be mapped reasonably easily e.g. L42 ESW Lithotripsy goes to L43 Nephrolithiasis Intervtn
 - ADRGs have had complexity splits removed or added
- Equally importantly, the underlying complexity model has been updated so there is a lot of movement of cases between the complexity levels from AR-DRG V8 to AR-DRG V10.
 - Requires care in price comparison as we are not necessarily comparing like for like even when considering a single DRG.



Common Admitted Patient Weighted Unit

- The 2024 ABF output will be stated in terms of a common weighted unit for inpatients and day cases.
- This will allow inpatient and day case weighted activity levels to be directly combined providing a complexity measure that reflect all admitted patient activity rather than inpatient and day case activity separately.



Example



These cannot be added as they refer to different base prices.

I03B Hip Replacement (Inpatient)			
RV Type	Inlier WU (a)	Base Price (b)	Value (a*b)
Inpatient	2.078224	€6,101	€12,679
Admitted Patient	4.40337	€2,879	€12,679

These can be added as they refer to the same base price.

R63Z Chemotherapy (Day Case)			
RV Type	Inlier WU (a)	Base Price (b)	Value (a*b)
Day Case	0.733959	€934	€685
Admitted Patient	0.237988	€2,879	€685



Introduction of Hospital Type Factors

- Sláintecare mandated that ABF operate under a single price model therefore the groupings were removed
- Examination of benchmarking results indicate that there is a need to introduce groupings based on hospital model /type.
- These groupings help to level out the advantages / disadvantages associated with hospital types.
- Also provides comparability with peer hospitals



Introduction of Hospital Type Factors

- This years model has 6 hospital groupings.
- There is still a single base price, however each group now has a group factor which inflates / deflates the value so that the model is zero sum within each group.

Model / Type	Factor (draft)
Model 4	1.00
Model 3	1.01
Model 2	1.04
Paediatric	1.19
Maternity	0.90
Specialist	1.02

Old Model : Value = WU * Base Price

New Model : Value = WU * Base Price *
Factor



Hospital Level Reports on ABF Performance



ABF Hospital Level Reports

- Relates to 2022 costs and activity
- 85% Transition so hospitals are exposed to 15% of the difference between Value and Cost
- Reports issued aid to understanding ABF Performance which is impacted by many factors including
 - Total Spend
 - How accurately that spend is costed to services
 - Volume of cases treated
 - Coding completeness
 - Coding quality
 - Average length of stay (ALOS)The reports contain an explanation of hospital's performance under these headings together with details of changes in this year's model
- ABF remains budget neutral – Zero Sum



Other Work in the HPO



IT Based UAN and Claims System

- Surgical Services
 - Patients referred for daycase / inpatient procedures in a private hospital
- Outpatients
 - Patients referred for outpatient care in private vendors for specific specialties
- Medical beds
 - Patients referred for the use of Medical Beds in a private hospital
- Assisted Human Reproduction
 - Patients referred to private vendors for specific procedures
- Public Hospitals
 - Patients referred under one or more of a series of waiting list funding projects



HPO Website



- The HPO website www.HPO.ie is under development and ready for release in June 2024.



Updated Healthcare Pricing Office Website



[HPO Home](#) [ABF](#) [Services](#) [Events](#) [Reports](#) [Contact](#) [Search](#)

Welcome to The Healthcare Pricing Office

The Healthcare Pricing Office (HPO) plays a central role in providing leadership for and management of activity based funding (ABF). This is a funding model for hospital care for inpatient and day-case services.





Updated Roadmap for easier use

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HPO Home ABF Services Events Reports Contact Search

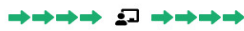
Activity Based Funding (ABF)

Current Roadmap



Plan

- ABF Plan 2021-2023
- ✓ ABF Plan 2015-2017



Educate

- ABF Guides & Presentations



Document

- Documentation and Updates to ABF



Conference*

- ABF 2023 Conference
- ABF 2022 Conference
- ABF 2019 Conference
- ABF 2017 Conference



All HPO Conference materials accesible online

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- Title: ABF Implementation Plan
- Presenter: Mr. Brian Donovan
- Role: Head of HPO
- Download Slides

HE ABF 2023 | 01 - ABF Implementation Plan Copy link

HE **Sláintecare implementation strategy**

Action 7: Reform the funding system to support new models of care and drive value to make better use of resources

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- 7.1.4 Advance the community-based costing programme to measure unit costs and productivity in community-based services.

Watch on YouTube



Accessibility to all HPO Events and Training

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HPO Events

Upcoming HPO Events & Training

Please note that the HIPE training provided by the HPO is limited to personnel involved in HIPE clinical coding in the Irish hospital system, whereby clinical coders are nominated to attend the courses by their hospitals.

HIPE Training Calendar

Please click below to view current schedule

[Click Here](#)



Coding Skills III (B)

Circulatory

CLOSED

Obstetrics

Introduction

04/04/2024

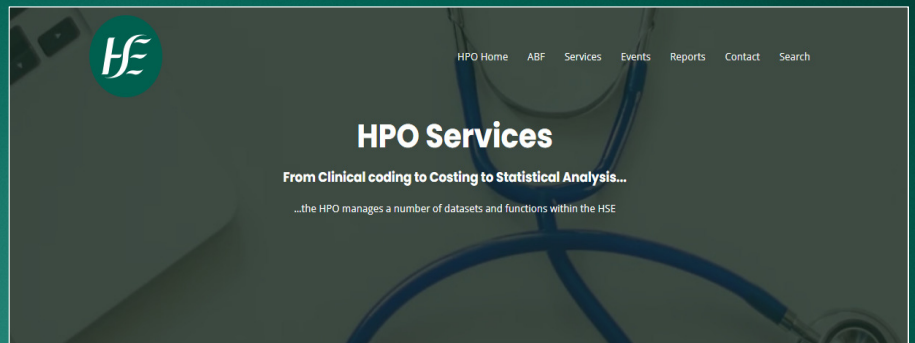


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All the HPO's Services from Clinical Coding to Costing to Statistical Analysis easily accessible in one place.

Information available on -

- HIPE
- NPRS
- Patient Level Costing



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HPO Services

From Clinical coding to Costing to Statistical Analysis...

...the HPO manages a number of datasets and functions within the HSE



HIPE

Hospital In-Patient Enquiry (HIPE) Scheme is a health information system designed to collect demographic, clinical and administrative information on discharges and deaths from acute hospitals nationally. All acute public hospitals participate in HIPE, reporting on over 1.8 million records in 2023.



NPRS

The National Perinatal Reporting System has as its principal aim the provision of national statistics on perinatal events. The NPRS collects information on approximately 70,000 birth records each year from 19 maternity units and all practicing self employed community midwives.



Patient Level Costing

Under the PLC programme participating hospitals undertake an annual study to determine the costs associated with the treatment of each individual patient treated in that hospital over a given time period. As well as financial data, ancillary or "feeder" information systems within the hospital are utilised to determine exactly which services were accessed by each patient. This



Questions?

