

Title: Return to Activity Based Funding in Ireland post COVID-19

Introduction

When the COVID 19 pandemic reached Ireland in March of 2020, it had a significant impact on the healthcare system and created major challenges for in accounting for new and unknown patterns of healthcare usage and costs such that it was no longer possible to fund our hospitals using ABF.

Emergency measures included reverting to block funding for the financial years 2021-2023. However, during this period we continued to carry out the annual ABF process which proved useful 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, notwithstanding that the output from the process was not suitable for funding purposes.

It was also essential that the building blocks for ABF were kept in place during these years to ensure that we were in a position to return to ABF when conditions allowed.

During this period , the Healthcare Pricing Office (HPO) published the second Implementation Plan for Activity Based Funding (ABF) in Ireland, as part of a programme of work to support the delivery of the Sláintecare Implementation Strategy.

This Plan represented an important step forward in increasing transparency in funding, encouraging efficiency, value for money and sustainability, and ultimately providing greater accountability for the way resources are allocated in the Irish healthcare system

This presentation will outline the main areas of the plan and the changes made to the ABF process in 2023.

Methods

COVID-19 has had a significant impact on the healthcare system and has created major challenges for in accounting for new and unknown patterns of healthcare usage and costs. Whilst emergency measures have included temporary increases to block funding, ABF and its building blocks have proved useful 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, and will continue to be critical for health system insights and funding into the future.

The implementation plan contains 35 objectives covering areas including data quality, training, policies and governance across all data streams such as admitted care, ED care, outpatient care and community care. COVID-19 has demonstrated the significant capacity of the health system to respond effectively to the need for rapid change and improvement

Results

The 35 Actions within the Implementation plan have been largely completed to date and has included pilots to introduce the collection of patient level data for the non-admitted areas of Outpatients and Emergency Departments. Both patient areas are using the Australian Classification systems.

The ABF Benchmarking process has been re-established in 2023 based on 2022 admitted expenditure and activity. This has resulted in adjustments to acute hospital budgets for 2024. Costing guidance was provided to account for the COVID cases that were still present in the Irish Hospital system in 2022.

Changes to the Funding model in 2023 included updating from V8 to V10 of the Australian DRG Classification System, creating groups of hospital that were similar from a cost perspective and creating an admitted care weighted unit to cover both inpatient and daycases. The admitted care weighted unit allows us to compare complexity of Inpatient and Daycase Activity for the first time.

Conclusions

The Government's Sláintecare Implementation Strategy made clear the need to strengthen the implementation and expansion of ABF across the Irish healthcare system. This was to be done through the reduction in the level of transition adjustment, the inclusion of more hospitals in ABF and the expansion of ABF to the Outpatient and ED areas

After the suspension of ABF during the COVID pandemic it was important that the return to ABF happen as soon as possible to maintain the provision of data from the process. The information that is provided by the annual ABF process has uses well beyond funding particularly now as we move into the post COVID period where we have seen changes to the cost base and occupancy levels.