

**TITLE:** Province wide implementation of patient level costing: foundational to Patient-Based Funding and Value Based Healthcare.

## **Introduction**

Implementing patient level costing across the continuum of care, provincewide, is foundational to Patient-Based Funding, allowing for more transparency in resources allocation, and the organisation of care and services. Combining clinical costing data and patient outcomes enabled a robust data tool that lays the groundwork for value base healthcare management. Here is the example of Québec province in Canada.

## **Methods**

In 2014, an Expert Panel proposed to the government a strategy to support patient-based funding implementation to address the challenges facing the health system, i.e., access to care, quality of care, equity in health funding and increased spending.

Patient-based funding is a resource-allocation method linking the patients, the care provided, and the costs incurred by providing that care. It considers the type of care provided and volume, which differentiates patient-based funding from traditional approaches where resources are allocated on historical budgets and organisational envelopes, thus introducing more transparency and equity.

As a stepping stone, the Ministry of Health undertook the implementation of patient level costing across 31 healthcare organisations of the province. This was done for each health network, allowing for costs to be organised across the whole continuum of care: hospital, community service, rehabilitation, long term care, etc.

The presentation will cover the mains phases of this 3 years project, the key outcomes, as well as the overall approach and strategy.

Specially, far from being a pure financial initiative, the case costing implementation include a wide variety of clinical data, creating a rich source of information about quality of care and patient outcome. Resulting information is used to understand patient's clinical outcomes, supports implementation of integrated practice units and provides medical leadership with the tools and metrics to support best practices in care variability, laying the foundation to Value based healthcare.

## **Results**

Financial and clinical data standardization are fundamental elements in Patient Level Costing, to ensure that the results are fully comparable across establishments.

The agile mode where certain elements are decided during the project represents a challenge to manage the sometimes-changing expectations of the customer and ensure that the deliverables remain within scope. Joint planning, active risk management, focus on results, commitment to succeed and fast decision making have shaped the delivery.

Local and provincial costing results databases covering 8 financial years and now supporting the elaboration of the new funding models, analytical tools and the provincial benchmarking Portal.

Beyond the patient level data required for costing, the possibility of integrating descriptive patient level data into the model (incidents, accidents, complications, infections, comorbidities, diseases acquired during hospitalization, PREM, PROM, etc.) objective the impact of the quality elements of practices in terms of costs.

These elements complement the analysis of care trajectories and allow clinicians to become aware of the financial impacts of their practice.

## **Conclusions**

This presentation wants to demonstrate that, case costing implementation, when incorporating a wide variety of clinical sources, exceeding those required for strict costing, provides a wealth of information about quality of care and patient outcome that can inform rates elaboration and support better decision making.