

Victorian Cost Data Collection

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History of Victorian Cost Data Collection (VCDC)

Costing Period	Months of cost data	Campuses
1992	6	5
1993	5	15
1994	6	11
1994-95	12	16
1995-96	12	13
1996-97	12	15
1997-98	12	17
1998-99	12	18
1999-00	12	19
2000-01	12	28
2001-02	12	53
2002-03	12	56
2003-04	12	45
2004-05	12	45
2005-06	12	45
2006-07	12	45
2007-08	12	46
2008-09	12	51
2009-10	12	59

Pilot Study

Conducted Internally by DH

Cost Modelled Sites

Cost Modelling Reduced

Ten Fold Increase

Aims of Victorian Cost Data Collection (VCDC)

- ❖ **Representative of the state-wide casemix**
Collect cost data for all funded activity across the state
- ❖ **Representative of clinical-practice variation**
Collect cost data that captures the variation of clinical practice, technology and drugs utilised
- ❖ **Stable across time**
Minimise annual random variation in average costs due to low sample size
- ❖ **Accurate**
Minimise systematic error and bias within the cost data
- ❖ **Supportive of a range of client-product needs**
Operation of robust funding models, national reporting requirements, evidence-based policy development, funding- and patient-classification related research and development, *etc.*

What do we do with the cost data?

- ❖ Victorian Cost Weight Formulation
 - Acute Admitted (WIES)
 - Admitted Rehabilitation (CRAFT)
 - Non Admitted Specialist Consultations (VACS)
- ❖ Budget Allocation Reviews
 - Specified Grants
- ❖ Funding Model Development
- ❖ Research
- ❖ National Hospital Cost Data Collection (NHCDC)
 - Source of cost data for Independent Hospital Pricing Authority
 - Basis of future C'W ABF funding models i.e.' Efficient Price'
- ❖ Funding Negotiations
 - Victorian
 - Commonwealth – IPHA

Reporting Requirements for 2011-12

- ❖ Submitted by 28 October, 2011
- ❖ New format of cost data submission
 - To meet Australian Hospital Patient Costing Standards
 - File specifications developed
- ❖ Data Validations
 - Built into vendor software and DH acquisition process
 - Cost data review – sub committee of VACDDI
- ❖ Quality Framework
 - Cost allocation methodology
 - Reconciliation of \$ and episodes

DH Support to Implement Changes

❖ Aims

Consistent and accurate costing methodology

Compliance with Australian Hospital Patient Costing Standards (AHPCS)

Compliance with VCDC reporting requirements

Capacity for health services to have access to useful cost data

❖ Working with patient costing vendors and health services to implement changes

❖ Financial support

Business case submissions from Health services

❖ Vendor user groups

❖ Victorian Clinical Costing User Group

New Format of VCDC

Message Wrapper

<> message	
@ pStart	datetime
@ pEnd	datetime
@ fYear	token
@ orgId	token

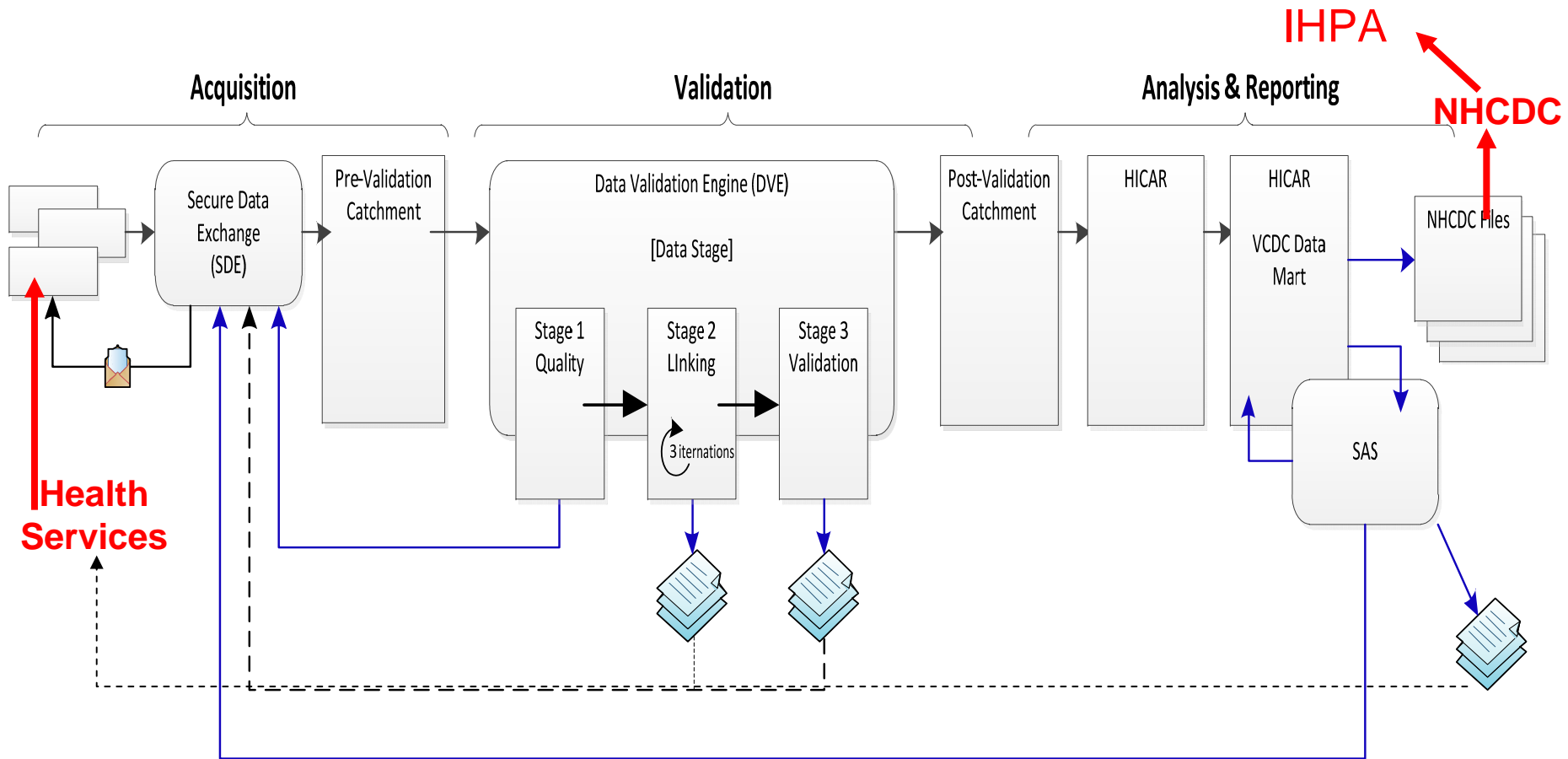
Episode

<> message	
@ eKey	token
@ ur	token
@ campus	token
@ encounter	token
@ eStart	dateTime
@ eEnd	dateTime
@ program	token
@ clinic	token
@ fund	token
@ mediNo	token
@ opMode	integer
@ opType	integer
@ sex	integer
@ dob	dateTime
@ atsi	token
@ pCode	token

Episode Cost

<> episodeCost	
@ area	token
@ description	string
@ account	string
@ dCost	money
@ iCost	money
@ location	token
@ sDate	dateTime

VCDC –DH Processes



Data Validations

- ❖ Files submitted must comply with VCDC File Specifications or not accepted i.e. format, values
- ❖ Linking – by episode number to existing data submissions i.e. VAED, VEMD, VINAH (ultimately HICAR)
- ❖ Business Rules – checks to identify costing issues i.e.
 - ICU hours but no ICU costs
 - Total cost < \$50
 - Total cost > \$200,000
 - Surgical DRG with zero theatre costs
 - Prosthesis related DRG with zero prosthesis cost
- ❖ Cost Analysis
 - Comparison to prior year
 - Comparison to other health services

Future Developments

❖ Victorian State-wide Reinvigoration Program

- Review undertaken by Ernst & Young
- First stage is reimplementation of existing costing systems to meet national reporting requirements
- Business Case to commence further work to support patient costing development in Victoria

❖ National Hospital Cost Data Collection (NHCDC) Technical Working Group

- Annual submission of cost data
- Developing reporting requirements and standards
- Workforce training and development
- Quality Framework