

Victorian Public Hospitals
Performance Monitoring Framework
Business Rules 2006-07

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Introduction

In 2005-06, a Performance Monitoring Framework (PMF) was established to provide a structure for monitoring of public health services. The PMF enabled DHS to strengthen overall monitoring, analysis and performance evaluation of public health services in a transparent manner.

Following consultation with health services, a revised PMF has been developed for 2006-07. The new framework aims to provide ongoing incentives for health services to achieve performance targets aligned with statewide benchmarks. Rural public health services will again be included in the framework. For the first time, PMF and bonus-funded Key Performance Indicators (KPIs) have been aligned to provide consistency across the performance monitoring system. The PMF KPIs also align with the KPIs in the annual Statement of Priorities (SoP) agreed to by each public health service.

In 2006-07 a bonus-funding pool of \$19.7 million has been allocated for metropolitan health services and \$5.17 million has been allocated for rural public health services. The total bonus-funding pool is allocated against the KPIs as detailed in this document.

Part A - Performance Monitoring Framework

Key Performance Indicators and Bonus Framework

The following key performance areas have been identified in 2006-07 for inclusion in the PMF:

- Financial Performance
- Access Performance
 - Elective Surgery
 - Emergency

In order to reflect Government priorities and key risks, it was determined that financial performance and access indicators should each comprise 50 per cent of the total score.

Financial Performance Indicators

The four financial performance indicators included in the PMF and their respective weightings are:

- year-to-date operating result as a percentage of total revenue, variance to target (30 percent weighting)
- year-to-date net cash flows from capital activities, variance to target (5 per cent weighting)
- trade creditors average age < 60 days (7.5 per cent weighting)
- debtors average age < 60 days (7.5 per cent weighting)

Critical Key Performance Indicators

Non-achievement of Critical KPI's will result in the reduction of bonus funding in any given quarter. A reduction of 1 bonus point across each of the associated KPI's will occur in any given quarter (a total of 4 bonus points will be deducted from the associated access indicator).

The critical KPI's are:

- percentage of Category 1 emergency patients seen immediately
- percentage of Category 1 elective patients admitted within 30 days

Emergency Performance Indicators

The eight access performance indicators that are used in the bonus-funding framework have been included in the scoring system.

There are four emergency performance indicators, with a combined weighting of 25 per cent (6.25 per cent each). Emergency performance indicators are:

- percentage of operating time on hospital bypass
- percentage of emergency patients admitted to an inpatient bed within 8 hours
- percentage of non-admitted emergency patients with a length of stay of less than 4 hours
- number of patients with a length of stay in the emergency department greater than 24 hours.

Elective Surgery Performance Indicators

There are four elective surgery performance indicators, which comprise 25 per cent of the scoring framework (6.25 per cent each). The four elective performance indicators are:

- percentage of category 2 elective surgery patients waiting 90 days or less
- percentage of category 3 elective surgery patients waiting 365 days or less
- number of patients on the elective surgery waiting list
- hospital initiated postponements (hips) (revised definition).

Note: Individual improvement targets have been negotiated with health services for the Category 2 and Category 3 indicators.

PMF Monitoring Levels and Thresholds

The PMF has three levels that provide for increasingly intensive monitoring.

Table 1: PMF Monitoring Levels and Thresholds

LEVEL	POINTS THRESHOLD
Intensive monitoring	0 – 49
Performance watch	50 – 69
Standard monitoring	70 - 100

The quarterly PMF scores currently place each health service in one of three levels of monitoring:

Standard Monitoring - applies to those health services achieving their KPIs. It is the least intrusive level of monitoring with meetings occurring quarterly between the department and the health service to discuss performance.

Performance Watch - applies to those health services with an emerging deterioration in performance against targets. The scope of monitoring is increased and performance meetings between the department and the health service become more frequent, either monthly or bi-monthly.

Intensive Monitoring - applies where there is constant under achievement against performance indicators by a health service. The scope and frequency of monitoring is intensified and requires health services to provide more detailed information such as an access improvement plan.

A health services quarterly point score matching a monitoring level for two consecutive quarters will trigger monitoring at that level, otherwise the previous level of monitoring applies. This applies to movements up and down the monitoring levels. However, if a health service has a score of 49 points or less in a single quarter, it will automatically trigger intensive monitoring.

Overview of the Scoring System

Table 2 provides a description of the 12 key performance indicators that comprise the scoring framework with their respective weightings.

Table 2 – Key Performance Indicators subject to bonus funding in 2006-07

<i>Key Performance Indicators– 2006-07</i>		<i>Weighting</i>
	<u>Access Performance</u>	
KPI 1	Percentage of operating time on hospital bypass	6.25
KPI 2	Percentage of emergency patients admitted to an inpatient bed within 8 hours	6.25
KPI 3	Percentage of non-admitted emergency patients with a length of stay (LOS) of less than 4 hours	6.25
KPI 4	Number of patients with a LOS in the emergency department of greater than 24 hours	6.25
KPI 5	Percentage of Category 2 elective surgery patients waiting 90 days or less	6.25
KPI 6	Percentage of Category 3 elective surgery patients waiting 365 days or less	6.25
KPI 7	Number of patients on the elective surgery waiting list	6.25
KPI 8	Hospital Initiated Postponements (HiPs) (revised definition)	6.25
	Total Access Performance Weighting	50.00
	<u>Financial Performance</u>	
FIN 1	YTD Operating Result as per cent of Total Revenue	30.00
FIN 2	YTD Net Cash Flow from Capital Activities	5.00
FIN 3	Trade Creditors	7.50
FIN 4	Debtors	7.50
	Total Financial Performance Weighting	50.00
	TOTAL SCORE	100.00

Table 3 describes the critical KPIs for 2006-07.

Table 3 – Critical Key Performance Indicators in 2006-07*

<i>Critical Key Performance Indicators – 2006-07</i>	
KPI 9	Percentage of Category 1 emergency patients seen immediately
KPI 10	Percentage of Category 1 elective patients admitted within 30 days

*Non-achievement of Critical KPIs will result in a reduction of bonus funding in any given quarter.

Table 4 describes KPIs that will be monitored but will not attract bonus funding.

Table 4 – Key Performance Indicators NOT subject to bonus funding in 2006-07

<i>Key Performance Indicators (NOT subject to bonus funding) – 2006-07</i>	
KPI 11	Percentage of inpatients admitted to an inpatient bed within 12 hours
KPI 12	HiPs within 2-days of scheduled admission

Reporting Matrices

Table 5 outlines which health services are to report against emergency services indicators, and of these, which are eligible for bonus funding.

Table 5: Reporting matrix for bonus-funded emergency department indicators

<i>Metropolitan Health Service / Hospital</i>	<i>KPI 1</i>	<i>KPI 2</i>	<i>KPI 3</i>	<i>KPI 4</i>	<i>KPI 9</i>	<i>KPI 11</i>
Angliss Hospital	✓	✓	✓	✓	⊕	☐
Austin Health	✓	✓	✓	✓	⊕	☐
Box Hill Hospital	✓	✓	✓	✓	⊕	☐
Casey Hospital	✗	✓	✓	✓	⊕	☐
Dandenong Hospital	✓	✓	✓	✓	⊕	☐
Frankston Hospital	✓	✓	✓	✓	⊕	☐
Maroondah Hospital	✓	✓	✓	✓	⊕	☐
Monash Medical Centre - Clayton	✓	✓	✓	✓	⊕	☐
Royal Melbourne Hospital	✓	✓	✓	✓	⊕	☐
Rosebud Hospital	✗	☐	☐	☐	☐	☐
Sandringham & District Hospital	✗	☐	☐	☐	☐	☐
St Vincent's Hospital	✓	✓	✓	✓	⊕	☐
Sunshine Hospital	✓	✓	✓	✓	⊕	☐
The Alfred	✓	✓	✓	✓	⊕	☐
The Northern Hospital	✓	✓	✓	✓	⊕	☐
Western Hospital	✓	✓	✓	✓	⊕	☐
Williamstown Hospital	✗	☐	☐	✗	☐	☐
Mercy Hospital for Women	✗	☐	☐	☐	☐	☐
Mercy Werribee Hospital	✗	✓	✓	✓	⊕	☐
Royal Children's Hospital	✗	✓	✓	✓	⊕	☐
Royal Victorian Eye and Ear Hospital	✗	☐	☐	☐	☐	☐
Royal Women's Hospital	✗	☐	☐	☐	☐	☐
<i>Rural Health Service / Hospital</i>	<i>KPI 1</i>	<i>KPI 2</i>	<i>KPI 3</i>	<i>KPI 4</i>	<i>KPI 9</i>	<i>KPI 11</i>
Ballarat Health Services	✗	✓	✓	✓	⊕	☐
Barwon Health	✗	✓	✓	✓	⊕	☐
Bendigo Health Care Group	✗	✓	✓	✓	⊕	☐
Goulburn Valley Health	✗	✓	✓	✓	⊕	☐
Latrobe Regional Hospital	✗	✓	✓	✓	⊕	☐
✗	KPI not applicable for this site.					
✓	Health service is assessed against the Performance Monitoring Framework for this KPI and is subject to bonus funding.					
☐	Health service performance for KPI is monitored but not subject to bonus funding or the Performance Monitoring Framework.					
⊕	Critical KPI - Non-achievement of the statewide benchmark target for this KPI (100%) will result in the reduction of 1 bonus point across each of the emergency KPIs in a given quarter (total of 4 bonus points deducted in a given quarter).					

Table 6 outlines which health services are to report against elective surgery indicators and of these, which are eligible for bonus funding.

Table 6: Reporting matrix for bonus-funded elective surgery indicators

<i>Metropolitan Health Service / Hospital</i>	<i>KPI 5</i>	<i>KPI 6</i>	<i>KPI 7</i>	<i>KPI 8</i>	<i>KPI 10</i>	<i>KPI 12</i>
Austin Health	✓	✓	✓	✓	✱	☐
Eastern Health	✓	✓	✓	✓	✱	☐
Southern Health	✓	✓	✓	✓	✱	☐
Peninsula Health	✓	✓	✓	✓	✱	☐
Royal Melbourne Hospital	✓	✓	✓	✓	✱	☐
St Vincent's Hospital	✓	✓	✓	✓	✱	☐
Western Health	✓	✓	✓	✓	✱	☐
Bayside Health	✓	✓	✓	✓	✱	☐
The Northern Hospital	✓	✓	✓	✓	✱	☐
Mercy Health & Aged Care	☐	☐	☐	☐	☐	☐
Royal Children's Hospital	✓	✓	✓	✓	✱	☐
Royal Victorian Eye and Ear Hospital	✓	✓	✓	✓	✱	☐
Royal Women's Hospital	☐	☐	☐	☐	☐	☐
<i>Rural Health Service / Hospital</i>	<i>KPI 5</i>	<i>KPI 6</i>	<i>KPI 7</i>	<i>KPI 8</i>	<i>KPI 10</i>	<i>KPI 12</i>
Ballarat Health Services	✓	✓	✓	✓	✱	☐
Barwon Health	✓	✓	✓	✓	✱	☐
Bendigo Health Care Group	✓	✓	✓	✓	✱	☐
Goulburn Valley Health	✓	✓	✓	✓	✱	☐
Latrobe Regional Hospital	✓	✓	✓	✓	✱	☐
Wangaratta District Base Hospital	☐	☐	☐	☐	☐	☐
West Gippsland Health Care	☐	☐	☐	☐	☐	☐
✓	Health service is assessed against the Performance Monitoring Framework for this KPI and is subject to bonus funding.					
✱	Critical KPI - Non-achievement of the statewide benchmark target for this KPI (100%) will result in the reduction of 1 bonus point across each of the elective KPIs in a given quarter (total of 4 bonus points deducted in a given quarter).					
☐	Health service performance for KPI is monitored but not subject to bonus funding or the Performance Monitoring Framework.					

Table 7 outlines which health services are to report against finance indicators.

Table 7: Reporting matrix for finance indicators

<i>Metropolitan Health Service / Hospital</i>	<i>FIN 1</i>	<i>FIN 2</i>	<i>FIN 3</i>	<i>FIN 4</i>
Austin Health	✓	✓	✓	✓
Eastern Health	✓	✓	✓	✓
Southern Health	✓	✓	✓	✓
Peninsula Health	✓	✓	✓	✓
Royal Melbourne Hospital	✓	✓	✓	✓
St Vincent's Hospital	✓	✓	✓	✓
Western Health	✓	✓	✓	✓
Bayside Health	✓	✓	✓	✓
The Northern Hospital	✓	✓	✓	✓
Mercy Health & Aged Care	✓	✓	✓	✓
Royal Children's Hospital	✓	✓	✓	✓
Royal Victorian Eye and Ear Hospital	✓	✓	✓	✓
Royal Women's Hospital	✓	✓	✓	✓
<i>Rural Health Service / Hospital</i>	<i>FIN 1</i>	<i>FIN 2</i>	<i>FIN 3</i>	<i>FIN 4</i>
Ballarat Health Services	✓	✓	✓	✓
Barwon Health	✓	✓	✓	✓
Bendigo Health Care Group	✓	✓	✓	✓
Goulburn Valley Health	✓	✓	✓	✓
Latrobe Regional Hospital	✓	✓	✓	✓
✓	Health service is assessed against the Performance Monitoring Framework for this KPI.			

Bonus Funding Framework

As part of the PMF, a bonus funding pool totalling \$19.54 million is available in 2006-07 to metropolitan health services and a separate bonus funding pool of \$5.17 million is available for rural public health services. Bonus funding will be allocated to metropolitan and rural public health services on a quarterly basis.

Table 8 – Statewide Benchmark Targets and Performance Thresholds

Key Performance Indicators	Type	Target	Performance Thresholds	Bonus points
KPI 1 Percentage of operating time on hospital bypass	Emergency	3%	3.0% or lower 3.1% to 4.0% 4.1% to 5.0% Greater than 5.0%	3 points 2 points 1 point 0 points
KPI 2 Percentage of emergency patients admitted to an inpatient bed within 8 hours	Emergency	80%	80% or higher 75% to 79% 65% to 74% Less than 65%	3 points 2 points 1 point 0 points
KPI 3 Percentage of non-admitted emergency patients with a length of stay (LOS) of less than 4 hours	Emergency	80%	80% or higher 75% to 79% 65% to 74% Less than 65%	3 points 2 points 1 point 0 points
KPI 4 Number of patients with a LOS in the emergency department of greater than 24 hours	Emergency	0	0 patients Between 1 and 15 patients Between 16 and 30 patients 31 or more patients	3 points 2 points 1 point 0 points
KPI 5 Percentage of Category 2 elective surgery patients waiting 90 days or less.	Elective	100%	Individual health service/ hospital improvement targets Target achieved Between 0% and 2% below target Between 3% and 5% below target Greater than 5% below target	3 points 2 points 1 point 0 points
KPI 6 Percentage of Category 3 elective surgery patients waiting 365 days or less.	Elective	100%	Individual health service/ hospital improvement targets Target achieved Between 0% and 2% below target Between 3% and 5% below target Greater than 5% below target	3 points 2 points 1 point 0 points
KPI 7 Number of patients on the elective surgery waiting list.	Elective	38,900	Individual health service/ hospital targets Target achieved Between 0% and 2% over target Between 3% and 5% over target Greater than 5% over target	3 points 2 points 1 point 0 points
KPI 8 Hospital Initiated Postponements (HiPs) (revised definition).	Elective	8%	Statewide Benchmark Target: Between 0% and 8% Between 8.1% and 11% Between 11.1% and 15% Greater than 15%	3 points 2 points 1 point 0 points

In 2006-07, the quantum of bonus funds available per quarter will be spread equally over the year to enable health services to effectively manage new performance benchmark expectations.

For metropolitan health services:

- \$4.89M will be allocated to health services in Quarter 1
- \$4.89M in Quarter 2
- \$4.89M in Quarter 3
- \$4.89M in Quarter 4.

For rural health services:

- \$1.29M will be allocated to health services in Quarter 1
- \$1.29M in Quarter 2
- \$1.29M in Quarter 3
- \$1.29M in Quarter 4.

All KPIs will be assessed quarterly in 2006-07 and bonus funding will be paid to health services based on their performance against the statewide benchmark targets over the 3-month period, except for the elective Category 2, Category 3 and waiting list KPIs which will be assessed according to performance at the quarter end date.

Bonus funding has been quarantined against each of the eight KPIs to ensure that appropriate attention is paid to achieving each of the KPIs in 2006-07. As all the available bonus funding will be paid to health services each quarter, there will be no unearned bonus allocations in 2006-07.

Critical Key Performance Indicators (KPIs)

There are two critical key performance indicators in 2006-07:

KPI 9	Percentage of Category 1 emergency patients seen immediately.
KPI 10	Percentage of Category 1 elective patients admitted within 30 days.

The statewide benchmark target for both of these critical KPIs is 100%.

Non-achievement of one of these critical KPIs will result in the reduction of up to 4 bonus points per quarter. 1 bonus point will be deducted from each KPI under the emergency or elective framework, depending on which critical KPI was not achieved. Non-achievement of both critical KPIs will result in a reduction of 1 bonus point from all elective and emergency KPIs – a deduction of up to 8 bonus points.

Force Majeure

From time to time, unforeseen events may occur that adversely impact on hospital performance. Examples include internal disasters leading to hospital bypass or third party-related failures leading to the interruption of service delivery (e.g. power failure). Where circumstances have resulted in targets not being achieved, a hospital may request a *force majeure*.

The intent of the *force majeure* process is to address extraordinary and genuinely unforeseen events beyond the control of the organisation that affect service delivery or reporting requirements. The process **should not** be applied to ad hoc operational difficulties or for planned service interruptions such as capital works.

When a hospital is reliant on services provided by a third party, the hospital is responsible for ensuring that, as far as practicable, the service is of an acceptable quality and delivered in a timely manner. For this reason, the failure of a third party to deliver a product or service is in itself not regarded as acceptable grounds for a *force majeure*. Difficulties related to software conversion are not acceptable reasons for requesting a *force majeure* unless it can be demonstrated that reasonable steps were taken to ensure the continuity of data collection and data recovery.

It is the policy of the department to only consider issues of *force majeure* retrospectively and health services/hospitals **should not** apply for a *force majeure* in anticipation of poor results.

Should a health service or hospital encounter an event or issue that may affect their quarterly performance, they should inform one of the program contacts of the likely impact of such an event.

A formal request for a *force majeure* should be made **after** the end of the reporting period in question. The request should clearly indicate the event(s) affecting performance against statewide benchmark targets and include supporting data and documentation. Formal *force majeure* requests should be forwarded to the Director, Access and Metropolitan Performance (AMP) branch.

At the discretion of the department, a *force majeure* may be applied system wide in extraordinary circumstances.

Submission of Electronic Data

Where a health service/hospital is unable to submit completed electronic ESIS, VEMD or AIMS data (due to software upgrades for example), the Health Data Standards and Systems Unit (HDSS) must be notified of the problem in writing before the 10th day of the month following data collection. Until normal data submissions resume an agreed minimum dataset must be submitted to the Access and Metropolitan Performance (AMP) branch. For further information, contact the appropriate AMP contact listed in this document.

As in 2005-06, procedures in the code range 500-513 will not be included in waiting list and waiting times reported by the Victorian Government, the Australian Institute of Health and Welfare and the Commonwealth Department of Health and Aged Care.

Part B Key Performance Indicators Definitions

Emergency Services

Emergency service performance indicators were introduced in 1995 to encourage improved access to emergency services through improved waiting times for treatment and, if necessary, admission.

In 2006-2007, the emergency services key performance indicators subject to bonus funding are:

KPI 1	The percentage of operating time on hospital bypass
KPI 2	The percentage of emergency patients requiring admission who are admitted to an inpatient bed within 8 hours
KPI 3	Percentage of emergency patients not admitted to a bed at any hospital, with a length of stay (LOS) in the emergency department of less than 4 hours
KPI 4	The number of emergency patients whose length of stay (LOS) in the emergency department is greater than 24 hours

The critical key performance indicator for emergency departments is:

KPI 9	Percentage of Category 1 emergency patients seen immediately.
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The emergency services key performance indicator not subject to bonus funding is:

KPI 11	The percentage of emergency patients requiring admission who are admitted to an inpatient bed within 12 hours
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Statewide benchmark targets have been set for each of these indicators and performance will be monitored on a quarterly basis.

Length of Stay (LOS)

The length of stay of an emergency patient is calculated from the time of arrival to the time of departure.

KPI 1 Percentage of operating time on hospital bypass

In 2006-2007, the percentage of operating time on bypass will be calculated by:

Numerator:

Actual time on bypass

Denominator:

Actual time in the period

This indicator is expressed as a percentage, rounded to 1 decimal place.

2006-2007 Statewide Benchmark Target

In 2006-2007, the statewide benchmark target for this KPI has been set at three per cent. The performance thresholds used to allocate bonus funding points against this KPI are as follows:

Less than or equal to 3.0%	3 bonus points
3.1% to 4.0%	2 bonus points
4.1% to 5.0%	1 bonus point
Greater than 5.0%	0 bonus points

Calculating Performance

Calculations of bonus payments are based on the 'Hospital Bypass Notification' data provided to DHS by the Metropolitan Ambulance Service (MAS).

For the purpose of Hospital Bypass notification, monitoring and reporting, MAS and the Department have agreed on the following for counted occasions of bypass:

All hospital bypass is recorded and monitored, however for the purpose of performance monitoring, only bypass that exceeds 30 minutes where the reason is 'A & E Full' is used.

All queries relating to the recording of bypass or requests to change the details of bypass events as recorded in the Hospital Bypass notification reports should be directed to the Access and Metropolitan Performance (AMP) branch of DHS in the first instance.

KPI 2 Percentage of emergency patients admitted to an inpatient bed within eight hours

In 2006-2007, the percentage of emergency patients who are admitted to an inpatient bed within eight hours will be calculated by:

Numerator:

The number of patients with an emergency department length of stay of less than or equal to eight hours (480 minutes) who have a VEMD Departure Status of 3, 13, 14, 15, 16, 18 or 22.

Denominator:

The number of patients with a VEMD Departure Status of:

- 3** Short Stay Observation Unit
- 13** Emergency Medical Unit
- 14** Medical Assessment and Planning Unit
- 15** Intensive Care bed – this campus
- 16** Mental Health bed – this campus
- 18** Ward
- 22** Coronary Care Unit – this campus

This indicator is expressed as a percentage, rounded to 0 decimal places.

2006-2007 Statewide Benchmark Target

In 2006-2007, the statewide benchmark target for this KPI has been set at eighty per cent. The performance thresholds used to allocate bonus funding points against this KPI are as follows:

Less than 65%	0 bonus points
65% to 74%	1 bonus point
75% to 79%	2 bonus points
Greater than or equal to 80%	3 bonus points

Calculating Performance

Transit lounges/holding areas are not generally considered to be inpatient wards. Thus, emergency patients located in these areas, prior to being admitted to a ward, should be considered to be in the care of the emergency department. The time spent in these areas is included in all calculations of the percentage of emergency patients admitted within eight hours until the patient is actually physically admitted to an inpatient bed/ward.

KPI 3 Percentage of non-admitted emergency patients with a length of stay (LOS) of less than four hours

In 2006-2007, the percentage of emergency patients not admitted to a bed at any hospital, with a length of stay in the emergency department of less than four hours will be calculated by:

Numerator:

The number of patients with an emergency department length of stay of less than or equal to four hours (240 minutes) who have a VEMD Departure Status of 1, 10, 12, 23, 24.

Denominator:

The number of patients with a VEMD Departure Status of:

- 1** Home
- 10** Left after clinical advice regarding treatment options
- 12** Correctional/Custodial Facility
- 23** Mental health residential facility
- 24** Residential care facility

This indicator is expressed as a percentage, rounded to 0 decimal places.

2006-2007 Statewide Benchmark Target

In 2006-2007, the statewide benchmark target for this KPI has been set at eighty per cent. The performance thresholds used to allocate bonus funding points against this KPI are as follows:

Less than 65%	0 bonus points
65% to 74%	1 bonus point
75% to 79%	2 bonus points
Greater than or equal to 80%	3 bonus points

KPI 4 Number of patients with a length of stay (LOS) in the emergency department greater than 24-hours

In 2006-2007, the total number of patients with a length of stay in the emergency department greater than twenty-four hours will be calculated by:

The numbers of patients with an emergency department length of stay of greater than twenty-four hours (1,440 minutes), regardless of departure status code.

2006-2007 Statewide Benchmark Target

In 2006-2007, the statewide benchmark target for this KPI has been set at zero patients. The performance thresholds used to allocate bonus funding points against this KPI are as follows:

0 patients	3 bonus points
Between 1 and 15 patients	2 bonus points
Between 16 and 30 patients	1 bonus point
31 or more patients	0 bonus points

KPI 9 Percentage of Category 1 emergency patients seen immediately

In 2006-2007, the percentage of category 1 emergency patients seen immediately will be calculated by:

Numerator:

Number of Category 1 emergency patients seen immediately

Denominator:

Number of Category 1 emergency patients

This indicator is expressed as a percentage.

2006-2007 Statewide Benchmark Target

In 2006-2007, quarterly benchmarks for the percentage of Category 1 emergency patients seen immediately have been set:

100%	No Loss of bonus points
Less than 100%	Loss of up to 4 bonus points – 1 bonus point for each emergency KPI (KPIs 1-4).

Each KPI must have a minimum of 0 bonus points. A bonus point cannot be lost on a KPI that has achieved 0 bonus points.

Calculating Performance

A patient is categorised as having been seen immediately if the time to treatment, as defined in the VEMD manual, is less than or equal to one minute.

KPI 11 Percentage of emergency patients admitted to an inpatient bed within twelve hours

In 2006-2007, the percentage of emergency patients requiring admission who are admitted to an inpatient bed within twelve hours will be calculated by:

Numerator:

The number of patients with an emergency department length of stay of less than or equal to twelve hours (720 minutes) who have a VEMD Departure Status of 3, 13, 14, 15, 16, 18 or 22.

Denominator:

The number of patients with a VEMD Departure Status of:

- 3** Short Stay Observation Unit
- 13** Emergency Medical Unit
- 14** Medical Assessment and Planning Unit
- 15** Intensive Care bed – this campus
- 16** Mental Health bed – this campus
- 18** Ward
- 22** Coronary Care Unit – this campus:

This indicator is expressed as a percentage.

2006-2007 Statewide Benchmark Target

In 2006-2007, the statewide benchmark target for this KPI has been set at 90 per cent. This KPI is not subject to bonus funding in 2006-2007.

Calculating Performance

Transit lounges/holding areas are not generally considered to be inpatient wards. Therefore, emergency patients located in these areas, prior to being admitted to a ward, should be considered to be in the care of the emergency department. The time spent in these areas is **included** in all calculations of the percentage of emergency patients admitted within twelve hours until the patient is actually physically admitted to an inpatient bed/ward.

Elective Surgery Services

Elective surgery performance indicators, targets and incentives were introduced in 1994-95 to encourage improved performance in the management of health care provision to elective surgery patients.

In 2006-07, the elective surgery key performance indicators subject to bonus funding are:

KPI 5	Percentage of Category 2 elective surgery patients waiting 90 days or less.
KPI 6	Percentage of Category 3 elective surgery patients waiting 365 days or less.
KPI 7	Number of patients on the elective surgery waiting list.
KPI 8	Hospital Initiated Postponements (HiPs) (revised definition).

The critical key performance indicator for elective surgery is:

KPI 10	Percentage of Category 1 elective surgery patients admitted within 30 days.
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The elective surgery key performance indicator not subject to bonus funding is:

KPI 12	HiPs within 2days of scheduled admission
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Targets for KPI 5, KPI 6, & KPI 7 been set for individual health services/hospitals. Where a health service consists of a number of campuses the target for the *Number of patients on the elective surgery waiting list* has been set at health service level.

Statewide benchmark targets have been set for KPI 8 & KPI 10. The benchmark target for KPI 10 remains 100 per cent. Activity data for KPI 12 will continue to be collected during 2006-07.

Only records assigned an ESIS principal prescribed procedure code of less than 500 and with a readiness status of R (Ready for Care) are used to measure the above KPIs.

Performance against each KPI will continue to be assessed quarterly.

KPI 5 Percentage of Category 2 elective surgery patients waiting 90 days or less

Category 2 (semi-urgent) patients are elective surgery patients with a condition causing some pain, dysfunction or disability that is not likely to deteriorate quickly or become an emergency. It is desirable that these patients be admitted within 90 days.

This indicator measures the number of Category 2 patients waiting 90 days or less as a percentage of all Category 2 patients on the elective surgery waiting list at the end of the quarter.

Calculating Performance

Health service/hospital performance against this indicator is expressed as a percentage. Performance is calculated on the census date (end of the month) using the formula:

$$\frac{\text{No. of category 2 patients on the waiting list waiting } \leq \text{ or } = 90 \text{ days}}{\text{Category 2 patients on the waiting list}}$$

Category 2 patients on the waiting list

2006-07 Targets

Targets for this indicator have been set for individual health services/hospitals. The performance thresholds used to allocate bonus-funding points against this KPI are as follows:

Target achieved	3 bonus points
Between 0% and 2% below target	2 bonus points
Between 3% and 5% below target	1 bonus point
Greater than 5% below target	0 bonus points

For the purpose of allocating bonus points, target variance is rounded to a whole number. For example, 2.2 percent is rounded down to 2 percent and 2.5 percent is rounded up to 3 percent.

Individual health service/hospital targets (unless otherwise advised) are based on performance as at 31 May 2006. Targets take into account the full year effect of growth received during 2006-07, any growth funds received for elective surgery in 2006-07 and the potential for health services/hospitals to refer patients to Designated Elective Surgery Centres including The Alfred Centre.

KPI 6 Percentage of Category 3 elective surgery patients waiting 365 days or less

Category 3 (non-urgent) patients are elective surgery patients with a condition causing minimal or no pain, dysfunction or disability that is unlikely to deteriorate quickly or become an emergency. Although there is no nationally endorsed benchmark, 'admission within 365 days' is used to assess performance for the purpose of allocating bonus payments.

This indicator measures the number of patients waiting 365 days or less as a percentage of all Category 3 patients on the elective surgery waiting list at the end of the quarter.

Calculating Performance

Health service/hospital performance against this indicator is expressed as a percentage. Performance is calculated on the census date (end of the month) using the formula:

$$\frac{\text{No. of category 3 patients on the waiting list waiting } < \text{ or } = 365 \text{ days}}{\text{Category 3 patients on the waiting lists}} \times 100$$

Category 3 patients on the waiting lists

2006-07 Targets

Targets for this indicator have been set for individual health services/hospitals. The performance thresholds used to allocate bonus-funding points against this KPI are as follows:

Target achieved	3 bonus points
Between 0% and 2% below target	2 bonus points
Between 3% and 5% below target	1 bonus point
Greater than 5% below target	0 bonus points

For the purposes of allocating bonus points, variances on target are rounded to a whole number. For example, 2.2 percent is rounded down to 2 percent and 2.5 percent is rounded up to 3 percent.

KPI 7 Number of patients on the elective surgery waiting list

This indicator measures the number of patients waiting for elective surgery as at the end of the quarter.

2006-07 Targets

Targets for the number of patients on the waiting list at the end of each quarter have been set for individual health services/hospitals. The performance thresholds used to allocate bonus funding points against this KPI are as follows:

Target achieved	3 bonus points
Between 0% and 2% over target	2 bonus points
Between 3% and 5% over target	1 bonus point
Greater than 5% over target	0 bonus points

Individual health service/hospital waiting list targets, unless otherwise advised, are based on actual performance as at 31 May 2006. Waiting list targets take into account the effect of growth funding received during 2005-06, any growth funds received for elective surgery in 2006-07 and the potential for health services/hospitals to refer patients to Designated Elective Surgery Centres including The Alfred Centre.

Individual health service/hospital quarterly targets reflect peaks in emergency demand and seasonal capacity limitations.

KPI 8 Hospital Initiated Postponements (HiPs)

Hospital-initiated elective surgery postponements can result in significant distress and inconvenience for patients (especially for those who travel long distances to hospital or take time off from work for surgery). It is therefore important to ensure postponements are minimised.

The 2006-07 indicator differs slightly from its 2005-06 equivalent. In 2006-07 the indicator measures the number of HiPs experienced by all elective surgery patients during a quarter as a percentage of all scheduled procedures. Both admitted and non-admitted HiPs will be counted when calculating performance. Unlike previous HiP indicators, only HiPs in the current quarter will be counted in the quarterly percentage rate.

Calculating Performance

A postponement is hospital-initiated if the patient has been informed of the scheduled admission date and the *Reason for schedule admission date change* in ESIS is coded as:

H – Hospital – the patient has been informed of their scheduled admission date for surgery, which has been subsequently postponed because the operating room, hospital bed, staff or other hospital resource is unavailable. For example, hospitals may postpone surgery because of the need to treat other patients in the hospital. A ‘hospital resource’ includes prostheses for implantation, etc, but not blood.

D – Surgeon – the patient has been informed that their scheduled admission date for surgery has been postponed because the surgeon booked to perform this procedure has cancelled their scheduled theatre time.

All HiPs during the quarter will impact on performance regardless of whether the patient is Ready for Care, Not Ready for Care or has been removed.

Health service/hospitals’ performance against this indicator is expressed as a percentage. Performance is calculated on the census date (end of the quarter) using the formula:

No. of HiPs for the quarter

No. of event types = Set SAD (scheduled admission dates) for the quarter

2006-07 Statewide Benchmark Target

In 2006-07, the statewide benchmark target for this KPI has been set at eight percent. The performance thresholds used to allocate bonus-funding points against this KPI are as follows:

Less than or equal to 8%	3 bonus points
8.1% to 11%	2 bonus points
11.1% – 15%	1 bonus point
Greater than 15%	0 bonus points

KPI 10 Percentage of Category 1 elective patients admitted within 30 days

Category 1 (urgent) elective surgery patients are patients whose condition has the potential to deteriorate quickly to the point that it may become an emergency and whose admission within 30 days is clinically desirable.

This indicator measures health service/hospital performance in admitting urgent elective surgery patients within the clinically desirable timeframe.

Calculating Performance

Health service/hospital performance against this indicator is expressed as a percentage. Performance is calculated on the census date (end of the month) using the formula:

Numerator = No. of category 1 patients removed for reasons W, S or X within time (30 days).

Denominator = All category 1 patients removed for reasons W, S or X

If a health service/hospital's quarterly data file shows that a Category 1 patient is overdue this must be confirmed or, if incorrect, amended by the health service/hospital within two weeks of notification by the department. If this is not done, the patient will be regarded as overdue for the purposes of performance measurement.

2006-07 Targets

In 2006-07, the target for all health services/hospitals is 100% of Category 1 patients admitted from the waiting list within 30 days.

2006-07 Statewide Benchmark Target

In 2006-07, quarterly benchmarks for the percentage of Category 1 elective patients seen immediately have been set:

100%	No Loss of bonus points
Less than 100%	Loss of up to 4 bonus points –
	1 bonus point for each elective KPI (KPIs 5 - 8)

Each KPI must have a minimum of 0 bonus points. A bonus point cannot be lost on a KPI that has achieved 0 bonus points.

KPI 12 HiPs within 2-days of scheduled admission

Performance against this indicator will continue to be monitored in 2006-07.

Hospital initiated surgical postponements can cause inconvenience to patients and their families. For this reason guidelines have been introduced to ensure that postponements are handled appropriately and sensitively and that patients are offered support and assistance when surgery is postponed. The guidelines address the issues of multiple postponements, postponements on the day of surgery and postponements of patients who have travelled long distances to the hospital. The guidelines state that postponements of surgery should be kept to an absolute minimum.

This indicator will measure the number of HiPs within two days of scheduled admission as a percentage of all scheduled admissions.

2006-07 Targets

Targets for health services/hospitals will be set in consultation with health services/hospitals.

Calculating Performance

The ESIS data submitted to the department each month will be used to calculate the number of HiPs.

ESIS fields to be used will include:

Event_Type { *Set SAD, Reason SAD changed*}

Event_Value { *H,D*}

Event_Date { *Date of Reason SAD changed*}

Episode Identifier

Financial Performance

All information for calculation of Financial Performance KPIs is obtained from the AIMS F1 report as submitted by a Health Service on a monthly basis.

FIN 1 YTD Operating Result as a per cent of Total Revenue

In 2006-2007, the year-to-date operating result as a percentage of total revenue will be calculated by:

Numerator:

YTD operating surplus/deficit (before capital and depreciation)

Denominator:

YTD Total Revenue

This indicator is calculated for both actual and target results. The variance between actual and target is the measured outcome, and is expressed as a percentage.

2006-07 Statewide Benchmark Target

In 2006-07, the statewide benchmark target for this KPI has been set. The performance thresholds used to allocate points against this KPI are as follows:

Achieved Budget	30 PMF points
If in surplus but behind budget	24 PMF points
0% – 2% unfavourable variance	21 PMF points
2% - 3% unfavourable variance	10 PMF points
Over 3% unfavourable variance	0 PMF points

FIN 2 YTD Net Cash Flow from Capital Activities

In 2006-2007, the year-to-date net cash flow from capital activities will be calculated by:

Cash Flow Statement - Cash flows from/(used in) Investing Activities

Capital Grants plus Non Government Capital Income Less Purchase of property, Plant and Equipment

This indicator is calculated for both for actual and target results. The variance between actual and target is the measured outcome, and is expressed as a percentage.

2006-07 Statewide Benchmark Target

In 2006-07, the statewide benchmark target for this KPI has been set. The performance thresholds used to allocate points against this KPI are as follows:

Achieved Budget	5 PMF points
\$0m – \$2m unfavourable variance	3 PMF points
\$2m - \$5m unfavourable variance	2 PMF points
Over \$5m unfavourable variance	0 PMF points

FIN 3 Trade Creditors

Using Trade Creditors days as provided in the AIMS F1.

2006-07 Statewide Benchmark Target

In 2006-07, the statewide benchmark target for this KPI has been set at 60 days. The performance thresholds used to allocate points against this KPI are as follows:

Less than 60 days	7.5 PMF points
60 – 65 days	4.5 PMF points
66 – 70 days	3 PMF points
More than 70 days	0 PMF points

FIN 4 Debtors

Using Patient Fees Receivable Days as provided in the AIMS F1.

2006-07 Statewide Benchmark Target

In 2006-07, the statewide benchmark target for this KPI has been set at 60 days. The performance thresholds used to allocate points against this KPI are as follows:

Less than 60 days	7.5 PMF points
61 – 70 days	4.5 PMF points
71 – 80 days	3 PMF points
More than 80 days	0 PMF points