



Centre for
HEALTH SERVICES AND POLICY RESEARCH

Using Knowledge to Influence Funding Policy Processes

MedAssets Canadian Decision Support
Conference

Toronto, Ontario, November 28th, 2012

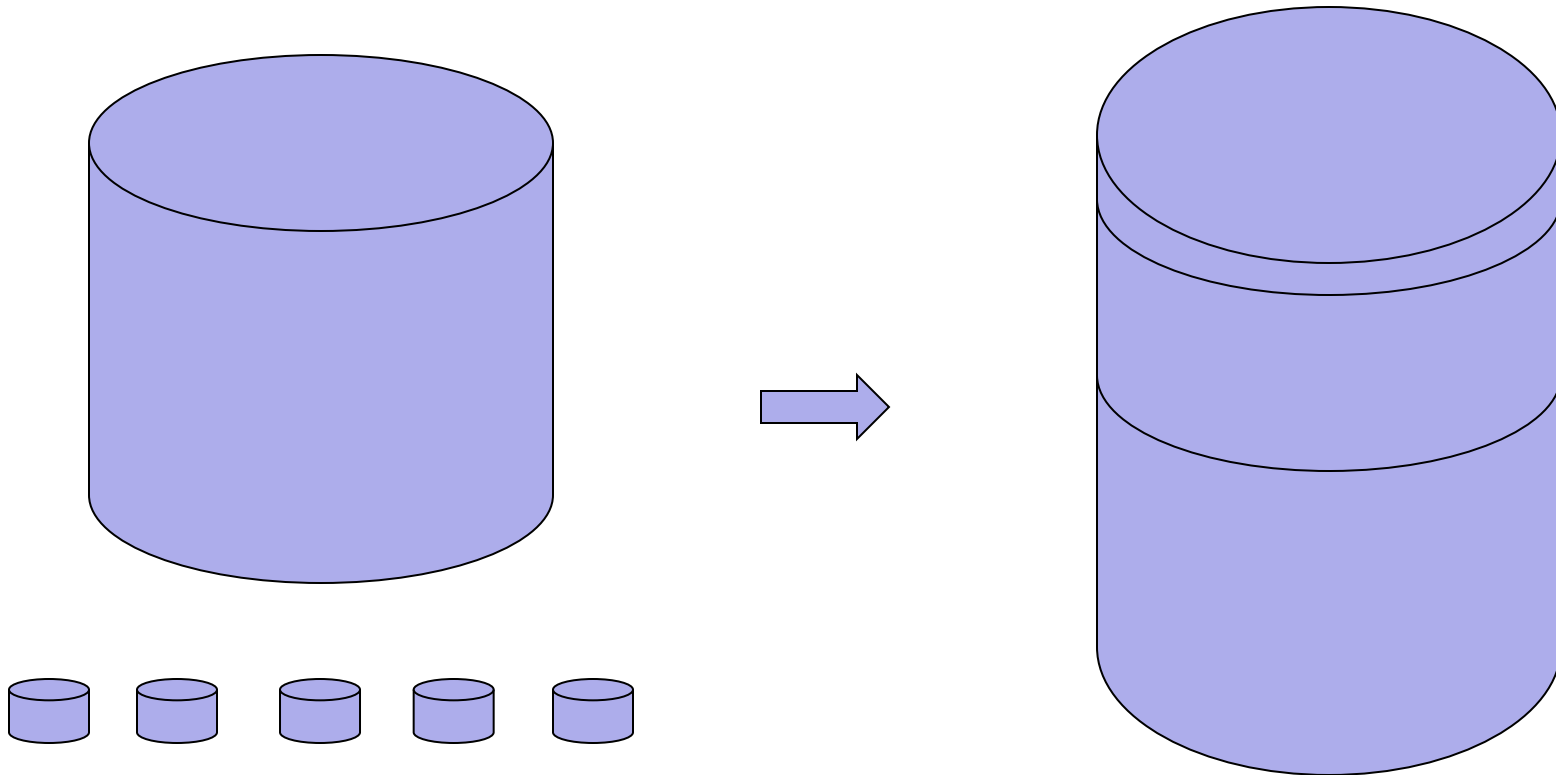
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College of Health Disciplines
THE UNIVERSITY OF BRITISH COLUMBIA

The Changing Funding Environment



The Changing Funding Environment: The Obvious Reasons



- Transparency: What do I get for more money?



- Alternative Level of Care: Ineffective care



- Unexplained variation in utilization/cost: Inefficient care



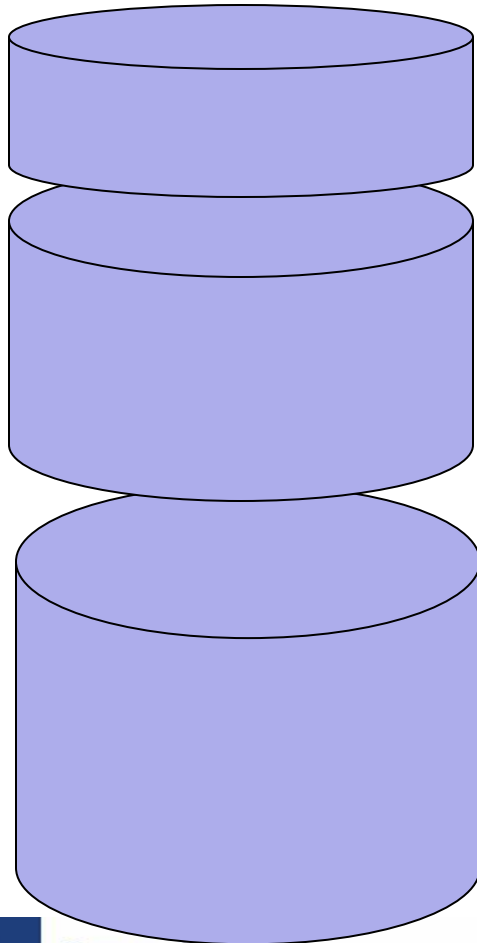
- Wait times and Emergency Departments: Access to care



- Pay for poor quality care at the same rate as high quality



The Changing Funding Environment: The Policy Levers



Do More
High Quality

Adjust for
Population

Keep the
lights on



Creating Incentives for Changing Behaviours

- 
- Stimulating per unit efficiency

- 
- Reducing lengths of stay / Reducing hospital waiting lists

- 
- Improve quality

- 
- Encouraging monitoring and benchmarking

- 
- Increasing transparency in hospital funding



British Columbia

Patient-Focused Funding (PFF):

ABF:

Carve out and
Earn back



NSQIP:

Surgical Quality

ED Pay-for
Performance

Procedural Care Program:

Price X Volume

Community-based Programs



British Columbia

Patient-Focused Funding (PFF):



Decades of Research and Application

Likely Effects

- Tends to shorten lengths of stay / increase volume
- Tends to increase pressure for additional spending

Wished for Effects: Improvements over Global Budgets

- Improves evidence-based care, coordination between sectors and outcomes
- Equitable distribution of funding
- Provider engagement
- Improve quality


Careful Monitoring Required



- Stinting on care / Quality



- Poor quality paid at same rate



- Average intensity of care increases demands on staff



- Inequitable changes in access: profitable services or centralization



- Inability of managers to learn / adapt to new incentives



- Inadequate post-acute care capacity



- Codified penalties for upcoding

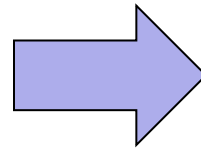


Credible execution of funding policy

Theory

Experience

Data



**Patient
Based
Funding**

Transparency

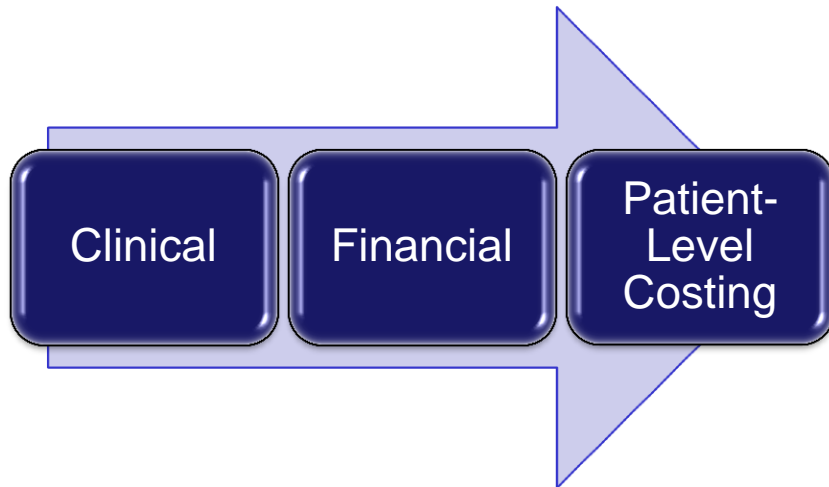
Equity

Quality

Timeliness



Credible execution of funding policy



QBP Pricing

**HBAM
Reallocation**



Data Risks for Hospitals

- Increased prominence in policy formulation and evidence based decision making
 - E.g. HBAM and QBP's
- Foundation of classification system re-design
 - E.g. HIG, RPG, SCIPP
- Redefining 'episodes' of care to align all sectors of care
 - Expansion into additional sectors of care
 - Inability to link multiple encounters and post-acute care providers

Hospitals

Ministry

CIHI




Data Risks for Hospitals


Poor quality data:



Indicators of Success: OCCI

- 
- Expansion of QBP: Price and Quality
 - Expansion of HBAM and QBP across sectors
 - Heavy involvement of OCCI hospitals in policy formulation (e.g. Clinical Advisory Boards)

Indicators of Failures: OCCI

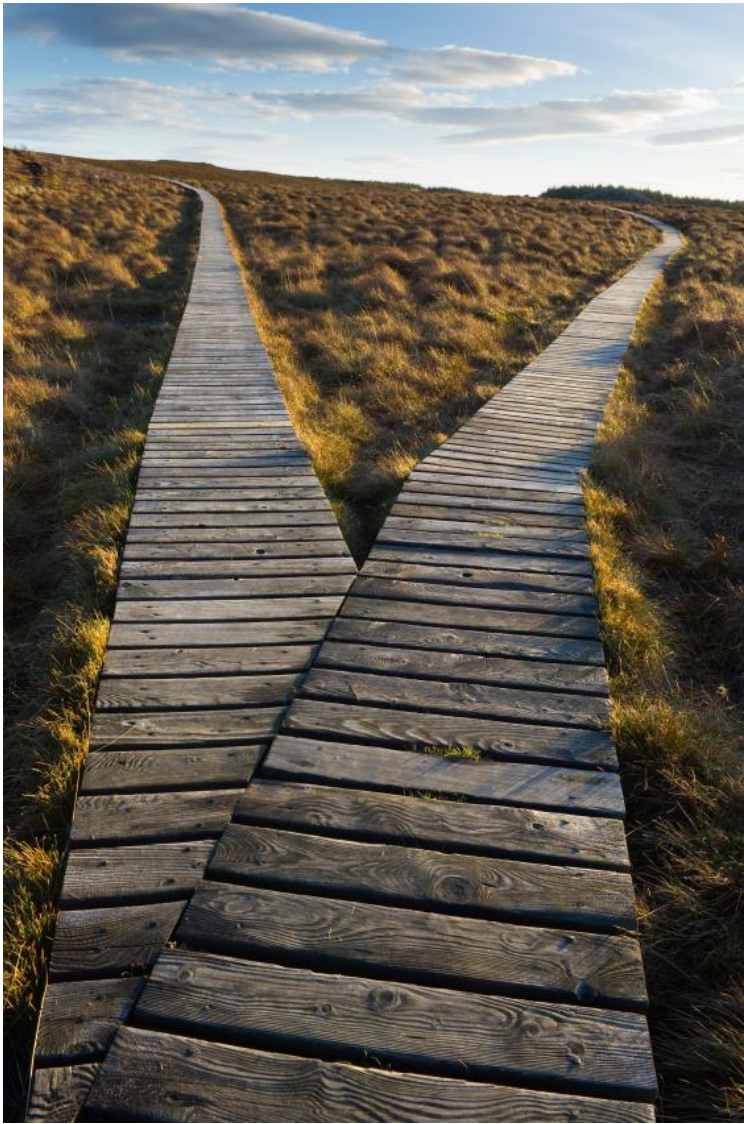
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- QBP crashes (due to data)
 - HBAM crashes (due to data)
 - OCCI becomes less relevant to decision- and policy-making



Key Take-Aways

- OCCI is an integral component of funding reform being implemented by the MOHLTC to achieve policy objectives
 - Your moment to shine!
- Cost data integrity is key to:
 - Ministry objectives
 - Hospital finances
 - Future reform directions





Thank you!

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