UBC CENTRE FOR
HEALTH SERVICES AND
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Payment Reform in BC Hospitals
DATA BULLETIN

Hospital Funding Policies: Alternative Level of Care Update

BCHeaPR Study Data Bulletin #11 (December 2012)

Convention holds that we need more hospital beds to relieve pressure on emergency departments and improve access to surgical care. Patients who suffer long waits in the emergency department and cancelled surgeries feel the consequences of this apparent lack of hospital beds. To respond to perennial concerns regarding access to hospital care, the BC Ministry of Health and the BC Health Services Purchasing Organization have created financial incentives for more efficient bed use. In this Data Bulletin, we re-examine the use of hospital beds in BC, updating data provided for previous years in ***Data Bulletin #2*** (March 2012).

Alternative level of care (ALC) is a term applied to a patient who is hospitalized but is medically ready to be discharged (1). Every day in BC, many hospital beds are filled with ALC patients (2). For many of these hospitalized patients, the complex clinical and social post-acute care they need is not available, possibly ranging from family care providers to residential care arrangements. In the interim, these patients wait in hospital beds for discharge into the community.

ABF policies introduce financial incentives for health authorities to reduce the amount of ALC bed use in their hospitals (since health authorities generate additional revenue by admitting more patients). ALC bed usage is considered inefficient since acute care beds are being used for patients who do not need the intensity of care offered by acute care hospitals. If effective, these policies are expected to enhance access to acute care services for other patients (2,3).

What is this research about?

The CIHR-funded *BC Hospitals: examination and assessment of Payment Reform (BCHeaPR)* study examines the impact of activity-based funding on acute care hospitals and related services in BC. This is the first formal evaluation of the effects of activity-based funding in Canada, and will provide an evidence base for policy makers.

Impact of the Incentive

Figure 1 shows the trend over the past six fiscal years is of increasing ALC days in all but one of BC's regional health authorities. ALC days are increasing in Fraser and Interior Health Authorities (FHA and IHA), have recently levelled in Vancouver Coastal Health (VCH) Authority and are decreasing in Vancouver Island Health Authority (VIHA). The overall trends in ALC days mask variations among hospitals within each health authority.

Figure 1: Alternate level of care activity, 2006/07 to 2011/12, for hospitals beginning activity-based funding in April 2010, by health authority, smoothed

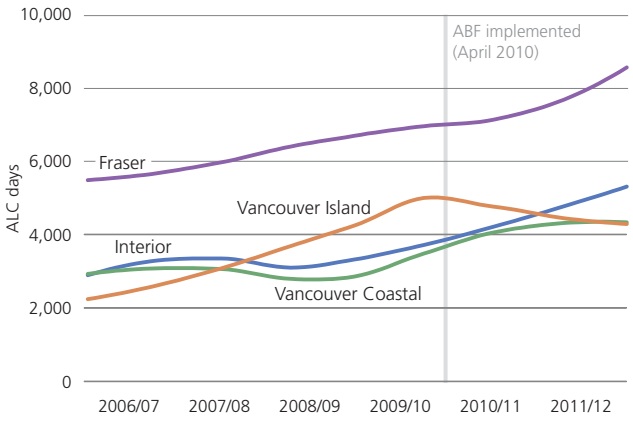


Figure 2 shows that the number of beds filled by patients ready for discharge in the largest hospitals in VIHA and IHA are generally rising, with the exception of Royal Jubilee Hospital (Victoria). ALC days for Royal Inland Hospital (Kamloops) are rising sharply, while ALC days for Kelowna General and Victoria General show only slight increases in recent years.

Conclusion

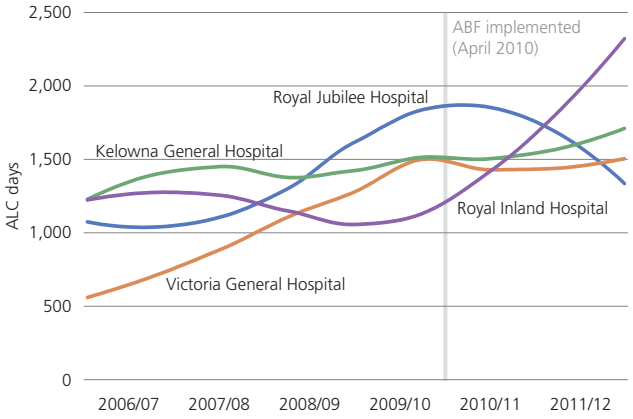
The time series data presented in the figures above provide a high-level perspective regarding ongoing increases in ALC days in the healthcare system in BC. However, we cannot definitively attribute changes in ALC days to ABF policies. This project will continue to calculate and report on indicators that are important for evaluating the effects of the introduction of ABF in BC hospitals.

Technical Notes

The data source is the Discharge Abstract Database (DAD). The study population covers BC residents, as well as non-residents who received health care services in BC. Only hospitals that were included in the activity-based funding program are included.

The volume of cases includes both medical cases and surgical cases for inpatients. The two largest hospitals in VIHA and IHA were selected based on the total number of hospital cases in fiscal year 2011/12.

Figure 2: ALC activity in four largest hospitals (IHA and VIHA), 2006/07 to 2011/12, for hospitals beginning ABF in April 2010, smoothed



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