Electives

Health Target Changes: Information Pack

Process:	Information on new Electives health target definition
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Prepared by the National Health Board

Contents

Changes to the Electives health target

Introduction

Changes to the Electives health target will take effect from 1 July 2015. The health target has been very effective in lifting the levels of surgery provided to New Zealanders. This remains an important priority for the Government.

The changes

Amendments to the Electives health target definition are:

- amending the definition to include:
    - inpatient surgical discharges, regardless of whether they are discharged from a surgical or medical speciality
    - both 'elective' and 'arranged' admissions.
- amending the health target wording to: An increase in the volume of elective surgery by an average of 4000 per year.

Technically, the calculation will become:

> *Elective and Arranged discharges from a surgical purchase unit; Elective and Arranged discharges with a surgical diagnosis-related group (DRG) from a non-surgical purchase unit (excluding maternity); and skin lesion or intraocular injections, where these are reported to the National Minimum Dataset.*

See the diagram at the end of this information pack for a pictorial representation of the changes.

Background

In recent years, there have been a number of discussions between District Health Boards (DHBs) and the Ministry of Health sharing views on the current target definition.

A sector advisory group was set up in 2012, and provided guidance to the Ministry on potential options for amendments. The Ministry acknowledges this contribution, and additional feedback received from the sector on the existing approach.

When

The changes will come into effect for the 2015/16 reporting period.

Why are you making changes?

The following table explains the benefits of the changes.

New definition	Benefit	Detail
Inclusion of all inpatient surgical discharges, regardless of whether they are discharged from a surgical or medical speciality[1]	More consistent recognition of surgical delivery	There is a range of inpatient surgery undertaken within non-surgical services, such as interventional cardiology, renal stents, and dental surgery. This amendment ensures these are included.
Inclusion of both 'elective' and 'arranged' admissions[2]	Better alignment with international definitions	Other OECD countries, such as Australia and the United Kingdom, count 'elective' as admissions and services undertaken more than 24 hours from the decision to treat.
	Better support for parallel priorities of shorter elective waiting times and Faster Cancer Treatment	'Arranged' admissions are often for cancer related conditions. This amendment removes any real or perceived barriers around providing treatment in less than seven days.
Amending the health target wording to: An increase in the	Flexibility for expected growth	The previous wording specified an explicit level of annual growth. Including the word 'average'

volume of elective surgery by an average of 4000 per year		allows expected growth to be spread across years.

1 The previous Electives health target only counted those inpatient elective surgical discharges that were coded within surgical purchase units

2 Admissions between one and six days from the decision to treat are defined as 'arranged' and were not counted under the previous health target definition

What does this mean for DHBs?

No changes to DHB reporting required

DHBs do not need to do anything different from the way they currently report against the health target. The changes only affect the way the Ministry of Health runs its reports from the data provided to us.

Revised Electives health target

The national Electives health target for 2015/16 will be 186,222 elective surgical discharges. This figure is made up of:

Element	Number
The 2014/15 health target (planned)	156,940
Arranged admissions	21,117
Surgical DRGs from non-Surgical purchase units	4615
The usual expected increase	4000
Total revised health target	**186,222**

For the purposes of setting the revised target for 2015/16, the Ministry has used 2013/14 delivery figures as a base for arranged admissions and Surgical DRGs from non-Surgical purchase units.

The national target will continue to be an increase of 4000 discharges over the previous year's planned volumes.

The Ministry provides supporting funding to DHBs, to achieve agreed levels of elective surgery, based on each DHB's equitable population share of the national total (based on their population profile and numbers).

Individual DHB Electives health target expectations – 2015/16

The approach to setting the health target expectations for individual DHBs is the same to past years, with targets continuing to be determined based on equitable population share of delivery. Equitable share was determined using the new 2014 Population Projections update from Statistics New Zealand, based on the 2013 Census.[1]

Electives Advice and Funding

Health target expectations for 2015/16 are included within the Electives Advice, which is provided directly to DHB Chief Executives, Chief Operating Officers, and General Managers Planning and Funding. Electives funding for 2015/16 has not yet been agreed and is subject to Cabinet endorsement as part of Budget 2015 discussions.

Monitoring Reports

From quarter four of 2014/15, the Ministry will provide DHBs with 'mocked up' / example monitoring reports, to show how current performance would look if the new definition were applied.

[1] Previously, projections were based on the 2006 Census.

We will provide results based on both the new and the past calculation, throughout a one year transition period (or beyond as required).

Who to contact

Any questions can be directed to:

- Jess Smaling, jessica_smaling@moh.govt.nz, 04 816 2681 – for queries on the new definition
- Loren Shand, loren_shand@moh.govt.nz , 04 816 2312 – for queries on the Electives Funding Schedule

Frequently Asked Questions for DHBs

1. How is the new Electives health target defined?

The definition now includes:

- inpatient surgical discharges, regardless of whether they are discharged from a surgical or medical speciality
- both 'elective' and 'arranged' admissions.

The health target wording is now:

- an increase in the volume of elective surgery by an average of 4000 per year.

2. When do these changes come into effect?

The changes will come into effect from 1 July 2015.

3. What is the new health target?

The national Electives health target for 2015/16 will be 186,222 elective surgical discharges.

4. Why have you changed the definition?

The changes will provide a more consistent recognition of surgical delivery and better alignment with international definitions.

5. Is this a way to artificially inflate the numbers?

No. The changes only affect the base number, not the expected increase. While the base numbers will be higher, an increase of 4000 extra elective surgery discharges per year is still expected on top of that higher number. The changes will provide a more consistent recognition of surgical delivery and better alignment with international definitions.

6. What does this mean for DHB reporting?

There will be no changes to the way DHBs report on the health target. Results will continue to be extracted by the Ministry based on data reported by DHBs to the National Minimum Dataset.

7. What does this mean for DHB funding and Electives Funding Schedules?

There is no change to the principle of the Electives and Ambulatory Initiative, which is to support targeted investment across elective discharges from surgical purchase units, first specialist assessments, and non-admitted procedures. The proportion of this funding that contributes to the health target is based on individual DHB investment decisions.

Electives funding for 2015/16 will be agreed as part of Budget 2015 discussions. Funding Advice will be released as soon as available.

As per usual processes, once funding allocations are confirmed, funding is agreed via the Electives Funding Schedule, which is then contracted as the Electives Initiative and Ambulatory Initiative Crown Funding Agreement variation.

Investment can only be allocated to elective discharges from surgical purchase units, first specialist assessments, and non-admitted procedures via the Electives Funding Schedule, as per previous years.

A new addition to the Electives Funding Schedule will be the identification of your relative volumes

for Arranged admissions and surgical-DRGs from other purchase units. This will be used to agree your total health target. While these form part of the new health target definition, these discharges will continue to be DHB-funded, and investment is not managed through the Electives Funding Schedule.

The volume set for the new components of the health target in 2015/16 matches your DHB's actual delivery in the 2013/14 year (the latest complete year of data available). Maintenance of previous volumes is considered appropriate. As per the usual process, the Electives Funding Schedule can be negotiated with the Ministry's Electives team – this includes the level set for these new components of the health target.

Uplift in health target expectations will be advised within the Electives funding advice, along with the proportion that is base (DHB) and additional (Ministry) funded.

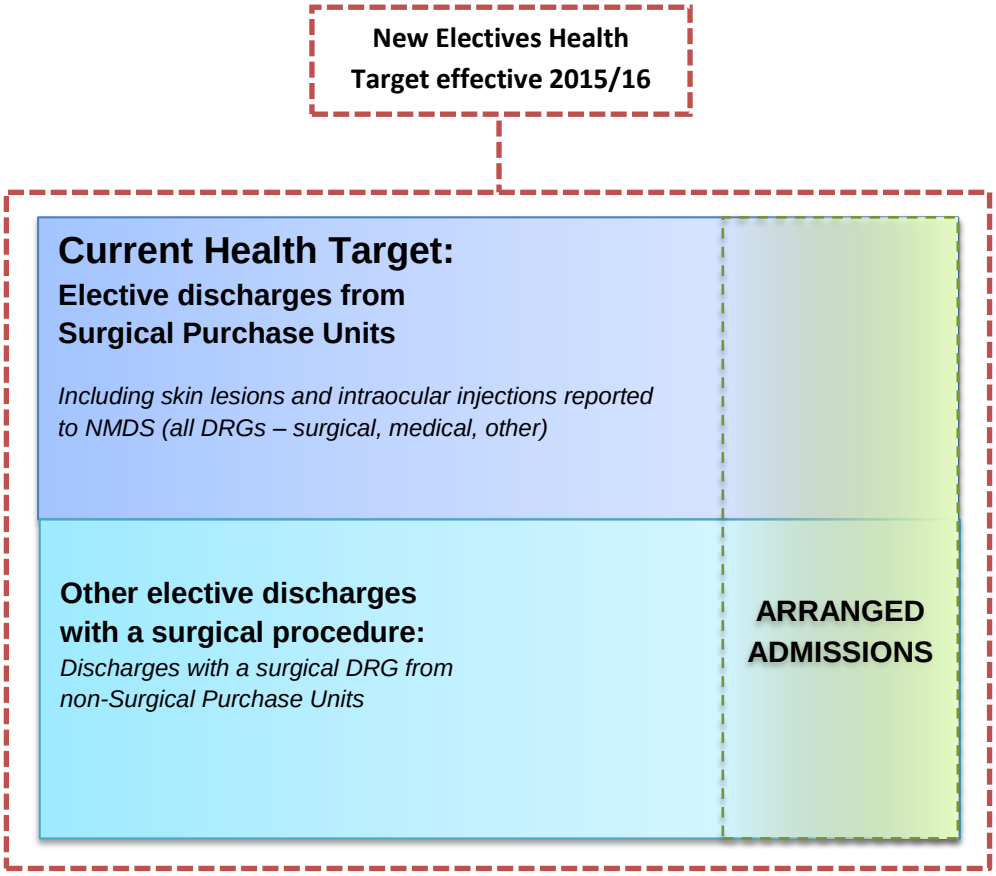
8. *Why is the national health target set at 4000 discharges above DHBs' planned volumes for the previous year, rather than actual achievement?*

While DHBs have achieved results above plan over the last few years, the Ministry's approach to setting national targets will not change. We will continue to set the target based on a 4000 discharge increase over planned, rather than actual volumes. This allows increases to be determined prior to any full previous year results being finalised supporting ongoing advanced planning, and ensures that the approach to target setting is based on each DHB's equitable population share of the national total. Some DHBs actively choose to invest additional funding into elective surgery which can lift delivery beyond set targets. This is a DHB decision, based on local priorities.

If future-year targets were to be set on past delivery, those DHBs who have achieved results that are higher than their local targets would be unfairly disadvantaged, while DHBs who have not performed as highly in the past are held to a lesser expectation. This would distort equity of access across the country. The Ministry does not see this as an appropriate option.

DHBs have performed very well against the Electives health target in past years, regularly delivering well ahead of expectation at a national level. This growth, over and above the target, is very positive for New Zealanders representing a significant increase in access to services. What it means however, is that delivery against the target may be more than 4000 discharges nationally, so the next year's target may be set at a level that is lower than the previous year's achievement. This is simply explained by the difference in 'planned' versus 'actual' delivery.

2015/16 Electives Health Target definition diagram



Excluded activity:

- Non-casemix activity (e.g. colonoscopy), *except skin lesions and intraocular injections*
- Medical admissions without a surgical procedure
- Maternity purchase units
- Other non-medical/surgical admissions *(e.g. mental health)*