

Service Price Benchmarking – Measuring Value for Money

Hunter New England and Central Coast PHN & PwC

16 March 2022



Acknowledgement of Country

Contents

- 3** The Challenge
- 4** The Approach
- 9** The Impact
- 12** The Learnings
- 13** Next steps

The Challenge

- Following a review, HNECCPHN identified the need to better understand the unit price for commissioned services
- HNECCPHN began with **Mental Health Services in Primary Care** and **Youth Complex Mental Health Services**
- Noting the price variations between regions, it was necessary to assess each program across the defined sub-regions that aligned with each provider's catchment areas:

Primary Mental Health Services

- Central Coast
- Hunter & Newcastle
- New England

Youth Complex Mental Health Services:

- Central Coast
- Hunter
- Newcastle
- New England



The Approach - Summary



The approach - Step 1: What is a unit? (defining a unit and collating internal data)

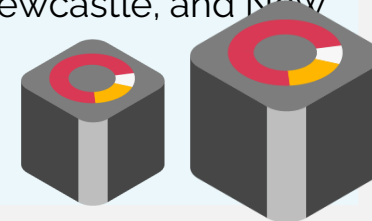
- Developing pricing benchmarks requires data about costs and service outputs
- Data was available on:
 - Costs (the value of service agreements and contract variations)
 - Service output (Folio data on sessions delivered quarterly)
 - Service output (Primary Mental Healthcare Minimum Dataset (MDS) data on service contacts and episodes)

Unit = Service Contact

- Allows insights to be drawn about key cost drivers
- Understanding cost drivers allows comparison with external pricing schedules

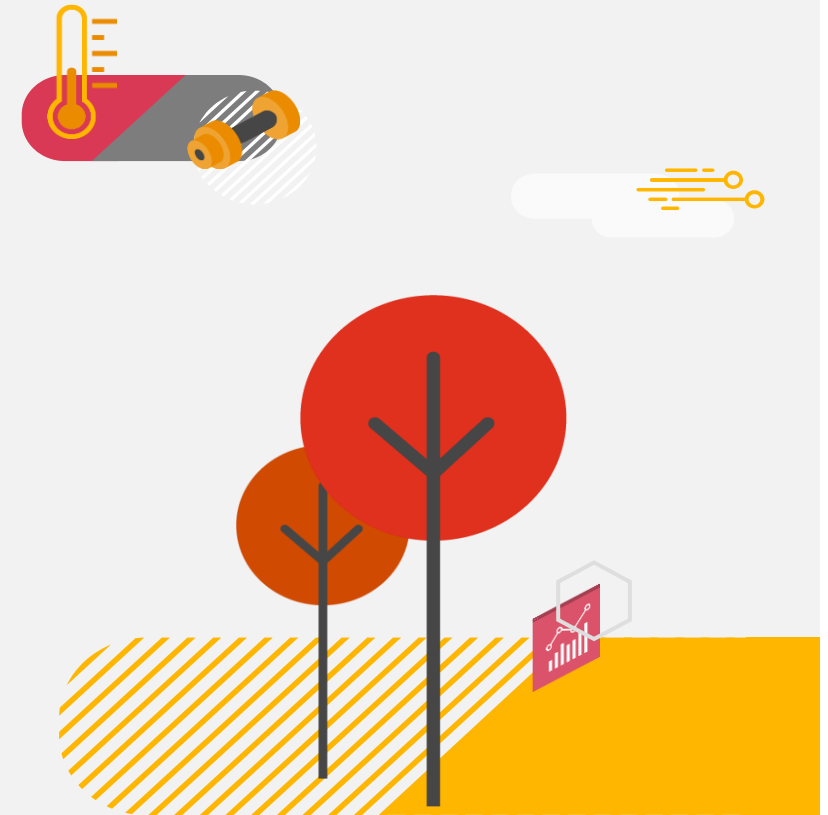
Grouping of benchmarks

- By region
 - PMH - Central Coast, Hunter & Newcastle, and New England
 - YC - Central Coast, Hunter, Newcastle, and New England
- By financial year
 - FY20
 - FY21



The approach - Step 2: Collation of publicly available data

- From the literature, price lists that closely aligned with the services delivered were:
 - Department of Veterans Affairs
 - National Disability Insurance Scheme
 - Workers Compensation
- Fee schedules were available on public websites and:
 - Listed by practitioner
 - Structured by the service duration and service venue
- Medicare items were also identified to provide a comparison

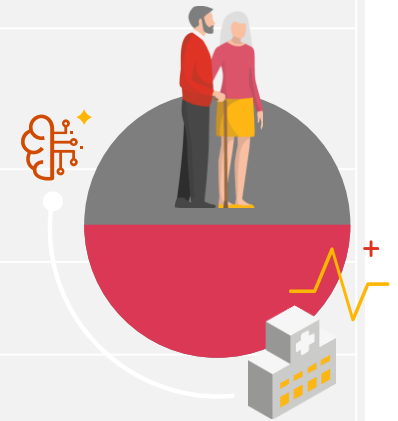


The approach - Step 3: Data analysis (key definitions and assumptions)

Key considerations (definitions, assumptions and limitations) for the approach were tested with the PHN for:

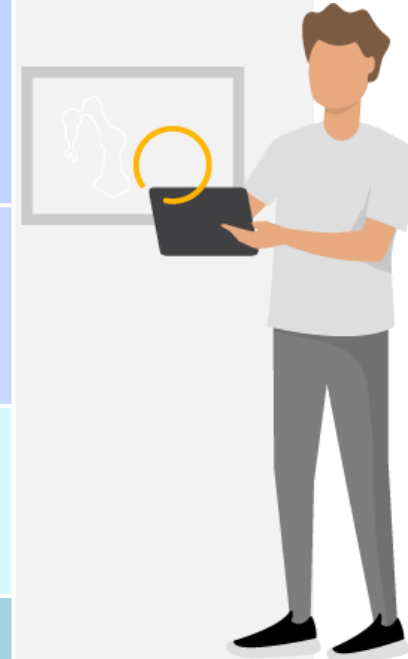
- The Primary Mental Health Care Minimum Dataset (MDS)
- Folio data

Source	Term	Key consideration/s
MDS	Service contact	The provision of a service by a commissioned provider - data submitted to the Dept
Folio	Session	Theoretically equivalent to an MDS 'service contact' - data submitted to the PHN
MDS	Contact type	The main type of service provided in the service contact
MDS	Practitioner type	Matching 'MDS practitioners' to external practitioner types
MDS	Venue	Matching 'MDS venues' to external venues
MDS	Duration	Converting categorical data into discrete data
MDS	Date	Classifying the service contact date by financial year



The Approach - Step 4: Data analysis

Benchmarks	Insights generated
<p>Cost per unit:</p> <ul style="list-style-type: none"> • Cost per service contact • Cost per session delivered (PMH only) • Cost per target session (PMH only) 	<ul style="list-style-type: none"> • Comparison of the cost per unit across regions and fiscal years • Differences in the completeness of session (Folio) data vs service contact (MDS) data • Performance against targets
<p>Minutes per service contact type</p>	<ul style="list-style-type: none"> • Minutes per service contact for different service contact types across regions
<p>Minutes of services delivered for \$100k</p>	<ul style="list-style-type: none"> • Minutes of service delivered for \$100k by practitioner type and across regions
<p>Cost of delivering services under external pricing schedules</p>	<ul style="list-style-type: none"> • Approximate cost if \$100k of services were delivered under external pricing schedules



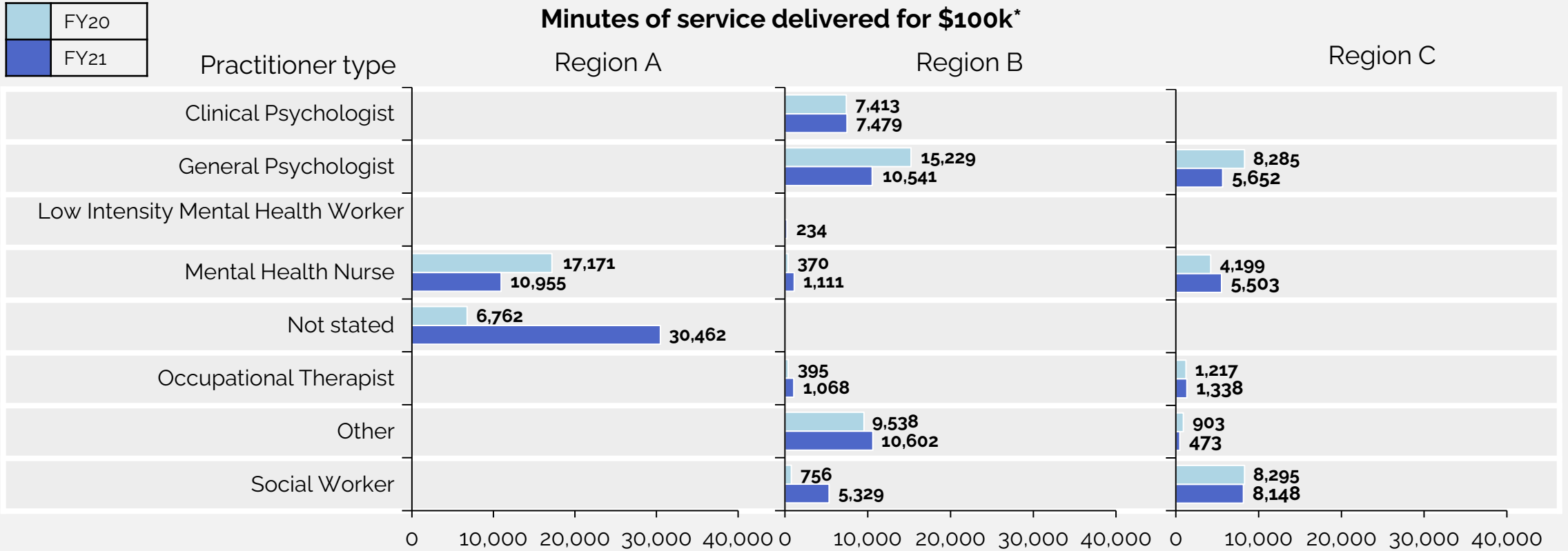
The Impact

- **Insights from the Primary Mental Health Services benchmarking**
 - Differences between the PHN Folio data and the MDS data regarding "cost per service contact" and "cost per session delivered".
 - The average cost per unit reduced from the 2020 FY to the 2021 FY, in two of the regions.
 - The other region's average cost per unit increased slightly and remained higher than both the other regions.

The Impact



Primary Mental Health: Value, as measured by minutes of service delivered for \$100k, generally increased in FY21. A range of practitioners were used with a focus on different practitioner types in different regions.



*Other includes those coded as 'Other' and also Aboriginal and Torres Strait Islander Health/Mental Health Workers and Psychosocial Support Workers who delivered less than 5 hours of service (if all service agreements were 100k). General practitioner, Other Medical, Peer Support Worker, Psychiatrist did not any minutes of service.

The Impact



Primary Mental Health: Financial value for services increased in FY21 and there was greater value for care in two of the regions, than external benchmarks.

Cost of delivering services under external pricing schedules

FY21	Baseline	Minutes of service contact for 100k	Department of Veterans Affairs equivalent cost		National Disability Insurance Scheme equivalent cost		Workers Compensation equivalent cost	
Region A	\$100,000	41,417	\$155,785.09	\$55,785.09	\$137,024.72	\$37,024.72	\$127,342.91	\$27,342.91
Region B	\$100,000	36,364	\$124,151.95	\$24,151.95	\$128,008.67	\$28,008.67	\$107,460.88	\$7,460.88
Region C	\$100,000	21,113	\$58,149.11	-\$41,850.89	\$64,017.68	-\$35,982.32	\$51,460.62	-\$48,539.38

The Learnings



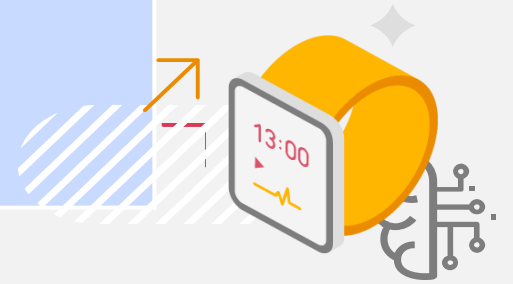
Project learnings

- Data quality
- Data variation
- Consumer outcomes
- Tracking telehealth
- Fit for purpose systems and manual processes

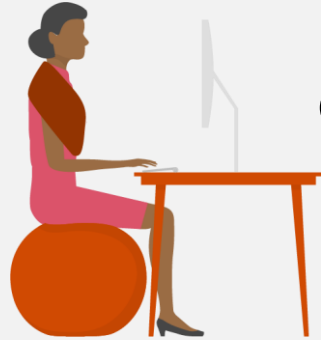


PHN learnings

- Other programs
- Efficiency gains
- Other PHNs
- Improving data quality
- Capturing other data



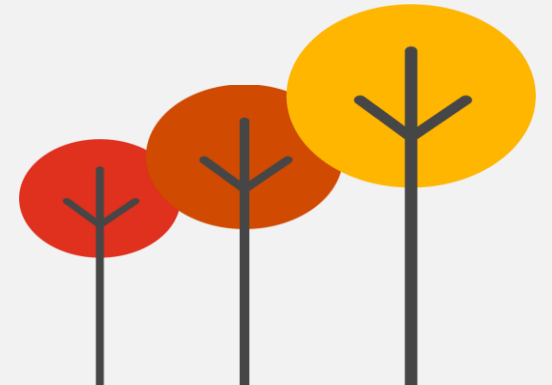
Next steps



Changes in HNECCPHN commissioning practices to date



Opportunities to partner with other PHNs



Contact us

Lorin Livingstone

Corporate Services Executive Manager
Hunter New England and Central
Coast PHN

T: 0448 422 779

E: llivingstone@thephn.com.au

Dr Lesh Satchithananda

Manager
PwC

T: 0431 779 504

E: lesh.satchithananda@pwc.com

2022 PHN Commissioning Showcase
16-17 March 2022
Mereweather Surfhouse
Newcastle