

ACT LOCAL HOSPITAL NETWORK DIRECTORATE

Purpose

In 2011 the ACT Government became a signatory to the National Health Reform Agreement (NHRA) which introduced new financial and governance arrangements for Australian public hospital services and new arrangements for primary health care and aged care.

On 29 March 2011, the ACT Government took the first step toward implementing the ACT Local Hospital Network when the ACT Legislative Assembly passed amendments to the *Health Act 1993*. These amendments provided a legislative basis for the establishment of the ACT Local Hospital Network Directorate (ACT LHN) and a skill-based ACT Local Hospital Council (Council).

The ACT LHN will commence operation on 1 July 2012 and will be administered by the Director-General of the Health Directorate and supported by Health Directorate staff.

The Council will provide advice to the Director-General on the clinical and corporate governance framework needed to support improvement of standards of patient care and services under the local hospital network and ways in which to support, encourage and facilitate community and clinician involvement in the planning of services that form part of the ACT LHN.

The Council will also report to the Minister for Health on the state of the local hospital network and any recommendations relating to the improvement of health services provided by the ACT LHN that the Council considers necessary.

The ACT LHN will receive Activity Based Funding from both the Commonwealth and the ACT Governments and block funding for teaching, training and research. It will purchase public hospital services from four ACT public hospital providers:

- the Canberra Hospital;
- Calvary Public Hospital;
- Clare Holland House; and
- Queen Elizabeth II Family Centre.

2012-13 Priorities

Strategic and operational priorities to be pursued in 2012-13 include:

- receiving and distributing funding for public hospital services under the NHRA; and
- purchasing public hospital services from four ACT public hospital providers.

Estimated Employment Level

The ACT LHN will not employ any staff. All staff undertaking work for the ACT LHN will be employed by the Health Directorate.

Strategic Objectives and Indicators

The ACT LHN consists of a networked system that will have a service agreement for the delivery of activity and functions. Under the reforms outlined in the NHRA, the ACT Government will continue to manage the system-wide public hospital service planning and performance, including the purchasing of public hospital services and capital planning, and will be responsible for the management of the performance of the ACT LHN.

Performance of the ACT LHN will be subject to a National Performance Framework to be administered by the independent National Performance Authority. The Health Performance Framework will include a range of performance indicators that will be publicly available on the My Hospitals website, and will also outline a remediation process to be implemented for underperforming Local Hospital Networks. These indicators will be based on the performance reports supplied by the States and Territories.

The following Strategic Indicators include some of the major performance indicators implemented by the Commonwealth Government under the requirements of the NHRA.

ACT Public Hospitals – Canberra Hospital and Calvary Public Hospital

Strategic Indicator 1: Percentage of elective surgery cases admitted on time by clinical urgency

Clinically Recommended time by urgency category	2012 ¹ Target	2013 ¹ Target	2014 ¹ Target
Urgent – admission within 30 days is desirable for a condition that has the potential to deteriorate quickly to the point that it may become an emergency	95%	97%	100%
Semi urgent – admission within 90 days is desirable for a condition causing some pain, dysfunction or disability which is not likely to deteriorate quickly or become an emergency	55%	66%	78%
Non urgent – admission at some time in the future acceptable for a condition causing minimal or no pain, dysfunction or disability, which is not likely to deteriorate quickly and which does not have the potential to become an emergency ²	82%	86%	91%

Notes:

1. Targets are based on calendar year data in accordance with national reporting requirements.
2. Health Directorate establishes a 365 day maximum desirable waiting time for category three patients.

Strategic Indicator 2: The proportion of Emergency Department presentations whose length of stay in the emergency department is four hours or less

	2012 Target	2013 Target	2014 Target	2015 Target
The proportion of Emergency Department presentations who either physically leave the emergency department for admission to hospital, are referred for treatment or are discharged, whose total time in the emergency department is within four hours.	64%	73%	81%	90%

Note: Targets are based on calendar year data in accordance with national reporting requirements.

Strategic Objectives and Indicators cont.

Clare Holland House (CHH)

The ACT and Commonwealth Governments provide funding for the inpatient, outpatient and community based specialist palliative care services in the ACT. These include CHH, an interdisciplinary service including a 19 bed inpatient hospice, specialist outreach services to people's homes (Home Based Palliative Care), consultancy services to hospitals, a nurse educator, nurse practitioner, bereavement services, and the Calvary Centre for Palliative Care Research, all managed by Calvary Health Care ACT.

Strategic Indicator 3: Reaching the optimum occupancy rate for Clare Holland House inpatient beds

	2011-12 Target	2011-12 Est. Outcome	2012-13 Target
Percentage of CHH inpatients beds in use	n/a	n/a	90%

Strategic Indicator 4: The number of home based palliative care occasions of service provided by CHH

	2011-12 Target	2011-12 Est. Outcome	2012-13 Target
The number of people receiving home based palliative care services provided by CHH (off campus occasions of service provided by nurses)	n/a	n/a	5,250

Queen Elizabeth II Family Centre (QEII)

The ACT and Commonwealth Governments provide funding to the Canberra Mothercraft Society to manage the QEII. The Centre provides residential primary health care and parenting programs for families with young children who are experiencing complex health and behavioural difficulties in the first three years of an infant's life.

Strategic Indicator 5: The total number of admissions to the Queen Elizabeth II Family Centre

	2011-12 Target	2011-12 Est. Outcome	2012-13 Target
Total admissions	n/a	n/a	1,400

Strategic Indicator 6: Maintain the waiting time for admission of urgent people¹ to the Queen Elizabeth II Family Centre

	2011-12 Target	2011-12 Est. Outcome	2012-13 Target
Proportion of admissions of urgent clients equal to or less than 2 days	n/a	n/a	100%

Note:

1. A baby in need of healthy nutrition.

Strategic Indicator 7: Reaching the optimum occupancy rate for the Queen Elizabeth II Family Centre

	2011-12 Target	2011-12 Est. Outcome	2012-13 Target
Percentage of QEII inpatients beds in use	n/a	n/a	85%

Strategic Indicator 8: The Proportion of patients readmitted to the Queen Elizabeth II Family Centre following their separation from the Centre

	2011-12 Target	2011-12 Est. Outcome	2012-13 Target
The proportion of people separated from QEII who are readmitted to QEII	n/a	n/a	<5%

Output Class

	Total Cost		Government Payment for Outputs	
	2011-12 Budget \$'000	2012-13 Budget \$'000	2011-12 Budget \$'000	2012-13 Budget \$'000
Output Class 1				
ACT Local Hospital Network	n/a	718,740	n/a	429,135

Output Description

The ACT LHN will receive funding under the NHRA and purchase public hospital services from the Canberra Hospital, Calvary Public Hospital, CHH and QEII.

Accountability Indicators

	2011-12 Target	2011-12 Est. Outcome	2012-13 Target
Output Class 1: ACT Local Hospital Network			
Number of National Weighted Activity Units ¹	n/a	n/a	117,494

Note:

1. The National Weighted Activity Unit is the 'currency' that is used to express the price weights for all services that are funded on an activity basis.

There are a number of Accountability Indicators below that replicate the standard reporting provided in the Health Directorate. These indicators relate to Calvary Public Hospital activity and reflect change being driven through the NHRA. This year is a transition year for moving from the current reporting into activity based funding reporting. The 2011-12 targets and estimated outcomes are included with Canberra Hospital data in the Health Directorate.

	2011-12 Target	2011-12 Est. Outcome	2012-13 Target
Output 1.1: Acute Services – Calvary Public Hospital			
Patient activity			
a. Cost weighted patient separations	n/a	n/a	24,844 ¹
b. Non-admitted occasions of service	n/a	n/a	53,736
c. Percentage of category one elective surgery patients who receive surgery within 30 days of listing	n/a	n/a	97%

	2011-12 Target	2011-12 Est. Outcome	2012-13 Target
Output 1.2: Mental Health – Calvary Public Hospital			
Patient activity			
a. Cost weighted separations	n/a	n/a	1,424 ¹
b. Admitted patient separations	n/a	n/a	670
c. Percentage of clients with outcome measures completed	n/a	n/a	65%
d. Proportion of clients contacted by a Health Directorate community facility within 7 days post discharge from inpatient services	n/a	n/a	75%

Accountability Indicators cont.

	2011-12 Target	2011-12 Est. Outcome	2012-13 Target
Output 1.3: Cancer Services – Calvary Public Hospital			
Patient activity			
a. Cost weighted admitted patient separations	n/a	n/a	271 ¹
b. Non admitted occasions of service	n/a	n/a	2,620

	2011-12 Targets	2011-12 Est. Outcome	2012-13 Targets
Output 1.4: Rehabilitation and Aged Care – Calvary Public Hospital			
Patient activity			
a. Cost weighted admitted patient separations	n/a	n/a	789 ¹
b. Sub acute service - episodes of care	n/a	n/a	256
c. Sub acute service - occupied bed days	n/a	n/a	9,500

	2011-12 Target	2011-12 Est. Outcome	2012-13 Target
Output 1.5: Clare Holland House			
Cost weighted patient separations	n/a	n/a	618 ¹

Note:

1. Cost weights presented using AR-DRG Version 6 mapped to National Public Weights round 14.

Changes to Appropriation

Changes to Appropriation - Controlled

	2011-12	2012-13	2013-14	2014-15	2015-16
Government Payment for Outputs	Est. Out.	Budget	Estimate	Estimate	Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
2011-12 Budget	0	0	0	0	0
Funding for Public Hospital Services	-	429,135	408,964	430,715	455,024
2012-13 Budget	0	429 135	408 964	430 715	455 024

ACT Local Hospital Network Operating Statement

2011-12 Budget \$'000	2011-12 Est. Outcome \$'000	2012-13 Budget \$'000	Var %	2013-14 Estimate \$'000	2014-15 Estimate \$'000	2015-16 Estimate \$'000
Income						
Revenue						
0 Government Payment for Outputs	0	429,135	#	408,964	430,715	455,024
0 User Charges - Non ACT Government	0	120,000	#	123,771	127,708	130,992
0 Grants from the Commonwealth	0	169,605	#	233,824	268,374	305,804
0 Total Revenue	0	718,740	#	766,559	826,797	891,820
0 Total Income	0	718,740	#	766,559	826,797	891,820
Expenses						
0 Grants and Purchased Services	0	696,592	#	743,184	802,522	866,606
0 Other Expenses	0	17,418	#	17,941	18,480	19,033
0 Transfer Expenses	0	4,730	#	5,434	5,795	6,181
0 Total Ordinary Expenses	0	718,740	#	766,559	826,797	891,820
0 Operating Result	0	0	-	0	0	0
0 Total Comprehensive Income	0	0	-	0	0	0

ACT Local Hospital Network Balance Sheet

Budget as at 30/6/12 \$'000	Est. Outcome as at 30/6/12 \$'000	Planned as at 30/6/13 \$'000	Var %	Planned as at 30/6/14 \$'000	Planned as at 30/6/15 \$'000	Planned as at 30/6/16 \$'000
0		0	-	0	0	0
REPRESENTED BY FUNDS EMPLOYED						
0		0	-	0	0	0

ACT Local Hospital Network Statement of Changes in Equity

Budget as at 30/6/12 \$'000	Est. Outcome as at 30/6/12 \$'000	Planned as at 30/6/13 \$'000	Var %	Planned as at 30/6/14 \$'000	Planned as at 30/6/15 \$'000	Planned as at 30/6/16 \$'000
0		0	-	0	0	0
Balance at the End of the Reporting Period						
0		0	-	0	0	0

ACT Local Hospital Network Cash Flow Statement

2011-12 Budget \$'000	2011-12 Est. Outcome \$'000	2012-13 Budget \$'000	Var %	2013-14 Estimate \$'000	2014-15 Estimate \$'000	2015-16 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts						
0	0	429,135	#	408,964	430,715	455,024
0	0	120,000	#	123,771	127,708	130,992
0	0	169,605	#	233,824	268,374	305,804
0	0	718,740	#	766,559	826,797	891,820
Payments						
0	0	696,592	#	743,184	802,522	866,606
0	0	4,730	#	5,434	5,795	6,181
0	0	17,418	#	17,941	18,480	19,033
0	0	718,740	#	766,559	826,797	891,820
0	0	0	-	0	0	0
NET CASH INFLOW/ (OUTFLOW) FROM OPERATING ACTIVITIES						
0	0	0	-	0	0	0
CASH AT THE BEGINNING OF REPORTING PERIOD						
0	0	0	-	0	0	0
CASH AT THE END OF REPORTING PERIOD						

Notes to the Budget Statements

Significant variations are as follows:

Operating Statement

- government payment for outputs: reflects contributions from the Commonwealth and ACT Governments for activity based funding and block funding.
- user charges – non ACT Government: relate to cross border payments from other states and Territories (predominantly NSW). These figures represent the cost of treating non ACT residents in ACT public hospitals.
- grants from the Commonwealth: reflect contributions from the Commonwealth from September 2012 for activity based funding and block funding, as well as a contribution for public health expenses.
- grants and purchased services: reflect public hospital payments to the Canberra Hospital, Calvary Public Hospital, Clare Holland House and Queen Elizabeth II Hospital.
- other expenses: relate to cross border payments to other states and territories (predominantly NSW).
- transfer expenses: represent the on-passing of the Commonwealth contribution for public health expense onto the Health Directorate.

Cash Flow Statement

Variations in the statement are explained in the notes above.