

Inclusions on the General List

In the 2015-16 Pricing Framework, the IHPA decided to not include Child and Adolescent Community Mental Health Services on the General List in 2015-16 'on the basis that there is only a low level of interaction between this client group and hospital services.'

The RANZCP disputes this statement and urges the IHPA to review this decision.

As emphasised in a RANZCP August 2013 submission to the IHPA, the RANZCP considers that child and adolescent community mental health services are a crucial service to include as 'in-scope' for the General List.

Australian Mental Health Care Classification

While the RANZCP welcomes the development of the new Australian Mental Health Care Classification (AMHCC), the RANZCP has a number of concerns in regards to the AMHCC's development, which were detailed in a February 2015 submission to the IHPA.

Consequently, we support the IHPA's decision to defer implementation of the new AMHCC for pricing purposes until 1 July 2017 to enable sufficient time for the AMHCC to be piloted, evaluated and adjusted as needed.

The RANZCP also supports the continuation of block funding for non-admitted mental health activity in Activity Based Funding hospitals until such time as non-admitted mental health services are incorporated into the AMHCC.

Old age psychiatric services

RANZCP members have raised concerns in regards to aged inpatient services – that are currently block funded – transferring to ABF.

An advantage to block funding is that it enables hospitals to keep beds vacant. For example, if a situation arises where a hospital needs to admit four patients over two to three days into a 15 bed unit, this can generally be done under block funding. However, under ABF, if hospital managers see an empty bed, they may view it as lost revenue and feel under pressure to keep beds full at all times, resulting in a constant state of bed block.

The IHPA System Design Guidelines for both ABF and block funding emphasise:

Minimising undesirable and inadvertent consequences: Funding design should minimise susceptibility to gaming, inappropriate rewards and perverse incentives.

However, the RANZCP is concerned that the application of ABF to aged inpatient services would create a perverse disincentive for hospitals to keep their beds constantly full (gaming) at the expense of ease of access for patients. We are further concerned that an unintended consequence would be a state of perpetual bed block for aged inpatient services that would mirror the unfortunate similar state of affairs in adult psychiatry around Australia.

Specialist Psychiatrist Age Adjustment

In the National Efficient Pricing Determination (NEP Determination) 2015-16, the IHPA altered the Specialist Psychiatric Age Adjustment for an admitted acute patient who has one or more psychiatric care day during their admission. A key change was for patients aged 17 or less with a mental health related primary diagnosis (MDC 19 or 20) and who were admitted to a Specialised Children's Hospital. While the loading amount to be applied in 2013-14 and 2014-15 in these circumstances was 30%, this has now been reduced to 9%. By contrast, patients aged 17 years or less, who did not have a mental health related primary diagnosis and were admitted to a Specialised Children's Hospital receive a 41% loading in the NEP Determination 2015-16.

This has had a particular impact in Western Australia given the Mental Health Commission's close alignment with the national NEP model. RANZCP members report that this alteration to the Specialist Psychiatric Age Adjustment has translated to an approximate 25% reduction in budget for inpatient child and adolescent mental health services.

The National Pricing Model Stability Policy (the Policy) indicates that the IHPA will undertake work to stabilise variation in the year-on-year NEP price weights and adjustments prior to the determination of the NEP. The Policy also states that year-on-year stability in the price weights and adjustments is necessary to ensure funding stability and predictability for Local Hospital Networks and hospital managers.

In 2014-15 over 90% of children and adolescent mental health service patients (CAMHS) in WA were diagnosed with a mental health-related primary diagnosis. However, the RANZCP considers

a 21% reduction in adjustments for over 90% of its patients to be both unstable and unpredictable, and will not be offset by a 41% loading for the small proportion of patients admitted to mental health wards where they do not have a mental health related primary diagnosis.

At the CAMHS and Children's Healthcare Australasia Mental Health Significant Interest Group meeting on 29 June 2015, a clinician from the Children's Hospital At Westmead (CHAW) noted that the CHAW mental health ward had been closed for a period of six months. The RANZCP is concerned that this closure may have impacted the IHPA's analysis and reduced the perceived cost of service delivery given that there are only nine children's hospitals within scope.

Paediatric Adjustments

In addition to the 21% reduction in Specialist Psychiatric Age Adjustment, reductions in Paediatric Adjustment over the last 12-36 months have also had a significant effect on CAMHS funding in WA across a number of Diagnosis Related Groups (DRGs) commonly associated with CAMHS patients. This includes but is not limited to:

DRG	2012-13	2013-14	2014-15	2015-16	Funding reduction last 12 months	Funding reduction last 36 months
U67Z	219%	200%	159%	200%	21%	27%
U63B	184%	190%	200%	179%	11%	3%
U66Z	133%	129%	124%	110%	11%	17%
U65Z	213%	199%	183%	187%	2%	12%
V61Z	222%	100%	100%	100%	0%	55%
U61B	347%	100%	100%	100%	0%	71%

The RANZCP urges the IHPA to review its decisions in relation to Specialised Psychiatric Age Adjustment and Paediatric Adjustments and, in particular, requests that the IHPA:

- review its analysis to ensure the closure of CHAW’s mental health unit for six months did not have an adverse effect on its pricing determinations
- review reductions in Paediatric Adjustments along with the reduction to the Specialist Psychiatric Age Adjustment and consider the direct impact this will have on CAMHS ability to fund its services
- undertake a process of immediate redress to avoid significant implications to CAMHS service delivery
- ensure future adjustments are restricted to a 5% variance to ensure services are able to accommodate changes
- identify a clear escalation process for future situations when changes in pricing breach the Policy.