

Health Roundtable

Costing from the Trenches

Organisation Real Name : Alfred Health

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**HRT1902 – Finance & Costing Improvement Group
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healthroundtable.org

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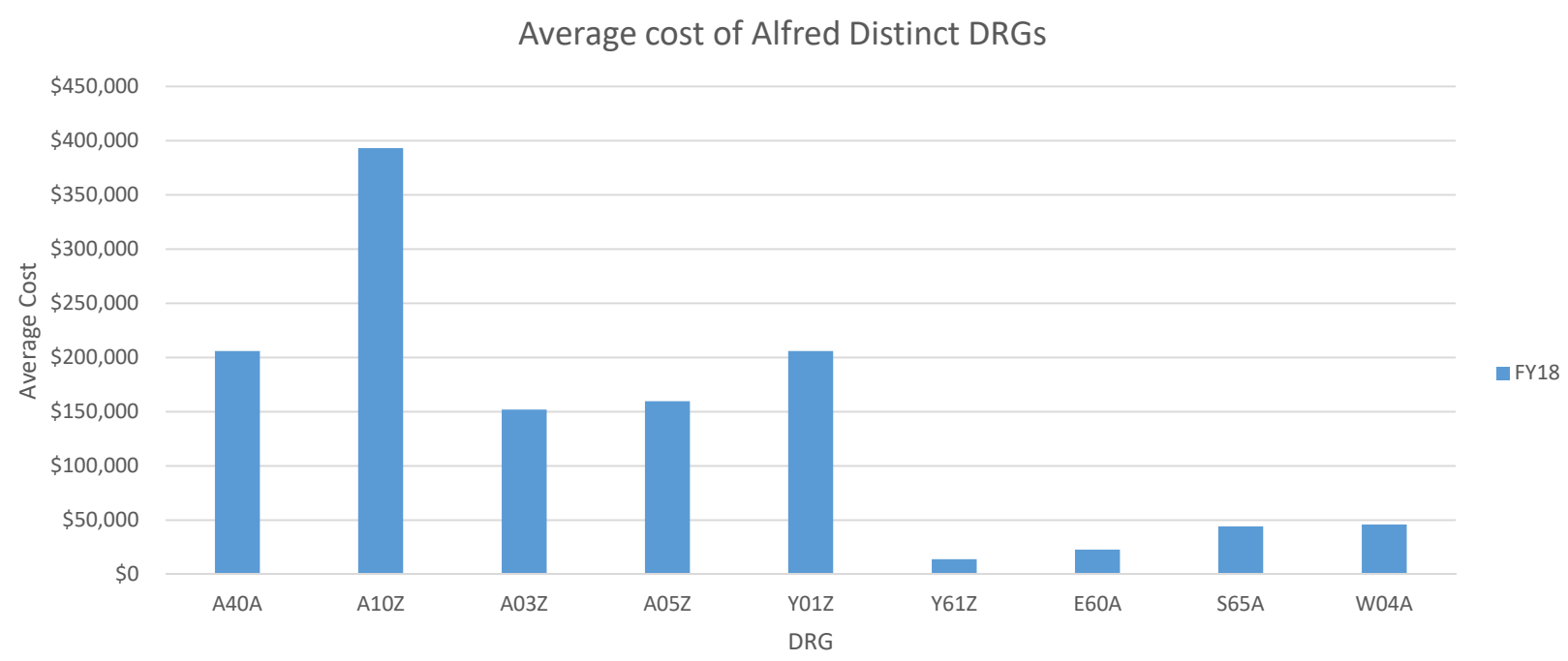
Key Problem

- As an organisation, there are several healthcare interventions for which Alfred Health are the main (or only) provider in Victoria.
- It is therefore important that these patient encounters are correctly costed as the Alfred may be the only organisation providing data to DHHS within Victoria and one of only a small cohort providing data nationally to IHPA.
- Typical costing rules may not be appropriate for many of these patient encounters as they can be unique and atypical.

Aim of this Innovation

- The aim of this innovation is to improve costing processes for specific patient encounters that are unique to Alfred Health

Baseline Data / Current Situation



Key Changes Implemented

- Following the resignation of both the Costing Manager and Costing Analyst, a new direction has been taken in terms of staffing for the team.
- Both positions have been recruited from within the operational service of the health service. It is anticipated that this will bring a number of benefits to improve the costing process including:
 - First hand knowledge of operational processes and logic to more accurately assign costs.
 - Pre-existing relationships with key stakeholders within the organisation to allow collaboration when reviewing costing methodology.
 - The ability to approach costing from a service improvement perspective.

Outcomes so far

- Creation of a Costing Work Plan has identified multiple areas to be addressed over a varying timeline. These include:
 - Automating processes to allow us to increase the frequency of costing to quarterly.
 - Adding revenue and incidents to our current costing process.
 - Reviewing allocation processes for state-wide services to ensure they are as robust as possible.
 - Partnering with the organisation to identify and improve costing processes in key areas. In order to maximise team experience and relationships, this will start with Pharmacy and Allied Health.
- Expansion of team responsibilities to include Performance Analysis and Funding. This will centralise the relationship between costing and funding into one area and remove disparity.

Innovation Summary Slide

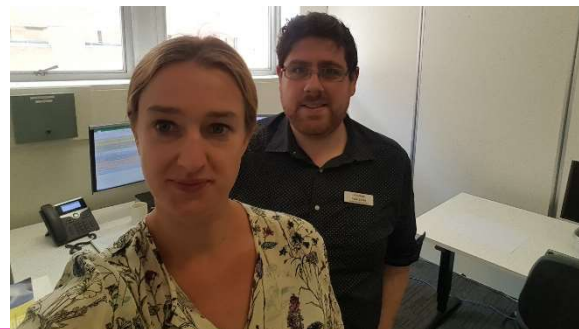
Title: Costing from the Trenches

Health Service: Alfred Health

Problem: Costing inaccuracies due to unique nature of organisational services

Solution: Employ a costing team from within the operational service to improve costing process logic

Results:



Please include a Graphic if possible – ideally data showing your outcomes

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Innovation Template