

Impact of

FLOW REVERSAL

Strategy

2001-2006

Clinical Services Plan

South East Health

Acknowledgements

This impact statement was prepared by the South East Health Clinical Services Policy and Planning Unit in conjunction with administrative staff and chairmen of clinical reference groups throughout the Area.

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FOREWORD

The Mission of South East Health is “Good Health Care, Better Health” and we have been proud of a long tradition of care for residents of New South Wales from all over the State. We are 93% self sufficient in the care of our local residents in our own public and private hospitals for non-tertiary and tertiary care. Approximately one quarter of our workload in acute hospital care is referred, or flows in, from other Area Health Services.

On July 1, 2001 the Flow Reversal Strategy of the New South Wales Government Action Plan for Health will begin as a planned coordinated approach to proactively managing the flow of patients for non-tertiary (and some tertiary) elective surgery and procedures between Area Health Services. Specifically its aim is to increase the self sufficiency of all area health services for work involving their local residents. This will be achieved by targetting for reversal from inflow areas to outflow areas, that work which could be performed in the area of residence of the patient if that Area Health Service were funded for that work.

This document builds on our earlier “Flow Profile 1998” and it analyses, by Service Related Groups and Diagnosis Related Groups, our activity trends. It projects our agreed volume of work for each of our hospitals and estimates the budget impact on South East Health.

We believe this document will be useful for analysis and use in negotiations with other Area Health Services as well as for planning the reorganisation of our own services.



Deborah Green
Chief Executive Officer

EXECUTIVE SUMMARY

In response to one of the initiatives of the Government Action Plan for Health, NSW has developed a "Flow Reversal Strategy" which aims to have patients receive their health care as close to the area health service of residence as possible. One of the components of this strategy is that of 'budget holding'.

This flow reversal budget holding process involves area health service executive staff negotiating on targets for flow reversal. The funds identified which account for this work are then to be held by the Department of Health in a "flow transition pool" and an accounting protocol will transfer those funds back to the Area Health Service which performs the procedures.

Currently we are in the first phase of a new three-year budget. This budget was developed for each Area Health Service on the basis of the Resource Distribution Formula. The RDF distributed approximately \$432M to South East Health for acute hospital care; \$277M for residents of South Eastern Sydney and \$155M for residents of other area health services in 1999/2000.

Although outflow areas will be initiating activities which will encourage GPs and Specialists to refer patients to doctors in the area with procedural rights at the local hospitals, the main strategy to be utilised in the short term is that of targetting the waiting lists held in each hospital for each credentialled clinician.

This document reviews the status of flows into South East Health and the impact likely to be made by a planned approach to reversal of those flows.

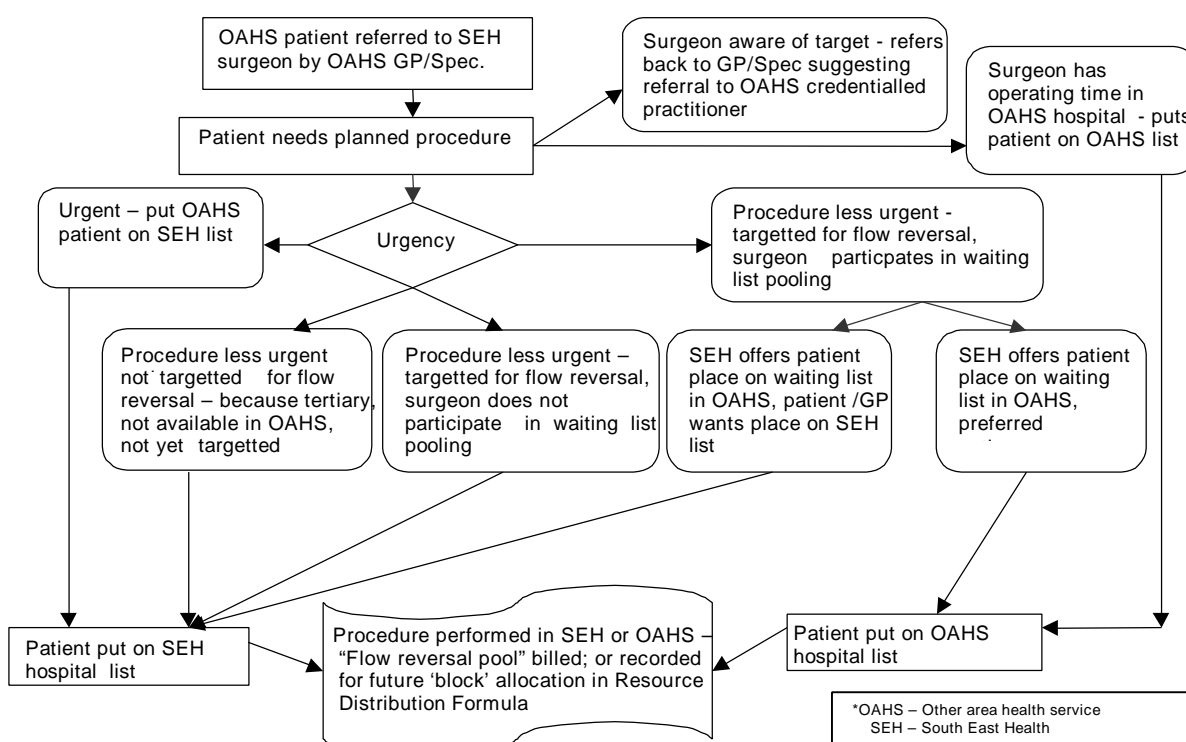
South East Health has an outflow of approximately \$36M (unplanned \$14M and planned \$22M), chiefly orthopaedics, obstetrics and gynaecology, cardiothoracic surgery and neurosurgery to CSAHS and NSAHS. The outflow volumes have not changed much in the past five years.

South East Health's chief inflows occur from CSAHS, NSAHS, IAHS and SWSAHS. The work from CSAHS and NSAHS is considered "natural" flow and not amenable to planned flow reversal.

The adult planned work from IAHS and SWSAHS is considerable (13.7M and 13.0M respectively in 1999/2000). Inflows of some services from these two Area Health Services have been steadily declining in recent years, particularly the non-tertiary overnight work, as services have been developed in those areas.

It has been agreed that the SWSAHS and the IAHS will adopt the following pathway with respect to South Western Sydney and Illawarra residents who have been referred to SESAHS clinicians.

Pathway for flow reversal management



Although there is some inflow from other metropolitan area health services, it does not match the proportions of the SWSAHS and IAHS. The rural areas are significant inflow contributors, as expected. There are no plans to reverse country work in the short term, although it has similarly reduced a little in recent years, with natural referral pattern shifts.

In 2001/2002 South East Health will relinquish \$1.18M to the "Flow Transition Pool". This represents \$427,616 for the IAHS, \$676,144 for the SWSAHS and \$75,298 for the HAHS as follows:

Summary

Illawarra Area Health Service

Pacemakers	\$249,133
Ophthalmology	\$178,483

South Western Sydney Area Health Service

Neurosurgery	\$125,496
Ophthalmology	\$254,710
Gynaecology	\$176,252
Urology	\$119,686

Hunter Area Health Service

Lithotripsy	\$75,298
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Initially, this process will affect Prince of Wales Hospital, St Vincent's Hospital and St George Hospital and will have a significant impact on Sydney Eye Hospital. Discussions to date have indicated that because most of these cataracts are day only procedures by VMOs, it may not be too detrimental for Sydney Eye.

Other work which has been flagged for possible planned flow reversal is urology and cardiac services from Hunter Area Health Service and interventional cardiology from Illawarra Area Health Service.

Outflow work which has been identified for flow negotiations in 2001 includes brain injury rehabilitation from SWSAHS, orthopaedics and cardiothoracic surgery from CSAHS and paediatric cardiothoracic surgery from the New Children's Hospital at Westmead.

NOTE The figures outlined in these chapters were agreed at the time of preparation in early June 2001. There is an expectation that some of the documentation may vary slightly as negotiations continue.

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