

Developing a national mental health care classification

Classifications aim to provide the health care sector with a nationally consistent method of classifying all types of patients, their treatment and associated costs in order to provide better management, measurement and funding of high quality and efficient health care services.

At present there is no single national classification system used for mental health care services.

Instead there are a number of different data collection systems and classifications, which are applied depending on a number of factors including the setting of treatment and at what level within the health system the treatment is administered.

A nationally consistent way of classifying mental health care services will improve the sector's understanding of what, where and how services are provided. When implemented a well designed classification system will support better models of care and service provision, improve policy and planning and strengthen the targeted application of financial resources.

Classifying services – important for ALL of the mental health sector

Health information and data are the foundation of the policy and operational levels of the health system. Managing and translating service and patient/client information efficiently and effectively through data and classifications is essential to gaining an accurate and uniform understanding of the link between services provided, resources consumed and results achieved.

Classifying mental health care services will provide the sector with a standardised classification scheme that enables nationally comparable data to be used for advocacy, policy and funding proposals and evaluation.

Background in brief

Under the 2011 National Health Reform Agreement the Federal Government committed to growth funding based upon the volume of activity within hospitals through activity based funding (ABF). The Independent Hospital Pricing Authority (IHPA) was established as part of the agreement to develop the classification systems used in the ABF model and set the prices for health services.

In the 2014 Budget the Federal Government indicated that it intends to move to revised public hospital funding arrangements effective from **1 July 2017**. Growth funding based on ABF will not proceed and future funding from 2017-18 will now be linked to the Consumer Price Index (CPI) and population growth. Funding based on activity will now only continue at



the discretion of individual states and territories. Most states and territories are likely to continue using their own ABF model so the development of a national mental health classification is still a very important project.

Following the 2014 Federal Budget announcement (and in the absence of clear revised public hospital funding arrangements) IHPA will continue to build a nationally consistent mental health care classification system to support a future funding model, as jurisdictions recognise the merit of a national approach.

In addition to its responsibilities for developing the National Efficient Price and National Efficient Cost for public hospital services and managing existing classifications, IHPA has been tasked with developing a new and separate classification **for all mental health services** - the **Australian Mental Health Care Classification (AMHCC)**. The classification will extend beyond admitted patient care in hospitals to non-admitted, community and residential mental health care. The development of the AMHCC will include the planning, design, development, testing for the purposes of pricing mental health care services from **1 July 2016**.

Development of the Australian Mental Health Care Classification (AMHCC)

In 2012, IHPA engaged the University of Queensland (UQ) to undertake the first steps towards developing the AMHCC by;

- developing a definition of mental health care (health care type) for the purposes of building the classification;
- defining the cost drivers associated with the services that fall under the definition; and
- suggesting what data could be collected for the classification framework

In 2014, IHPA commenced the next steps towards developing the AMHCC by engaging a HealthConsult-led consortium to undertake a 6 month costing study in 25 hospitals across Australia including both public and private hospitals, and community mental health services. Details on the study can be found at <http://www.healthconsult.com.au/overview>

The next stage is to develop a draft classification system for piloting in 2015-16. IHPA has published a project plan outlining key milestones and consultation dates for the AMHCC development.

Throughout the AMHCC development process, IHPA has sought advice from representatives of the mental health sector through the Mental Health Working Group which was established in 2012.

A project steering committee was also established for the mental health costing study project and recently the Mental Health Classification Expert Reference Group was established to inform the AMHCC development.

The UQ reports, AMHCC development project plan and membership of the Mental Health Working Group can be found at <http://www.ihipa.gov.au/internet/ihipa/publishing.nsf/Content/mental-health>



First consultation – developing the AHMCC framework

In January 2015 IHPA released the first consultation paper for the development of the AMHCC. The consultation paper can be found at <http://www.ihipa.gov.au/internet/ihipa/publishing.nsf/Content/sub-reeived-mental-health>

This first paper seeks stakeholders' views on the;

- approach to the development of the classification; and
- proposed structure of the classification.

The paper sets out 11 questions as a guide to providing feedback against specific sections of the document. These questions can be used as a guide to structure submissions but do not represent all issues associated with developing a national mental health care classification.

An opportunity to create a better mental health care system

This is a unique opportunity for the mental health sector to be actively involved in the development of an information framework to represent mental health care services across all settings and throughout the many different levels of the health system.

The benefit of building this classification framework is not dependent on the adoption of an activity based funding (ABF) model of funding. Building a nationally consistent classification for mental health care services extends beyond informing a specific model of funding, as it affords the opportunity of providing a mechanism to illustrate the unique factors that influence the cost of effective mental health care.

A well designed classification system will assist in illustrating the complexity and diverse needs of mental care consumers and provide a clearer picture of the wide range of factors that in addition to diagnosis, may contribute to the cost of care.

A data collection framework that meets the needs of government, service providers and mental health consumers and carers may provide the essential information needed to inform a system that primarily treats people through less expensive primary care rather than expensive hospital based care.

Consultation opportunities

IHPA has commenced the first period of consultation for the development of the AMHCC and requires submissions to be completed by **Friday 13 February 2015**.

Submissions should be sent as an accessible Word document to submissions.ihipa@ihipa.gov.au or posted to "Submissions" PO BOX 483 Darlinghurst NSW 1300. Submissions close at **5pm on Friday 13 February 2015**.

Full details for the submission process can be found at <http://www.ihipa.gov.au/internet/ihipa/publishing.nsf/Content/sub-reeived-mental-health>

A second consultation period will be held by IHPA in mid 2015 for the release of version 1.0 of the AMHCC. MHA will also be arranging additional opportunities to provide feedback to IHPA on the development of the AMHCC. Details will be available on the MHA website.

