

TITLE NEONATE PROGRAM

DISTRIBUTION: ALL PUBLIC HOSPITALS IN WESTERN AUSTRALIA

1. Purpose

The purpose of this paper is to outline the approach to the purchase of health services for neonates for the 1998/99 financial year.

2. Background

In 1997/98, Western Australia introduced a budget reform policy which was based on State specific information and costing data.

In 1998/99, the second year of budget reform implementation, attention will be focused on programs. Whilst programs exist in all three intervention levels, in 1998/99, purchasing efforts will primarily concentrate on those programs within the diagnosis and treatment intervention. The prevention and promotion and continuing care interventions will be further refined in 1999/2000. Programs are dynamic entities which will evolve over time as improvements are made in retrieving activity information and costing data and setting health condition priorities.

In 1997/98 the Neonate Program was defined by the identification of selected DRGs. In 1998/99 the Program will be expanded to incorporate the broader clinical aspects associated with the acute care of neonates.

These Program DRGs were not limited to any specific providers. By virtue of being part of a program they did not have access to the Exceptional Episode Insurance Pool.

In 1998/99 the DRGs identified as a Neonate Program will be:

DRG	Descriptor
705	Neonate, adm weight <750g
706	Neonate, adm weight 750-999g
707	Neonate, adm weight 1000-1499g, w sig OR treatment
708	Neonate, adm weight 1000-1249g wo sig OR treatment
709	Neonate, adm weight 1250-1499g, wo sig OR treatment
710	Neonate, adm weight 1500-1999g, w sig OR treatment
711	Neonate, adm weight 1500-1999g, wo sig OR treatment, w multiple major problems
712	Neonate, adm weight 1500-1999g, wo sig OR treatment, w major problems
721	Neonate, adm weight >2499g, w sig OR treatment, w major problems
722	Neonate, adm weight >2499g, w sig OR treatment, wo multiple major problems

In 1998/99, DRG 704 will be considered part of the Cardiac Program.

The expansion of the Program in 1998/99 will establish an environment which will allow closer analysis and improved specificity which will lead to improved system wide management.

3. Program Specifications

3.1 The Program

The Neonate Program will encompass the purchase of health services delivered to all newborn neonates, that is any newly born infant aged less than 28 completed days.

The Neonate Program will be divided into:

3.1.1 Neonate Program episodes purchased from Hospitals with Accredited Level 2 Special Care Nurseries or Neonatal Intensive Care Units (NICU)

Care provided under this Program will only be purchased from hospitals with Special Care Nurseries and NICUs accredited by the Commonwealth. At present these units are located in the following hospitals:

- Port Hedland Regional Hospital
- Princess Margaret/King Edward Memorial Hospital

3.1.2 Neonate Program episodes purchased from other public hospitals

All episodes of care with the Program DRGs at hospitals that do not have accredited Special Care Nurseries, Level 2 or NICUs, will be purchased as case payment episodes and will be eligible, where appropriate, to be considered for Exceptional Episode Insurance Pool funding.

3.2 Pricing

Neonatal care will be purchased through two methods of payment.

3.2.1 A subgroup of neonatal DRGs will be identified as special in the development of the price schedule for 1998/99, using the same criteria employed in 1997/98. These DRGs will be purchased as **Program DRGs for the duration of 1998/99. WA information will be used in determining the boundary points for episodes with these DRGs. The new boundaries combined with improved costed episode data will contribute to changes in the price schedule for 1998/99.**

3.2.2 Program DRGs will be purchased according to negotiated program specifications in hospitals that have Special Care Nurseries or NICUs.

3.2.3 The purchase of program DRGs and all other neonatal care from hospitals that do not have accredited Special Care Nurseries and NICUS will be through episode case payments.

4. Program Management

A Neonates Clinical Reference Working Group will be convened in 1998/99. This Working Group will include representation of key clinicians, providers and purchasers and will be the source of expert advice on policy and purchasing directions for the program. The terms of reference for this Working Group will be developed to include:

- development of Statewide neonatal purchasing policy;
- review of current system wide service delivery models;
- analysis of the impact on service delivery of current purchasing arrangements;
- development of performance measures and quarterly reporting requirements for the Neonate Program;
- identification of best practice for clinical episodes, treatments and procedures; and
- analysis of selected poorly costed DRG's.

5. Definitions

5.1 A **neonate** is any newly born infant aged less than 28 completed days. (National Health Data Dictionary version 7.0).

5.2 A **Newborn** is a live birth who is nine days old or less. A newborn may be either qualified or unqualified.

All newborns are admitted patients and are defined as either qualified or unqualified. (Refer: Technical Bulletin "Admission Policy for WA Hospitals")

5.3 Birth Status

5.3.1 A **livebirth** is defined as the complete expulsion or extraction from the mother of a baby, irrespective of the duration of the pregnancy which, after separation, breathes or shows any evidence of life, such as beating heart, pulsation of the umbilical cord, or definite movement of the voluntary muscles, whether or not the umbilical cord has been cut or the placenta is attached. Each product of such a birth is considered live born. (National Health Data Dictionary version 6.0).

5.3.2 A **stillbirth** is a fetal death prior to the complete expulsion or extraction from its mother of a product of conception of 20 or more completed weeks or of 400g or more birth weight; the death is indicated by the fact that after such separation the foetus does not breathe or show any other evidence of life, such as beating heart, pulsation of the umbilical cord, or definite movement of the voluntary muscles. (National Health Data Dictionary version 6.0).

5.4 Newborn Qualifications

5.4.1 A qualified newborn is any newly born baby greater than 20 gestational weeks and less than 10 days old and who meets one of the following criteria:

- is the second or subsequent liveborn infant of a multiple birth, whose mother is currently an admitted patient;
- is accommodated in a special care nursery in a hospital approved by the Commonwealth Minister under section 3(2) of the *Health Insurance Act 1973* for the purpose of the provision of special care. This relates to a Level 2 Special Care Nursery and Level 3 Neonatal Intensive Care Unit;
- remains in hospital without its mother; or
- is admitted to hospital without its mother.

5.4.2 An unqualified newborn is a baby under 10 days old who does not meet the criteria to be classed as a qualified newborn:

- is the first born of a multiple birth or is a single baby who stays in hospital with its mother for less than 10 days; and
- it is not admitted to a Special Care Nursery in an approved hospital.

5.5 Levels of care (Report Of The Ministerial Task Force To Review Obstetric, Neonatal and Gynaecological Service in Western Australia, Volume 2, 1990)

5.5.1 Level 3 Care (Intensive Care) is characterised by at least one of the following:

- Need for sustained assisted ventilation, either mechanical or continuous positive airway pressure.
- Need for cardiorespiratory monitoring for recurrent apnoea or bradycardia when condition is unstable.
- Extreme illness, e.g. sepsis, recurrent seizures.
- Need for parenteral nutrition by central line.
- Post major surgery, especially the first 24-48 hours.
- During the first 48 hours of life if <30 weeks gestational age.

5.5.2 Level 2 Care (Special Care) is characterised by at least one of the following:

- Requirement for oxygen concentrations up to 40%.
- Need for continuous cardiorespiratory monitoring but condition relatively stable.
- Need for parenteral fluid therapy including via umbilical arterial catheter.
- Short term assisted ventilation, to maintain the infant until transport team arrives.
- Convalescing babies following acute problems.
- Post minor surgery for at least the first 24 hours.
- Transient problems requiring observation i.e. some babies of drug addicted mothers.
- Dying babies if parents do not wish baby with mother.

5.5.3 Level 1 Care (Normal Care) applies to the care of the normal term baby. Some stable term babies will need some attention or intervention such as phototherapy or antibiotics. Neither of these require admission to special care nursery.

6. Reporting

Program Reporting

All providers of neonatal care will be responsible for collating and forwarding activity reports as specified in the following:

- the Memorandum of Understanding between the public sector provider and the Health Department of Western Australia, or
- the contractual agreement between the Health Department of Western Australia and the private sector provider.

Providers who are receiving program payments according to some negotiated arrangements, ie. those hospitals with accredited Special Care Nurseries and NICUs, will be required to report on program activity to the Purchaser on a quarterly basis. This will enable the Purchaser to monitor performance and will facilitate statewide program development. The reporting details will be negotiated in 1998/99 between providers and purchasers.

All provider reporting will be in line with the following HDWA Technical Bulletins (or any revisions as they are published from time to time):

Technical Bulletin 14/1 - Neonatal Care Information Reporting

Providers are advised to refer to the following Technical Bulletin for information regarding auditing:

Technical Bulletin 12/1 - Auditing of HMDS Clinical Information and Selected Demographic Data Items

The HDWA will be responsible for analysing activity reports and reconciling activity and funding allocation through the Budget Refinement policy mechanisms and contractual arrangements.