

Chapter 6

Implementation of Case Costing with Ontario Case Costing Initiative (OCCI)

Thuy Thi Thanh Hoang
York University, Canada

ABSTRACT

Over the past decade there has been a tremendous spread of computerized systems in hospitals. The advancement provided an opportunity for hospitals to gain access to computerized clinical, financial, and statistical data. Case costing information is the integration of clinical, financial, and statistical data to provide costing information at the patient level. Ontario Case Costing Initiative (OCCI) is an undertaking of the Ontario Ministry of Health and Long-Term Care (MOHLTC). This chapter focuses on the implementation of case costing using OCCI as a guideline for a hospital. It addresses the process of implementation by discussing proposals for planning, implementing, transitioning, and evaluation of case costing. The adoption of the OCCI allows health care professionals to analyze integrated health information and further enables evidence-based decision making.

INTRODUCTION

Over the past decade, there has been a tremendous spread of computerized systems in hospitals. The advancement provided an opportunity for hospitals to gain access to computerized clinical, financial, and statistical data.

Clinical data sources include all the medical data such as patient records, laboratory results and others which are needed for health service delivery to the patients (Mettler & Vimarlund,

2009). Administrative data sources contain all the business data, which includes statistical data, and financial data, which are required for running the organization (Mettler et al, 2009). The integration of clinical, financial and statistical data provides the opportunity for hospitals to present case costing information at the patient level. Ontario Case Costing Initiative (OCCI) is an undertaking of the Ontario Ministry of Health and Long-Term Care (MOHLTC). The primary goals of the OCCI are the collection of case costing data in support of improved management decision making and the development of hospital funding methodologies (OCCI, 2012).

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As the health care system evolves, health care providers are finding themselves under increasing levels of financial risk for effective patient management, while at the same time being held more accountable for demonstrating their ability to provide and document appropriate cost-effective high quality care (Rosenstein, 1999). In order to accomplish this objective, providers have taken dramatic steps in collaborating informatic information applications to allocate patient specific case costing data to identify opportunities to improve patient outcomes. The successful implementation of the OCCI necessitates appropriate people with committed resources, information access, and technical support.

This chapter will focus on the implementation of case costing using OCCI as a guideline for a hospital. The objective of this chapter is to address the process of implementation by discussing proposals for planning, implementing, transitioning, and evaluation of case costing. The adoption of the OCCI will allow health care professionals to analyze integrated health information and will further enable evidence-based decision-making.

BACKGROUND

Case Costing and the Ontario Case Costing Initiative (OCCI)

According to Andru and Botchkarev (2008) a Case is an “instant of a disease that led to the individual’s inpatient stay, which has been registered by the health service organization, reported to the Canadian Institute for Health Information (CIHI) Discharge Abstract Database (DAD), database and eventually has a corresponding record with all appropriate attributes in the Provincial Health Planning Database (PHPDB).” Case Cost is “expenditures (direct and indirect) incurred by the health service facility relating to the treatment of a specific patient-level case...the Case Cost

dollar value of a specific case is always an approximation of the ‘real-life’ hospital expenses” (Andru et al, 2008).

Overall, Case Costing is a “process of allocating expenditures of various hospital departments to each individual Case with an objective to determine the Case Cost. The process is performed according to the OCCI methodology” (Andru et al, 2008). Case costing data can play an important role in making cooperation a success. Gaining access to all available data and using sophisticated analytics to move towards case costing provides the means to achieve new levels of efficiency that can help them control costs and enhance revenue while improving the quality of care being delivered.

The OCCI was created for the collection of case costing data in support of improved management decision-making and the development of weights used in hospital funding methodologies as well as hospital funding methodologies (MOHLTC, 2012). The OCCI is collecting case cost data from hospitals for acute inpatient, day surgery ambulatory care cases and complex continuing care (MOHLTC, 2012). Participating hospitals have implemented a standardized case costing methodology developed by the OCCI and have participated in a series of Milestone Reviews conducted by the OCCI and MOHLTC to ensure the quality of the data.

The standardized case costing methodology contains two sources of data that make up the case cost record. The first is the cost data from the hospitals that has been produced, based on the OCCI costing methodology, and the second is the patient discharge abstract collected by CIHI (MOHLTC, 2012). The discharge abstract contains patient descriptive, demographic and clinical data having components such as patient classification systems (MOHLTC, 2012).

The goal of case costing is to allocate hospital costs to patient visits. The different category type of hospital costs are distributed into patient visits. Collaboratively, the cost, patient descriptive data

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