

ACTION ITEM 5



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**Queensland  
Government**  
Queensland Health

**SUBMISSION TO THE A/SENIOR EXECUTIVE  
DIRECTOR HEALTH SERVICES DIRECTORATE**

**DATE:** 7<sup>th</sup> September 2004

**PREPARED BY:** Col Roberts, Principal Project Officer,  
Surgical Access Service

**Contact No:** 41125

Nerida Millar, Team Leader, Southern Zonal  
Management Unit

**Contact No:** 41862

**CLEARED BY:** Gary Walker, Manager, Surgical Access  
Service

**Contact No:** 40500

**SUBMITTED  
THROUGH:** Linda Dawson, Executive Director,  
Statewide Health and Community Services  
Branch

**Contact No:** 40819

**DEADLINE:** 10<sup>th</sup> September 2004

**File Ref:**

**SUBJECT:** Supplementation of Elective Surgery Funds to maintain activity previously  
purchased under the Elective Surgery Enhancement Initiative.

APPROVED / NOT APPROVED

→ COPY COLO for  
SODHS FILE

COMMENTS

D.G. (Linda)  
I understand Manager. Shw C.H.S has  
discussed this with you. Happy to discuss  
KR 10/10/04

→ BOM  
4 discussion  
on 13/9/04.  
to go to

*Karen Roach*  
KAREN ROACH

A/Senior Executive Director  
Health Services Directorate

10/09 04

→ Finance  
Committee  
for discussion  
re effect on  
OH Budget  
in the  
out years  
Also Rm to prepare

Statewide Health and Community Services Branch  
Executive Director's Office

08 SEP 2004

Document Tracking Number: 13924

## Endorsement by Zonal Managers

This document has been developed in consultation with the Zonal Management Units, and endorsed for approval by the A/Senior Executive Director, Health Services Directorate.

..... Date / / 2004  
Tracey Silvester, A/Zonal Manager, Southern Zone

..... Date / / 2004  
Dan Bergin, Zonal Manager, Central Zone

..... Date / / 2004  
Terry Mehan, Zonal Manager, Northern Zone

## **PURPOSE:**

To gain approval to recurrently supplement

1. The Elective Surgery Enhancement Initiative to allow continuation of the high levels of surgical throughput achieved in 2003/04, without risk to District budget integrity.
2. Structural deficit funding to Districts in line with analysis by Corporate Office Finance department.

## **BACKGROUND:**

During 2003/04 high levels of surgical throughput were achieved through the injection of \$20M in election commitment funding for the period March to June. This was in addition to a further \$10M per annum in Elective Surgery Enhancement Initiative (ESEI) funds, provided non-recurrently from 2001/02 to 2003/04. As well as treating more surgical patients, this funding increase also resulted in substantial reductions in the number of patients classed as "long wait" within urgency categories 1 and 2.

This year, \$25M has been committed for Elective Surgery Increase (ESI). This effectively replaces the \$30M available during 2003/04.

Having increased productivity and reduced long wait percentages, Districts have bid for activity from new election commitment pools based on demonstrated capacity during March – June 2004. These bids have substantially exceeded the funding available. This submission requests supplementation of the funding already committed, to allow the volume of activity purchased through the ESEI program to be maintained during 2004/05, in addition to procedure increases funded as part of the election commitments.

Decisions on the allocation of available funding to Districts will be made on Friday 10<sup>th</sup> September for surgical activity to be performed during 2004/05 at the meeting of Zonal Managers.

## **ISSUES:**

- ESEI funding of \$10M has been provided to Districts over the past 3 financial years. In many instances, districts have recruited permanent clinical staff, commissioned additional theatres, and purchased and maintained additional surgical equipment to sustain throughput at levels consistent with this funding. In effect, Districts have treated ESEI funds as recurrent, in line with the older Elective Surgery Fund (ESF) and Surgical Incentive Fund (SIF) pools.
- During the bid submission process, most Districts have assessed "additional capacity" as that in excess of levels achieved through access to ESEI, ESF and SIF funds. As ESEI has ceased from 1 July 2004, activity bids totalling \$31,183,750 have been submitted for general elective surgery. However in preparing these bids, Districts have assumed a continuation of ESEI funding and associated activity. In effect activity bids totalling \$43.465M under Phase 8 have been received from an available pool of \$25M. Assessment of these bids by the Surgical Access Service in comparison with demonstrated capacity during the March – June 2004 funding period indicate most are achievable.
- ESEI funding was provided at pricing under the "Phase 7" benchmarking model. When converted to Phase 8, a total of 4,952 weighted separations were purchased for \$10M. Funding at the Phase 8 benchmark price of \$2,500 per w/sep would require \$12.38M to sustain the same activity achieved over the previous 3 financial years.
- Without recurrent reprovision of funding for ESEI activity, less elective surgery will be targeted and achieved by Districts this year than during 2003/04. This is likely to result in increased long wait percentages, with theatre sessions decreased to match available funding.

- Finance Branch has identified an additional \$4.498M required for supplementation for Maintenance of Service Levels over and above the \$28.193M already funded. The earlier workings (for \$28.193M) were based on the operating results achieved at the end of March 2004. The last quarter of financial year 2003/04 impacted significantly on the final results due to enhanced activity and other factors leading to an additional requirement of \$4.498M. The attached schedule has detailed workings, which have been submitted for comment to the Zones.
- The additional requirement for supplementation does not consider any reallocation of the original \$28.193M. The analysis would indicate that ups and downs have occurred and the extra \$4.498M could be absorbed by reallocation within the original \$28.193M. However, it is considered that as the allocations have been made it may create budget uncertainty if reallocation was to occur.

#### **BENEFITS AND COSTS:**

Approval of this submission will streamline management of funding for additional surgical activity from 2004/05. Five buckets of surgical funding at differing rates will be consolidated to a single pool of recurrent funds for historical activity (Base, ESF and SIF) and a single pool for new and additional activity at full Phase 8 benchmark rates.

An amount of \$12.38M is required to maintain treatment of the 4,952 weighted separations funded annually through ESEI allocations over the past three financial years, at full Phase 8 benchmark prices.

Finance Branch have calculated an additional \$4.498M is required to offset remaining unfunded structural deficits statewide.

#### **CONSULTATION:**

The following Queensland Health staff have been consulted during the preparation of this submission;

Karen Roach, A/SED Health Services Directorate  
 Terry Mehan, Zonal Manager, Northern Zone  
 Dan Bergin, Zonal Manager, Central Zone  
 Tracey Silvester, A/Zonal Manager, Southern Zone  
 Linda Dawson, Executive Director, Statewide Health and Community Services Branch  
 Nerida Millar, Team Leader, Southern Zonal Management Unit  
 Ajay Doshi, Senior Finance Officer, Southern Zonal Management Unit  
 Gary Walker, Manager, Surgical Access Service  
 Paul Monaghan, Executive Director, Finance Branch

#### **ATTACHMENTS:**

Attachment A – ESEI Activity and Funding @ Phase 8  
 Attachment B - Business Areas – Full Year Result (STATE BASE) 2003-04

**RECOMMENDATION(S):**

It is recommended the A/SED Health Services approves;

1. Recurrent funding of \$12,380,000 from the growth schedule to maintain the level of surgical activity performed over the previous three years from the Elective Surgery Enhancement Initiative.
2. Consolidation of five pools of surgical funding at differing rates to a single pool of recurrent funds for historical activity (Base, ESF and SIF) and a single pool for new and additional activity at full Phase 8 benchmark rates.
3. Recurrent funding of \$4,498,000 from the growth schedule to supplement Districts for remaining unfunded structural deficits.

## Attachment A

## ESEI Activity and Funding @ Phase 8

DISTRICTS	2003/04 ESEI	
	Target W/Seps	Funding @ Ph8
<b>SOUTHERN ZONE</b>		
Gold Coast	346	\$ 865,000
Princess Alexandra	952	\$ 2,380,000
Bayside		\$ -
Logan-Beaudesert	265	\$ 662,500
Mater Adults	289	\$ 722,500
Mater Children's		\$ -
OE2		\$ -
West Moreton	198	\$ 495,000
Toowoomba	212	\$ 530,000
<b>SZ TOTALS</b>	<b>2,262</b>	<b>\$ 5,655,000</b>
<b>CENTRAL ZONE</b>		
Bundaberg		\$ -
Fraser Coast	206	\$ 515,000
Prince Charles	549	\$ 1,372,500
Redcliffe - Caboolture	338	\$ 845,000
Rockhampton		\$ -
RBWH	966	\$ 2,415,000
Royal Children's	78	\$ 195,000
Sunshine Coast		\$ -
<b>CZ TOTALS</b>	<b>2,137</b>	<b>\$ 5,342,500</b>
<b>NORTHERN ZONE</b>		
Cairns	380	\$ 950,000
Townsville		\$ -
Mackay	173	\$ 432,500
<b>NZ TOTALS</b>	<b>553</b>	<b>\$ 1,382,500</b>
<b>STATE TOTAL</b>	<b>4,952</b>	<b>\$ 12,380,000</b>

# **BUSINESS AREAS - Full Year Result (\$'000) (ATE BASE) 2003-04**

Business Area Full Year Result for 30 June 2004						OPERATING RESULT			Reconciliation of Supplementation Provided			
	REPORTED BUDGET RESULT				One Off Debt Assistance Provided In 03/04 5.3-147 & 5.3-414							
Segments:	Base Budget (a)	Base Expense \$'000	Surplus / Deficit \$'000	Base Carryovers from 2002-03 (b)			Base Revenue =(a-b-c)	Base Expense \$'000	Surplus / Deficit \$'000	2003-04 Deficits Only	Supplementation Provided 2004-05 5.3-521 (based on March data)	Additional adjustment required for those in deficit as at 30 June \$'000
Central Zone												
Banana District- 60	7,216	7,457	-241	24			7,192	7,457	-265	-265	75	-190
Bundaberg District- 63	40,975	40,657	318	18			40,957	40,657	300			
Central Highlands District- 66	8,322	8,334	-12	-329			8,651	8,334	317		50	
Central West District- 67	16,962	16,980	-18	124			16,838	16,980	-142	-142		-142
Fraser Coast District- 71	63,242	65,887	-2,645	-2,828	650		65,420	65,887	-467	-467	520	
Gladstone District- 72	18,534	18,542	-8	-451			18,985	18,542	443			
Gympie District- 74	15,107	15,353	-246	-105			15,212	15,353	-141	-141	190	
Northern Burnett District- 81	8,196	8,157	39	45			8,151	8,157	-6	-6		-6
Prince Charles District- 83	167,131	172,126	-4,995	-3,216	200		170,147	172,126	-1,979	-1,979	1,200	-779
Redcliffe/Caboolture District- 86	106,304	115,636	-9,332	-5,579	2,000		109,883	115,636	-5,753	-5,753	5,900	
Rockhampton District- 87	85,835	86,616	-781	-1,694			87,529	86,616	913			
RBH & RWH District- 89	310,718	315,059	-4,341	-22,083	5,500		327,301	315,059	12,242			
Royal Childrens District- 90	77,070	79,078	-2,008	-1,451	100		78,421	79,078	-657	-657	597	-60
Royal Womens District- 91	0	0	0	0			0	0	0			
South Burnett District- 92	18,328	18,142	186	-307			18,635	18,142	493			
Sunshine Coast District- 94	112,008	121,376	-9,368	-5,772	1,000		116,780	121,376	-4,596	-4,596	3,600	-996
Central Zone Total	1,055,948	1,089,400	-33,452	-43,604	9,450		1,080,102	1,089,400	702	-14,006	12,132	-2,173
Northern Zone												
Bowen District- 62	13,950	13,575	375	387			13,563	13,575	-12	-12		-12
Cairns District- 64	106,056	111,417	-5,361	-9,012	5,250		109,818	111,417	-1,599	-1,599	1,546	-53
Cape York District- 65	12,665	13,979	-1,314	-1,112	220		13,557	13,979	-422	-422	186	-236
Charters Towers District- 69	21,848	21,390	458	-580			22,428	21,390	1,038			
Innisfail District- 75	15,722	15,315	407	66			15,656	15,315	341			
Mackay District- 77	56,766	59,656	-2,890	-2,763	500		59,029	59,656	-627	-627	1,446	
Moranbah District- 79	7,063	6,877	186	101			6,962	6,877	85			
Mt Isa District- 80	37,713	41,600	-3,887	-2,785	1,100		39,398	41,600	-2,202	-2,202	2,378	
Tablelands District- 95	22,451	22,157	294	152			22,299	22,157	142			
Torres Strait District- 97	14,569	15,941	-1,372	-2,753	2,171		15,151	15,941	-790	-790	918	
Townsville District- 98	159,435	164,477	-5,042	-15,591	8,990		166,036	164,477	1,559			
Northern Zone Total	468,238	486,384	-18,146	-33,890	18,231		483,897	486,384	-2,487	-5,652	6,474	-301
Southern Zone												
Bayside District- 61	58,390	60,380	-1,990	-1,083	100		59,373	60,380	-1,007	-1,007	1,710	
Charleville District- 68	13,558	13,102	456	42			13,516	13,102	414		39	
Gold Coast District- 73	137,799	142,507	-4,708	-3,559	1,000		140,358	142,507	-2,149	-2,149	2,802	
Logan/Beaudesert District- 76	92,989	93,936	-947	-1,409	100		94,298	93,936	362		708	
Mater Public Hospital Complex	150,642	150,642	0	0			150,642	150,642	0			
Northern Downs District- 82	21,659	21,500	159	93			21,566	21,500	66		93	
Princess Alexandra District- 84	248,930	247,349	1,581	1,412			247,518	247,349	169		1,176	
Queen Elizabeth II District- 85	68,010	65,472	2,538	1,899			66,111	65,472	639			
Roma District- 88	22,409	21,694	715	-395			22,804	21,694	1,110			
Southern Downs District- 93	24,456	24,736	-280	-199			24,655	24,736	-81	-81		-81
Toowoomba District- 96	118,788	123,422	-4,634	-3,202	700		121,290	123,422	-2,132	-2,132	351	-1,781
West Moreton District- 99	120,195	123,583	-3,388	-2,055			122,250	123,583	-1,333	-1,333	1,608	
Southern Zone Total	1,077,825	1,088,323	-10,498	-8,456	1,900		1,084,381	1,088,323	-3,942	-6,702	8,487	-1,862
State Total	2,612,011	2,664,397	-52,386	-85,890	28,581		2,694,383	2,664,397	-2,810	-20,658	27,083	4,338
Central Pharmacy	-14,116	-14,116	0	0			-14,116	-14,116	0			
Corporate Office & Statewide Programs	80,879	80,879	0	0			80,879	80,879	0			
Information Services	34,015	27,652	6,363	5,356			28,659	27,652	1,007		600	
Metro, Linen Services	1,044	749	295	0			1,044	749	295			
Pathology And Scientific Service- 78	29,403	28,117	1,286	-71			29,474	28,117	1,357		500	
Public Health	32,263	31,343	920	10			32,253	31,343	910			
Wide Bay Linen Group - 36	246	396	-150	12			234	396	-162	-162		-162
Statewide Services Total	163,734	155,020	8,714	5,307	0		158,427	155,020	3,407	-162	1,100	-162
Centrally Managed Items	0	0	0	0			0	0	0		0	
Grand Total	2,775,745	2,819,417	-43,672	-57,183	28,581		2,816,607	2,819,417	-2,810	-20,658	28,183	4,498

Finance Note: Torres one-off debt assistance includes \$1.771M for previous years bad debts.

SB020971



**Queensland  
Government**  
Queensland Health

**SUBMISSION TO THE A/SENIOR EXECUTIVE  
DIRECTOR HEALTH SERVICES DIRECTORATE**

**DATE:** 15<sup>th</sup> September 2004

**PREPARED BY:** Col Roberts, Principal Project Officer,  
Surgical Access Service

**Contact No:** 41125

**CLEARED BY:** Gary Walker, Manager, Surgical Access  
Service

**Contact No:** 40500

**SUBMITTED  
THROUGH:** Linda Dawson, Executive Director,  
Statewide Health and Community Services  
Branch

**Contact No:** 40819

**DEADLINE:** 17<sup>th</sup> September 2004

**File Ref:**

**SUBJECT:** Elective Surgery Targets and Funding for 2004/05

APPROVED/ NOT APPROVED

COMMENTS

*Noted  
Sme  
20/9/04*

*Karen Roach*

**KAREN ROACH  
A/Senior Executive Director  
Health Services Directorate**

17/09/04

Statewide Health and Community Services Branch Executive Director's Office
16 SEP 2004
Document Tracking Number: .....13995.....



## Endorsement by Zonal Managers

This document has been developed in consultation with the Zonal Management Units, and endorsed for approval by the A/Senior Executive Director, Health Services Directorate.

✓ *see attached email* Date *16/9/2004*  
Tracey Silvester, A/Zonal Manager, Southern Zone

✓ *see attached email* Date *16/9/2004*  
Graeme Kerridge, A/Zonal Manager, Central Zone

..... Date / / 2004  
Terry Mehan, Zonal Manager, Northern Zone

*ZM not available - Tom Farrell NZMU  
supports content*

*Samson*  
*ED SH+CSB*  
*16/9/04*

## **PURPOSE:**

To gain approval for

1. District elective surgery targets associated with the recurrent funding replacing the previous Elective Surgery Enhancement Initiative
2. Consolidation of recurrent elective surgery budget items into a single "Elective Surgery Program"
3. District elective surgery targets and funding from the election commitments (Elective Surgery Increase, Cataract Surgery, Joint Replacement)
4. Elective Surgery Program recurrent activity targets

## **BACKGROUND:**

During the past two months, negotiations have occurred between the Zonal Management Units and districts on available surgical capacity, and the level of activity achievable from elective surgery funds during 2004/05.

On Friday 10<sup>th</sup> September the Zonal Managers met to endorse proposed activity and funding allocations and the methodology used to establish the level of activity to be performed from recurrent funds, prior to payment for additional activity from election commitments.

On Wednesday 15<sup>th</sup> September, the Director-General approved \$12.38M in recurrent funding to continue activity previously performed from the Elective Surgery Enhancement Initiative. This activity will be funded at full Phase 8 benchmark prices.

This submission formalises the agreements made, and seeks approval to release funds and notify districts of agreed targets.

It also establishes clear funding principles which segregate existing elective surgery throughput from new activity to be performed from new election commitments.

## **ISSUES:**

### **Allocation of new recurrent funding to replace ESEI**

- New recurrent funding approved for continuation of ESEI targets has been allocated (as per Attachment A) on the basis of activity actually achieved during 2003/04, at the rate of \$2,500 per weighted separation (Phase 8). This ensures that districts that have demonstrated the ability to meet or exceed ESEI targets are funded to maintain surgical throughput, whereas those not able to achieve targets are funded at a level commensurate with their demonstrated capacity.
- As not all districts achieved allocated ESEI targets last year, an amount of recurrent funding remains available for distribution. Based on interim Data Services Unit morbidity extracts, up to \$2.17M may remain unallocated. Northern Zone have requested transfer of election commitment activity bids from Cairns and Mackay to Townsville recurrently, reducing the unspent funds to approximately \$1.22M. However until finalised data is received (around October) the exact amount will not be known.

### **Consolidation of Recurrent Activity within a single "Elective Surgery Program"**

- With structural deficits recurrently funded at the end of last financial year, funding and activity from older pools can now be effectively combined with elective surgery performed from operating budget (previously referred to as "Base") into a single funding entity. This proposal was approved within an earlier recurrent funding submission. By further supplementing this with continued ESEI funding, all activity recurrently performed by Districts over the last three years will be clearly demarcated from additional work to be funded from election commitments.

In future, the term "Elective Surgery Program" (ESP) will be used for simplicity when referring to these combined funds.

- Funding for activity performed under the Elective Surgery Program will be recurrently funded directly to participating districts. This will eliminate budgetary uncertainty for districts solely reliant upon these funds to meet elective surgery targets.

#### **2004/05 Election Commitments**

- Activity bids by the districts exceeded the level of funding available from each of the three election commitment pools. An equitable solution was adopted to proportionally reduce these bids to match the available funds. Attachment B sets out endorsed activity targets and funding for each district from the Elective Surgery Increase (ESI), Cataract Surgery (CS) and Joint Replacement (JR) commitments.
- An amount of \$300,000 per annum has been quarantined from the Cataract Surgery pool to fund ophthalmology registrar positions at Townsville and RBWH.
- Six districts will contract private facilities to perform cataract surgery and/or joint replacement for public patients. The activity targets for these cases will be dependent upon individual contractual arrangements, however the total funding requested is moderate, at \$1,355,274.
- To clearly distinguish Cataract Surgery and Joint Replacement funded from the existing Elective Surgery Program, and additional activity claimable from election commitments, base targets for each type of procedure have been identified for 2003/04. The methodology used is described in Attachment C, together with the derived ESP base targets. These targets have been calculated from interim DSU data extracted on 15<sup>th</sup> August. On receipt of final morbidity data, they will be adjusted to match actual 2003/04 activity.

#### **Zonal target management**

- The Zonal Managers have endorsed management of elective surgery funding and activity at a district and Zonal level. This will allow reallocation of targets from one district to another, or from the public to private sectors within each Zone, as required to meet Zonal target commitments.

#### **BENEFITS AND COSTS:**

Approval of this submission will streamline management of funding for additional surgical activity from 2004/05. Only two funding sources will remain; \$83.739M provided recurrently through the Elective Surgery Program, and a total of \$32.2M in 2004/05 provided for additional activity from the Elective Surgery Increase, Cataract Surgery, and Joint Replacement election commitments. Attachment D shows proposed 2004/05 elective surgery funding and targets by district.

#### **CONSULTATION:**

The following Queensland Health staff have been consulted during the preparation of this submission;

Karen Roach, A/SED Health Services Directorate  
Terry Mehan, Zonal Manager, Northern Zone  
Graeme Kerridge, A/Zonal Manager, Central Zone  
Tracey Silvester, A/Zonal Manager, Southern Zone  
Linda Dawson, Executive Director, Statewide Health and Community Services Branch  
Nerida Millar, Team Leader, Southern Zonal Management Unit  
Quentin Clarke, Project Officer, Central Zonal Management Unit  
Toni Barrell, Clinical Information, Northern Zonal Management Unit

**ATTACHMENTS:**

Attachment A – Proposed Allocations from New Recurrent Funds  
Attachment B – Proposed Allocations from Election Commitments  
Attachment C – Elective Surgery Program Base Targets and Methodology  
Attachment D – Target and Funding Summary by District

**RECOMMENDATION(S):**

It is recommended the A/SED Health Services approves;

1. District elective surgery targets and recurrent funding from the new \$12.38M pool as per Attachment A.
2. Consolidation of recurrent elective surgery budget items into a single "Elective Surgery Program".
3. District elective surgery targets and funding from the election commitments (Elective Surgery Increase, Cataract Surgery, Joint Replacement) as per Attachment B totalling \$32.2M.
4. Elective Surgery Program recurrent activity targets as shown in Attachment D.

# Attachment A

## Proposed Allocations from New Recurrent Funds - Replacement of ESEI

(WHEN CODING)  
FUNDING YET  
TO BE PROVIDED

Zone	Hospital	Funding Allocated			Payments Made (1)			Proposal @ Phase 8	
		2001/02	2002/03	2003/04	2001/02	2002/03	2003/04 (3)	Achieved 03/04 w/seps (2)	Recurrent Funding
Central	Caboolture	200,000	200,000	670,000	200,000	200,000	670,000	172	\$ 430,000
	Hervey Bay	-	-	200,000	-	-	123,326	12	\$ 30,000
	Maryborough	-	-	200,000	-	-	123,800	102	\$ 255,000
	Nambour	600,000	600,000	-	368,000	288,937	-	-	\$ -
	Redcliffe	470,000	470,000	-	388,826	-	-	-	\$ -
	Royal Brisbane	2,000,000	2,000,000	2,000,000	1,087,500	2,000,000	619,000	966	\$ 2,415,000
	Royal Childrens	-	-	200,000	-	-	93,260	78	\$ 195,000
	The Prince Charles	1,100,000	1,100,000	1,100,000	608,000	1,100,000	163,825	-	\$ -
<b>Central Zone Total</b>		<b>4,370,000</b>	<b>4,370,000</b>	<b>4,370,000</b>	<b>2,652,326</b>	<b>3,588,937</b>	<b>1,793,211</b>	<b>1,330</b>	<b>\$ 3,325,000</b>
Northern	Cairns	750,000	750,000	750,000	750,000	722,890	477,356	380	\$ 950,000
	Mackay	550,000	550,000	330,000	162,903	288,282	218,684	173	\$ 432,500
	Townsville (4)	-	-	-	-	-	-	379	\$ 947,500
<b>Northern Zone Total</b>		<b>1,300,000</b>	<b>1,300,000</b>	<b>1,080,000</b>	<b>912,903</b>	<b>1,011,172</b>	<b>696,040</b>	<b>932</b>	<b>\$ 2,330,000</b>
Southern	Gold Coast	650,000	650,000	700,000	372,654	-	700,000	346	\$ 865,000
	Ipswich	165,000	215,000	375,000	165,000	215,000	375,000	198	\$ 495,000
	Logan	365,000	365,000	500,000	365,000	365,000	500,000	265	\$ 662,500
	Mater Adult	575,000	575,000	575,000	575,000	353,070	370,014	289	\$ 722,500
	Princess Alexandra	1,590,000	1,940,000	2,000,000	1,590,000	1,940,000	1,124,290	952	\$ 2,380,000
	Queen Elizabeth II	985,000	335,000	-	379,000	214,648	-	-	\$ -
	Toowoomba	-	250,000	400,000	-	250,000	132,075	151	\$ 377,500
	<b>Southern Zone Total</b>	<b>4,330,000</b>	<b>4,330,000</b>	<b>4,550,000</b>	<b>3,446,654</b>	<b>3,337,718</b>	<b>3,201,379</b>	<b>2,201</b>	<b>\$ 5,502,500</b>
<b>Statewide Totals</b>		<b>10,000,000</b>	<b>10,000,000</b>	<b>10,000,000</b>	<b>7,011,883</b>	<b>7,937,827</b>	<b>5,690,630</b>	<b>4,463</b>	<b>\$ 11,157,500</b>
<b>Funding Approved</b>									<b>\$ 12,380,000</b>
<b>Not yet allocated</b>									<b>\$ 1,222,500</b>

### Notes:

- (1) Activity achieved is funded at either Phase 7 if long wait benchmarks are achieved for all four reporting quarters, or a combination of phase 7 and/or Phase 5 if benchmarks are not met for at least one reporting quarter.
- (2) Activity achieved has been extracted from Interim Data Services Unit morbidity data as at 15th August 2004. All hospitals listed had submitted final June data by this date, however DSU will not finalise this collection until approximately October.
- (3) Payments made were based on full year activity projections supplied by Districts on 1 June Surgery Snapshots. In many cases these projections proved inaccurate when compared with the Interim morbidity data, with a tendency towards over-estimation of activity by Districts.
- (4) Townsville activity reallocated from ESI activity previously assigned to Cairns and Mackay. Agreed zonal allocations of activity and funding have been preserved.

# Attachment B

## Proposed Allocations from 2004/05 Election Commitment Funding

Factored Activity Bids to Match Available Funding							
DISTRICTS	Elective Surgery Increase		Joint Replacements		Cataracts		Total Funding Allocation by District
	Wt Seps	\$	Wt Seps	\$	Wt Seps	\$	
Southern Zone							
Bayside	213	\$ 531,511	128	\$ 320,405			\$ 851,916
Gold Coast	1,222	\$ 3,054,079	112	\$ 281,057	67	\$ 167,446	\$ 3,502,582
Logan-Beaudesert	498	\$ 1,244,411	185	\$ 463,744			\$ 1,708,154
Mater Adults	247	\$ 617,987	200	\$ 498,876	61	\$ 152,376	\$ 1,269,239
Princess Alexandra	1,737	\$ 4,342,782			145	\$ 363,358	\$ 4,706,141
QE2	30	\$ 73,821	126	\$ 314,784			\$ 388,605
West Moreton	148	\$ 369,105	84	\$ 210,793		\$ 251,169	\$ 831,067
SZ TOTALS	4,093	\$ 10,233,696	836	\$ 2,089,657	273	\$ 934,350	\$ 13,257,703
Central Zone							
Bundaberg	139	\$ 348,013	147	\$ 366,779			\$ 714,792
Fraser Coast	0	\$ -				\$ 251,169	\$ 251,169
Prince Charles	1,567	\$ 3,916,730	210	\$ 525,576			\$ 4,442,306
Redcliffe - Caboolture	335	\$ 837,341				\$ 251,169	\$ 1,088,510
Rockhampton	0	\$ -				\$ 83,723	\$ 83,723
RBWH	1,427	\$ 3,568,717	62	\$ 155,987	76	\$ 188,972	\$ 3,913,675
Royal Children's	165	\$ 413,397					\$ 413,397
Sunshine Coast	391	\$ 978,655	292	\$ 730,748			\$ 1,709,403
CZ TOTALS	4,025	\$ 10,062,853	712	\$ 1,779,089	76	\$ 775,033	\$ 12,616,976
Northern Zone							
Cairns	62	\$ 156,079	155	\$ 386,453		\$ 167,446	\$ 709,978
Mackay	271	\$ 677,044	238	\$ 595,138	49	\$ 122,236	\$ 1,394,417
Townsville	1,548	\$ 3,870,328		\$ 149,663		\$ 200,935	\$ 4,220,926
NZ TOTALS	1,881	\$ 4,703,451	393	\$ 1,131,254	49	\$ 490,617	\$ 6,325,321
TOTAL Bids							
Commitment Funds	10,000	\$ 25,000,000	1,940	\$ 5,000,000	398	\$ 2,200,000	\$ 32,200,000
Variance		\$ 25,000,000		\$ 5,000,000		\$ 2,200,000	\$ 32,200,000
		\$ -		\$ -		\$ -	\$ -
Factor Applied		84.4%		56.2%		67.0%	77.0%

### Notes:

Initial activity bids have been reduced to match available funding at full Phase 8 rates, based on total bids received from all Zones.

Yellow highlighting indicates the district will fully or substantially contract specialist activity to private facilities.

No cardiology or other non-surgical activity is included.

Activity initially allocated to Cairns and Mackay has been transferred to Townsville, through a recurrent ESEI replacement allocation shown in Attachment B. Total Northern Zonal funding has been maintained.

Funding for two ophthalmology registrar positions (\$300,000) has been quarantined from the remainder of cataract surgery commitments.

# Attachment C

## Elective Surgery Program Proposed Interim Base Targets

		2003/04 Targets			03/04 ESEI Actual Activity	Proposed 2004/05 BASE Targets			
District	Surgery Type	Base w/seps	ESF w/seps	SIF w/seps		General Elective Surgery Base	Cataract Surgery Base	Joint Replacement Base	Elective Surgery Program Base
Southern Zone									
Bayside	Elective	1,698	0	0	0	1,698	0	0	1,698
	Emergency	473	0	0	0	473	0	0	473
	Other	134	0	0	0	134	0	0	134
Gold Coast	Elective	4,771	8,501	383	420	8,042	44	952	9,038
	Emergency	6,780	0	0	0	6,355	0	425	6,780
	Other	2,191	0	0	0	2,173	1	17	2,191
Logan-Beaudesert	Elective	2,088	762	537	265	3,254	0	398	3,652
	Emergency	3,308	0	0	0	3,211	0	97	3,308
	Other	1,280	0	0	0	1,268	0	12	1,280
Mater Adult	Elective	3,168	658	1,484	289	4,378	376	845	5,599
	Emergency	2,766	0	0	0	2,598	0	168	2,766
	Other	440	0	0	0	428	1	11	440
Princess Alexandra	Elective	15,346	4,182	2,807	952	22,197	714	375	23,287
	Emergency	14,483	0	0	0	14,110	0	373	14,483
	Other	2,428	0	0	0	2,415	1	12	2,428
Queen Elizabeth II	Elective	4,877	0	1,591	0	3,703	105	2,660	6,468
	Emergency	1,229	0	0	0	1,113	0	116	1,229
	Other	75	0	0	0	75	0	0	75
West Moreton	Elective	1,257	2,771	851	198	4,458	112	507	5,077
	Emergency	3,163	0	0	0	2,908	0	255	3,163
	Other	1,464	0	0	0	1,339	6	119	1,464
Central Zone									
Bundaberg	Elective	1,141	742	419	0	2,118	0	184	2,302
	Emergency	1,189	0	0	0	1,057	0	132	1,189
	Other	376	0	0	0	376	0	0	376
Fraser Coast	Elective	2,035	433	516	114	2,514	73	511	3,098
	Emergency	1,200	0	0	0	1,065	2	133	1,200
	Other	528	0	0	0	502	0	26	528
Prince Charles	Elective	12,822	3,057	2,280	0	15,246	0	2,913	18,159
	Emergency	2,195	0	0	0	2,126	0	69	2,195
	Other	3,550	0	0	0	3,536	0	14	3,550
Redcliffe-Caboolture	Elective	984	3,989	866	172	5,341	0	670	6,011
	Emergency	3,370	0	0	0	3,056	0	314	3,370
	Other	1,129	0	0	0	1,126	0	3	1,129
Rockhampton	Elective	1,233	1,201	212	0	1,978	160	508	2,646
	Emergency	2,696	0	0	0	2,533	0	163	2,696
	Other	574	0	0	0	567	0	7	574
RBWH	Elective	13,079	5,831	0	966	18,716	289	871	19,876
	Emergency	16,168	0	0	0	15,543	2	623	16,168
	Other	2,990	0	0	0	2,990	0	0	2,990
Royal Children's	Elective	2,962	474	92	78	3,606	0	0	3,606
	Emergency	3,069	0	0	0	3,069	0	0	3,069
	Other	1,186	0	0	0	1,186	0	0	1,186
Sunshine Coast	Elective	1,689	3,807	579	0	5,070	20	985	6,076
	Emergency	5,301	0	0	0	4,948	0	353	5,301
	Other	972	0	0	0	972	0	0	972
Northern Zone									
Cairns	Elective	1,229	2,844	605	380	4,166	224	668	5,058
	Emergency	5,008	0	0	0	4,836	1	172	5,008
	Other	822	0	0	0	822	0	0	822
Mackay	Elective	412	1,355	353	173	1,660	104	529	2,293
	Emergency	1,582	0	0	0	1,462	0	120	1,582
	Other	533	0	0	0	525	0	8	533
Townsville	Elective	3,999	4,107	2,277	0	9,967	304	491	10,762
	Emergency	7,363	0	0	0	7,148	0	215	7,363
	Other	2,085	0	0	0	2,056	0	29	2,085

### Methodology used in Base calculations

To identify the Cataract Surgery and Joint Replacement components of recurrently funded activity the following methodology was adopted:

Total weighted separations from ARDRGs C08Z (Major Lens Procedures) and I03A to I05Z (Hip, Knee and Other Major Joint Replacements, Revisions, and Re-attachments) were extracted from the interim DSU dataset on 16 August 2004. By this time, all hospitals except Thursday Island and Welpa had submitted June 2004 HQI morbidity extracts. However, these interim targets will need to be reviewed following finalisation of DSU morbidity data, due by October.

From these totals, non-recurrently funded activity was identified and excluded. This included Ophthalmology and Orthopaedic w/seps contracted from the \$20M election commitment funds, and residual rollover funded ophthalmology at RBWH and GCH.

Next the proportion of weighted separations represented by the non-recurrent 1 February Surplus funding was identified. ie.

- All remaining activity from the \$20M was removed, as none of this except that previously identified related to CS or JR.
- The percentage of the remaining total w/seps achieved in 2003/04 was identified for the non-specified pools of Base, ESF, SIF, ESEI, 1 Feb Surplus, and 30 June Surplus.

c) The numbers of Cataract Surgery and Joint Replacement w/seps achieved (but not specifically funded) were then apportioned among the general pools based on this percentage figure.

d) The volumes for Base, ESF, SIF, ESEI, and 30 June surplus were then combined to the Cataract Surgery and Joint Replacement columns above.

30 June Surplus figures were included with recurrent items, as structural deficits for all Districts were identified, and recurrently funded from 30 June 2004 onwards.

# Attachment D

## District Summary of Elective Surgery and Funding 04-05

DISTRICTS	Elective Surgery Program		Election Commitments		Private Facilities		Total Funding Allocation by District
	Wt Seps	\$	Wt Seps	\$	Wt Seps	\$	

### Southern Zone

Bayside	1,698	\$ -	341	\$ 851,916			\$ 851,916
Gold Coast	9,038	\$ 4,688,760	1,401	\$ 3,502,582			\$ 8,191,342
Logan-Beaudesert	3,652	\$ 2,002,642	683	\$ 1,708,154			\$ 3,710,796
Mater Adults	5,599	\$ 3,622,500	508	\$ 1,269,239			\$ 4,891,739
Mater Children's	2,950	\$ 801,321	0	\$ -			
Mater Mother's	1,341	\$ -	0	\$ -			
Northern Downs	86	\$ 124,000	0	\$ -			
Princess Alexandra	23,287	\$ 10,633,460	1,882	\$ 4,706,141			\$ 15,339,601
QE2	6,468	\$ 1,900,000	155	\$ 388,605			\$ 2,288,605
Southern Downs	217	\$ 200,000	0	\$ -			
Toowoomba	5,487	\$ 3,405,192	0	\$ -			
West Moreton	5,077	\$ 4,431,841	232	\$ 579,897		\$ 251,169	\$ 5,262,908
<b>SZ TOTALS</b>	<b>64,900</b>	<b>\$ 31,809,716</b>	<b>5,203</b>	<b>\$ 13,006,534</b>	<b>0</b>	<b>\$ 251,169</b>	<b>\$ 40,536,906</b>

### Central Zone

Bundaberg	2,302	\$ 1,301,701	286	\$ 714,792			\$ 2,016,493
Central Highlands	159	\$ 15,000	0	\$ -			
Fraser Coast	3,098	\$ 1,423,000	0	\$ -		\$ 251,169	\$ 1,674,169
Gladstone	369	\$ -	0	\$ -			
Gympie	433	\$ 292,140	0	\$ -			
Prince Charles	18,159	\$ 6,675,278	1,777	\$ 4,442,306			\$ 11,117,584
Redcliffe - Caboolture	6,011	\$ 6,222,739	335	\$ 837,341		\$ 251,169	\$ 7,311,249
Rockhampton	2,646	\$ 1,866,344	0	\$ -		\$ 83,723	\$ 1,950,067
RBWH	19,876	\$ 6,824,204	1,566	\$ 3,913,675			\$ 10,737,879
Royal Children's	3,606	\$ 792,345	165	\$ 413,397			\$ 1,205,742
South Burnett	136	\$ 120,000	0	\$ -			
Sunshine Coast	6,076	\$ 5,002,386	684	\$ 1,709,403			\$ 6,711,789
<b>CZ TOTALS</b>	<b>62,871</b>	<b>\$ 30,535,137</b>	<b>4,813</b>	<b>\$ 12,030,914</b>	<b>0</b>	<b>\$ 586,062</b>	<b>\$ 43,152,113</b>

### Northern Zone

Bowen	136	\$ 38,330	0	\$ -			
Cairns	5,058	\$ 5,318,831	217	\$ 542,532		\$ 167,446	\$ 6,028,809
Cape York	33	\$ 43,000	0	\$ -			
Innisfail	178	\$ 283,000	0	\$ -			
Mackay	2,293	\$ 2,565,010	558	\$ 1,394,417			\$ 3,959,427
Mount Isa	753	\$ 329,700	0	\$ -			
Tablelands	379	\$ 321,600	0	\$ -			
Torres	151	\$ 127,000	0	\$ -			
Townsville	10,762	\$ 8,775,247	1,548	\$ 3,870,328		\$ 350,598	\$ 12,996,173
<b>NZ TOTALS</b>	<b>19,743</b>	<b>\$ 17,801,718</b>	<b>2,323</b>	<b>\$ 5,807,277</b>	<b>0</b>	<b>\$ 518,044</b>	<b>\$ 22,984,409</b>

<b>Statewide Totals</b>	<b>147,514</b>	<b>\$ 80,146,571</b>	<b>12,338</b>	<b>\$ 30,844,725</b>	<b>0</b>	<b>\$ 1,355,275</b>	<b>\$ 112,346,571</b>
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**Linda Dawson - Re: Fwd: 2004/05 Elective Surgery Targets and Funding Submission (draft)**

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**From:** Graeme Kerridge  
**To:** Linda Dawson  
**Date:** 16/09/2004 9:32 AM  
**Subject:** Re: Fwd: 2004/05 Elective Surgery Targets and Funding Submission (draft)  
**CC:** Quentin Clarke

---

Linda

This looks fine. We are keen for the process around contracting cataracts to be finalised asap so that that activity can get underway quickly.

Graeme Kerridge  
Manager  
Central Zone Management Unit  
Queensland Health  
Phone: 07-323 40937  
Fax: 07-323 54384  
email: [graeme\\_kerridge@health.qld.gov.au](mailto:graeme_kerridge@health.qld.gov.au)

**Linda Dawson - Re: Fwd: 2004/05 Elective Surgery Targets and Funding Submission (draft)**

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**From:** Tracey Silvester  
**To:** Graeme Kerridge; Linda Dawson; Terry Mehan  
**Date:** 16/09/2004 9:18 AM  
**Subject:** Re: Fwd: 2004/05 Elective Surgery Targets and Funding Submission (draft)

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Hi Linda

I have reviewed the docs and from SZ perspective I am happy with the proposal. I have also spoken to SAS re the issues I discussed with you and the need to do some further work regarding base targets for Districts that managed to balance their budgets (PAH particularly), work on overall targets into the next financial year (particularly where emergency surgery is increasing) and the fact that the \$25m reduces to \$16m next year and the implications of that. Nerida is back from leave in the week of the 4th of October so I think those discussions are best left till then from our perspective.

Call me if you need other information

Tracey

>>> Linda Dawson 09/15/04 05:57pm >>>

Good evening Terry, Graeme and Tracey

I am forwarding for your endorsement the sub to the SED-HS which will take the Elective Surgery to its new "place in the sun."

The sub does 4 things:

1. allocates the old ESEI as you agreed on Friday
2. allocates the election commitments funding as you agreed on Friday
3. creates one bucket of base now to be called ELECTIVE SURGERY PROGRAM from 4 past buckets (There may be some tweaking required here but we can do that when the data services unit has final figures in Oct and Nerida is back from leave)
4. Over all picture of elective surgery funding for the State of Queensland for 04/05.

I am keen to get your endorsement so that I can progress this Sub while Karen is still SED HS as she has an intimate understanding of our past discussions and it won't be held up.

Please email me your endorsement or ring me with any questions.

Your obedient servant

Linda