

15 NOV 2018

Thai Quoc Khanh
fyi-request-8923-607a8549@requests.fyi.org.nz

Ref. H201807150

Dear Thai Quoc Khanh

Response to your request for official information

I refer to your email of 23 October 2018 requesting the following information under the Official Information Act 1982 (the Act):

1. After collating figures on outpatient data, there exist differences between data and report. For example, 2013/14 DHB Hospital Caseload Monitoring Report (summary report in pdf file) provided the "Outpatient discharge volumes (price weighted)" for Auckland DHB were 34,529 (actual) and 35,251(plan). However, based on the data provided in excel file (Outpatient PlanDeliver PU data sheet), by summing the volume of Cumulative-Delivered Volume will get the total actual outpatient volume for Auckland DHB was 535,228 (plan volume was 546,677). Could you please kindly explain me the reasons for gaps in data provided and which data are should be used to make comparison among the DHBs.

2. In the Schedule 3, DHBs pay for outsourced services. As far as I know, this might be the money paid for other providers (private sector) to provide certain services. I just wonder whether the volumes of the outsourced services have been included in the Caseload Monitoring Report. If possible, could you please help me to disentangle my concerns? In case the outsourced volumes have not been incorporated, please provide me sources of these data at each DHB from 2012 to 2017.

3. In the Schedule 3: Apart from the main costs (personnel, outsourced services, clinical supplies, and non-clinical supplies) others addition items also presented as complementary information including: depreciation, interest costs-private, interest costs-CHFA, and capital charge. I think these additional items are already incorporated in the operating costs, however the problem is what type of cost these items are classified in (clinical or infrastructures and nonclinical supplies). It would be helpful if you could explain me more on this matter.

I have provided responses to each of your questions under the headings below.

Part 1 of your request

To enable comparison, aggregated outpatient volumes are price weighted to reflect the differences in amount and level of resources needed for outpatient events coded with different purchase units. The volumes presented at purchase unit level do not require this and reflect actual delivery.

The "Outpatient PlanDeliver PU data" provide the volumes at purchase unit level. Volumes provided above purchase unit level are aggregated, i.e. main services and all services, and are price weighted volumes. Therefore, the two types of volumes are not comparable. When

comparing between district health boards (DHBs), a comparison should be made either at purchase unit level or at service summary level.

Part 2 of your request

The costs of outsourced services are not entirely related to DHBs purchasing clinical services from private providers. Outsourced service costs also incorporate outsourced personnel costs (for example, locums and contracted staff) and outsourced corporate and governance services. The volumes related to outsourced clinical services are reported in the Caseload Monitoring Report.

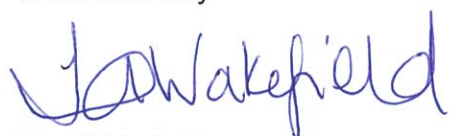
Part 3 of your request

Depreciation, interest costs and capital charge are included in the operating costs. The bulk of the depreciation expense and the capital charge are included in the infrastructure costs. The only depreciation expense not included in infrastructure costs are those in clinical supplies costs which relates to depreciation on clinical equipment. Interest costs are now almost non-existent.

I trust this information fulfils your request.

Please note this response (with your personal details removed) may be published on the Ministry of Health's website.

Yours sincerely



Tina Wakefield
**Acting Deputy Director-General
Corporate Services**