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INTER-DISTRICT FLOW TRANSFERS: HEALTH AND ECONOMIC IMPACTS

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ABSTRACT

As part of the introduction of the New Zealand Public Health and Disabilities Act in 2000, the introduction of the Population Based Funding Formula led to a change in the flow of funds for transfer patients. Prior to the PBFF, for the years 2000-2003, healthcare events were contracted on a fee-for-service basis and thus were borne by the DHB of treatment. From 2003 onwards, the cost of transfer patients followed the transfer back to their DHB of domicile. This study replicates and extends work done by Shin (2013) in assessing the impacts of this change in funding flows on the level of transfer and patient health outcomes. I use OLS and logistic modelling to empirically assess these effects and draw conclusions as to the effectiveness of the policy change and any potential efficiencies that are gained. I find evidence of a focus in the probability of transfers after the change in funding, where the overall probability of transfer decreases and the probability of transfer to tertiary DHBs increases. Additionally, patient outcomes demonstrate a concentration effect whereby after the policy is implemented, the pool of transfers is less diluted by low severity patient transfers and thus displays poorer health outcomes on average for the transfer group. The concentration of health outcomes suggests that the transfer decision is being considered more carefully now that costs are aligned to the DHB of domicile. A novel addition to this research is the analysis of regional DHB pairs. The analysis of five secondary-to-tertiary transfer flows provides insight into the necessity of a decentralised healthcare system in New Zealand and is mostly consistent with the analysis at the national level. Overall, the introduction of Inter-District Flow transfer funding has increased the efficiency of the transfer mechanism and enabled a more streamlined redistribution of funds to tertiary providers. This is an important finding because it reinforces the necessity of the transfer mechanism, specialist providers and local provision in a healthcare system such as New Zealand's.

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Statistics New Zealand Disclaimer

The results in this thesis are not official statistics. They have been created for research purposes from the Integrated Data Infrastructure (IDI), managed by Statistics New Zealand.

The opinions, findings, recommendations, and conclusions expressed in this thesis are those of the author, not Statistics NZ.

Access to the anonymised data used in this study was provided by Statistics NZ under the security and confidentiality provisions of the Statistics Act 1975. Only people authorised by the Statistics Act 1975 are allowed to see data about a particular person, household, business, or organisation, and the results in this thesis have been confidentialised to protect these groups from identification and to keep their data safe.

Careful consideration has been given to the privacy, security, and confidentiality issues associated with using administrative and survey data in the IDI. Further detail can be found in the Privacy impact assessment for the Integrated Data Infrastructure available from www.stats.govt.nz.

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