

Ontario Case Costing Initiative
MILESTONE 3 - REVIEW TOOL

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TABLE OF CONTENTS

	<u>PAGE</u>
A. MILESTONE REVIEW	1
B. OBJECTIVES OF MILESTONE 3 REVIEW	2
C. THE REVIEW APPROACH	3-5
APPENDIX A: Review Methodology	
1. OCCI Methodology Compliance Review	A-2 – A-20
APPENDIX B: Review Forms	B-1 to B-42

A. MILESTONE REVIEW

As part of the management of the participating hospital's contribution to the Ontario Case Costing Initiative (OCCI), Milestone Reviews have been established, each with a set of objectives. The first two Milestones are aimed at ensuring that participating hospitals have implemented and developed their case costing systems and that all required mechanisms are in place to begin case costing. **Milestone 3 is aimed at ensuring that the case costing information produced by the participating hospitals is valid, reliable and ready for incorporation into the OCCI's provincial database.**

The general objectives of the Milestone Reviews are to:

- Educate participating hospitals
- Monitor hospital progress
- Minimize reliability and validity error
- Identify corrective action if required

B. OBJECTIVES OF MILESTONE 3 REVIEW

At the completion of Milestone 2, the hospitals' systems were brought live and began generating test case cost data. The purpose of having test data is to identify and resolve any systematic errors that may arise during the early implementation stages of the hospital systems. This review is aimed at verifying that the hospital case costing systems are generating reliable and valid data by following the OCCI case costing standards outlined in the *Ontario Guide to Case Costing*. The costing system is analyzed to ensure accuracy, consistency and comprehensiveness of data collection for the first three months of data.

The objectives of the Milestone 3 Review are:

- To determine if the Hospitals have complied with the 4 steps to case costing.
 1. Gathering the Appropriate Data
 2. Cost Allocation
 3. Calculation of Unit Costs
 4. Distribution of Costs to Patients
- Identify and resolve issues related to the implementation of the hospitals systems and in the production of data

C. THE REVIEW APPROACH

1. An Overview

The Milestone 3 Review will be conducted in three phases. Figure 1 on the next page provides an overview of the review approach. The review criteria reflect the four steps of the case costing methodology: gather appropriate data, allocate indirect costs, calculate unit costs and distribute costs to patients. The criteria represent essentially the standards against which the hospitals will be assessed as part of the review. The financial practices of the hospitals fall outside the scope of the Review unless they are part of the case costing Standards. During the review, however, a survey of selected financial practices would be done.

The criteria may be assessed at three different times throughout the Milestone 3 Review process:

Phase 1:

During this part of the Review, the Information Management Coordinator will conduct site-visits in which a thorough examination of the data capture, data processing, and data interface components of the hospital's case costing systems will be performed. Appendix A contains the review criteria, review methods, passing standards and hospital requirements associated with Phase 1. The passing standards explain the minimum level of compliance accepted for the criteria. Hospitals will be required to have some specified reports and other documents ready at the time of the review. A main part of the Milestone 3 Review is to investigate the internal system of controls present at each hospital. The Information Management Coordinator would ask the hospitals to provide evidence of audit trails and control checks conducted for the various components of the case costing system.

Appendix B contains the forms that correspond to the review criteria in Appendix A and will be used by the Information Management Coordinator during the site visit. Appendix C contains a list of all the documents, reports and demonstrations required from the hospital.

Phase 2:

This part of the review will focus on the data submitted by the hospitals. Phase 2 will be performed at the OCCI offices. A completed copy of the Data Submission Checklist (Appendix D) including all required documentation is to be submitted with the data. Aspects of the four-step methodology will be investigated by an analysis of this data. Appendix A contains the methods and passing standards to be used in assessing the review criteria during Phase 2.

Phase 3:

Phase 3 of the review is reserved for those hospitals with outstanding issues requiring resolution after Phases 1 and 2. Site-visits may be required as part of the Phase 3 reviews. The resolution of issues identified during Phase 1 and Phase 2 will be confirmed as part of Phase 3.

2. The Review Process

(a) Phase 1

i. Dates and Timeframes

- The Phase 1 Review will require a maximum of 2 days at the hospital.
- Prior to the site visit, the hospitals will be contacted and informed which functional centres have been selected for examination for the various review criteria. The hospitals will then prepare the appropriate reports for the selected functional centres in time for the review.

ii. In Preparation for the Review

- There are two (2) Review Documents to complete. One is attached to this document and is titled "Methodology Compliance Review". The other is titled "Data Compliance Review", and can be found in the Milestone Review section of the OCCI website (www.occp.com). Read the review documents fully. Pay special attention to the "Hospital to Provide" sections in the Review Methodology.
- Contact the OCCI immediately if there are requirements for reports, etc. that the hospital systems are not capable of providing. Alternatives will be arranged.
- Complete all forms, reports etc. that are required by the OCCI before the review and submit to the OCCI by the date specified. See Appendix C for details.
- Prepare hospital systems to produce the reports that are required for the review. The reports should be run when the hospital is provided with the parameters selected by the Information Management Coordinator.

iii. During the Review:

- The Information Management Coordinator will be conducting the review.
- The Information Management Coordinator will require access to the case costing system (through a hospital representative).
- The Information Management Coordinator will not be visiting patient care areas unless circumstances necessitate that.
- The hospital should make available the Case Costing Project Manager and schedule 1-hour appointments with a person from Diagnostic Imaging, Pharmacy, Laboratory, Nursing/workload and Finance.
- The forms that the Information Management Coordinator will use to document the review and its results are included in this package (Appendix B).
- During de-briefing meetings held at the end of the site visit, the Information Management Coordinator will discuss any issues and problems identified during the review with the hospital

representative(s).

- Confidentiality of patients and employees can be maintained by deleting identifiers in the reports.

(b) Phase 2

- The review methods for Phase 2 are found in Appendix A.
- No site visits will be conducted during Phase 2.
- Once in the database, the hospital data will be reviewed using a variety of data analysis techniques. Problems identified during Phase 1 will be investigated further during Phase 2.
- Once Phase 2 is completed, the hospitals will be contacted and informed of the results of the Phase 2 reviews. Hospitals will be required to formally respond to all issues identified. If a Phase 3 review is required, it will be booked at that time.

(c) Phase 3

- A Phase 3 review will be required only if issues identified in Phase 1 and 2 have not been resolved. The methodology will be determined on a hospital specific basis.
- One or half-day site visits may be scheduled and will be aimed at verifying that the issues or problems identified during Phases 1 and 2 have been resolved.

3. Compliance

As part of the review methodology, compliance rates have been used to define passing standards. The compliance rate indicates the extent to which the review criteria have been met. The compliance rate is usually 100% when testing for adherence to OCCI case costing standards. When samples are taken and similar information from different sources is compared, a compliance rate of 95% is set. This is to allow for variations due to timing-related issues and minor non-systematic errors. The objective of the review is to identify systematic errors which produce consistent aberrations in the data.

APPENDIX A
Review Methodology

1. OCCI Methodology Compliance Review

A. The Review Methodology

The information for the Review Methodology is presented in a table where the first column defines the criteria, the second column defines the review method for Phase 1 (this is what will take place during the hospital visit) and the third column defines the review method for Phase 2. Description of the methodologies used in Phase 1 or Phase 2 will explain how the review will be carried out, the reviewing method, tolerance tests (if appropriate) and any requirements of the hospitals (for example provision of documentation).

Forms that will be completed as part of documenting the review results are provided in Appendix B.

CRITERIA	PHASE I	PHASE II
1. Salaries and Benefits		
1.1 Assignment of Labour costs to the functional centre where the employee's corresponding paid hours were worked regardless of home functional centre.	<p>Review Method: Examine procedures for identifying employees who work out of two or more functional centres and prorating and assigning payroll dollars accordingly. Hospital to demonstrate using actual examples of employees.</p> <p>Examine controls to ensure accurate recording of labour costs among functional centres.</p> <p>Passing Standard: Satisfactory demonstration of procedures and controls to ensure compliance with standards.</p> <p><i>Hospital to Provide:</i></p> <ul style="list-style-type: none"> - <i>Documentation of the procedures for identifying employees who work out of two or more functional centres and prorating and assigning payroll dollars accordingly.</i> - <i>Demonstration of procedures using two or more actual examples.</i> - <i>Demonstration of controls to ensure that the standard is met.</i> 	
1.2 Assignment of Benefit costs to the functional centre where the employee's majority of corresponding paid hours are worked (i.e. home functional)	<p>Review Method:</p> <ol style="list-style-type: none"> 1. Examine a sample of four functional centre cost reports and validate the assignment of benefit costs. 2. For the sample of functional centres, verify 	

CRITERIA

PHASE I

PHASE II

that the proportion of benefit costs to total labour costs is between 10% and 20%.

Passing Standard:

1. Benefit costs assigned to all functional centres.
2. Proportion of Benefit costs to total labour costs is 10%-20%.

Hospital to Provide:

- *Detailed cost reports (including benefits) for selected functional centres.*

1.3 Assignment of Physician Salaries and Fee-for-service costs to the appropriate functional centres.

Review Method:

Examine procedures for tracking and assigning physician compensation costs to functional centres. Validate by selecting one Lab and one Imaging functional centre and identifying physician compensation costs.

Passing Standard:

100% compliance

Hospital to Provide:

- *Demonstration of procedures for tracking and assigning physician compensation cost to functional centres.*
- *Detailed cost reports including physician compensation expenses for two functional centres.*
-

CRITERIA	PHASE I	PHASE II
<p>1.4 Distribution of Physician Compensation (salaries or fee-for-service) costs to patients in:</p> <ul style="list-style-type: none"> - Diagnostic Imaging functional centres - Clinical Laboratory (Pathology) functional centres (if applicable) else workload units 	<p>Review Method: Examine procedures to distribute Physician Compensation costs to patients using:</p> <ul style="list-style-type: none"> - RVUs based on the Professional component of the OHIP fee schedule in Diagnostic Imaging centres - Pathologist RVUs in Pathology centres if applicable) else workload units <p>Select five patients who received services/products from each area and validate Physician Compensation cost distribution.</p> <p>Passing Standard: 100% compliance</p> <p>Hospital to Provide:</p> <ul style="list-style-type: none"> - <i>Access to case costing system to review Physician Compensation cost distribution rules..</i> - <i>Documentation and demonstration of procedures to distribute Physician Compensation costs to patients.</i> - <i>Five patient-specific cost reports from cost accounting from each area indicating the Physician Compensation cost component.</i> 	
<p>2. Patient Care Administration and Support</p>		
<p>2.1 Assignment of Depreciation costs to the functional centre where the equipment is being used.</p>	<p>Review Method: Examine departmental and system procedures for depreciating equipment and posting to functional centres.</p> <p>Validate by selecting four high capital cost equipment functional centres (e.g., Diagnostic Imaging and</p>	

CRITERIA

PHASE I

PHASE II

Information Systems). Reconcile depreciation expense with depreciation schedule.

Passing Standard:

Total depreciation cost for selected functional centres equals sum of total depreciation of all items on the depreciation schedule.

Hospital to Provide:

- *Detailed cost reports (including depreciation) for selected functional centres.*

- *Capital equipment profiles and/or for selected functional centres.*

2.2 Assignment of external maintenance costs to the appropriate functional centres.

Review Method:

Examine procedures for tracking and assigning external maintenance costs to receiving functional centres.

Validate by selecting two functional centres and identifying external maintenance costs.

Passing Standard:

100% compliance

Hospital to Provide:

- *Demonstration of procedures for tracking and assigning external maintenance costs to functional centres.*

- *Detailed cost reports including external maintenance expenses for two functional centres.*

CRITERIA	PHASE I	PHASE II
<p>2.3 Assignment of Leasing costs to the appropriate functional centres.</p>	<p>Review Method: Examine mechanisms for tracking and assigning leasing costs to relevant functional centres.</p> <p>Validate by selecting two functional centres and identifying leasing costs.</p> <p>Passing Standard: 100% compliance</p> <p><i>Hospital to Provide:</i></p> <ul style="list-style-type: none"> - <i>Demonstration of procedures for tracking and assigning leasing costs to functional centres.</i> - <i>Detailed cost reports including leasing expenses for two functional centres.</i> 	
<p>3. Case Costing Standards</p>		
<p>3.1 Mapping of G/L expense accounts to the Variable/Fixed cost categories as consistent with OCCI Standards</p> <p>This review criteria applies only to:</p> <ol style="list-style-type: none"> 1. hospitals reporting according to extended data option 1 (fixed/variable) 2. hospitals using bases other than the Standard workload units for cost allocation. 	<p>Review Method: Select two functional centres and examine mapping of G/L variable/fixed accounts to departmental cost categories.</p> <p>Validate by examining the G/L accounts coding in the system.</p> <p>Passing Standard: 100% compliance</p> <p><i>Hospital to Provide:</i></p> <ul style="list-style-type: none"> - <i>Documentation of how G/L accounts are coded into the system.</i> 	

CRITERIA	PHASE I	PHASE II
3.2 OCCI Standard statistics should be used to allocate overhead costs. Approved, hospital-derived statistics may also be used.	<ul style="list-style-type: none">- <i>Report showing the mapping of G/L accounts into the variable and fixed cost categories for selected functional centres.</i>	
	<p>Review Method: Select a sample of ACC's and TCC's and examine allocation statistics comparing against standards. Validate that SEAM has been inputted with the correct statistics.</p>	
	<p>Passing Standard: 100% compliance</p>	
	<p>Hospital to Provide:</p>	
	<ul style="list-style-type: none">- <i>ACC and TCC list of allocation statistics.</i>- <i>SEAM statistics report (or on screen)</i>	
3.3 SEAM must be used to allocate all TCC costs to ACC's.	<p>Review Method: Examine SEAM vendor specifications and verify true SEAM functionality.</p>	
	<p>Validate by:</p> <ol style="list-style-type: none">1. Running standard test data through Hospital SEAM, or2. Running standard test data through Vendor SEAM, or3. Running standard test data through OCCI SEAM.	
	<p>Method to be determined.</p>	
	<p>Passing Standard: 100% compliance</p>	

CRITERIA	PHASE I	PHASE II
<p>3.4 The calculation of both a functional centre indirect unit cost and a functional centre direct unit cost by dividing total direct cost (less patient-specific supplies, drugs, and other non-workload distributed costs) by total patient specific workload and by dividing Total Indirect costs by the total patient-specific workload units.</p>	<p>Hospital to Provide:</p> <ul style="list-style-type: none"> - Input on which the three validation options is doable. Please contact OCCI for further details. <p>Review Method: Select two functional centres from each of the following areas:</p> <ul style="list-style-type: none"> - Nursing (including O.R.) - Laboratory - Diagnostic Imaging - Pharmacy - Allied Health (if applicable) <p>Validate unit costs and service costs by manual recalculation.</p>	
<p>3.5 Consistency of cost units used for cost distribution to patients (Patient Hours or workload units used to calculate unit cost).</p> <p>Accurate and comprehensive distribution of all functional centre costs to patients.</p>	<p>Passing Standard: 100% compliance</p> <p>Hospital to Provide:</p> <ul style="list-style-type: none"> - <i>Explanation of how unit costs or service / intermediate product costs are calculated.</i> - <i>Unit costs or service costs breakdown by functional centre selected.</i> <p>Review Method: Examine total Patient Hours or Workload by inpatient, outpatient, referred-in, non-technical, etc. for a sample of two functional centres from each of:</p> <ul style="list-style-type: none"> - Nursing - Laboratories 	<p>Review Method: The total (direct, indirect, total) costs by functional centre from the patient cost records submitted will be compared to the total (direct, indirect, total) costs by functional centre from</p>

CRITERIA

PHASE I

- Diagnostic Imaging
- Pharmacy
- Allied Health

Verify that Patient Hours or workload used to distribute costs to patients is consistent with Patient Hours or workload used to calculate unit costs. Part of this verification will be done in Phase 2.

Passing Standard:

95% compliance

Hospital to Provide:

Breakdown of total workload for selected functional centres by:

Technical Workload:

- Inpatient
- Outpatient
- Referred-in

Other Workload.

Review Method:

Examine a sample of patient-specific records that include patient-specific supplies over \$250. Verify that total case cost is the sum of supply costs and workload costs.

Passing Standard:

100% compliance

Hospital to Provide:

PHASE II

the G/L for the relevant costing period. For centres with outpatient activity the ratio of inpatient to total workload is used to determine an estimate for total inpatient costs from the G/L for comparison with the total (inpatient) costs from the patient records.

Passing Standard:

95% match between G/L costs and patient record costs.

- 3.6 The assignment of patient-specific supplies over \$250 or greater to the patients in:
- Operating Room
 - Diagnostic Imaging

CRITERIA	PHASE I	PHASE II
4. Intermediate Products and Services	<p><i>- Detailed patient-specific cost records: five from O.R. and five from Imaging, with supplies over \$250.</i></p>	
4.1 The capture of all products/services delivered to the patient from the cost accounting system into the patient-specific cost report	<p>Review Method: Select ten (five inpatient and five day surgery) patient-specific cost records. Compare utilization information by functional centre in cost accounting with that in the patient-specific case cost record.</p> <p>Validate the accurate recording of all products/services provided on the patient's case cost record.</p> <p>Passing Standard: 100% compliance per functional centre</p> <p>Hospital to Provide:</p> <ul style="list-style-type: none"> - Access to case costing system. - Patient-specific case cost records showing detail of products/services received. - Cost Accounting system report showing products/services provided by functional centre by patient for the ten selected patients. 	
4.2 Information on products and services recorded as being delivered at the functional centre level is transferred accurately to the cost accounting system	<p>Review Method: Select five functional centres. Examine functional centre system reports and compare service/products recorded with those recorded in the cost accounting system.</p> <p>Passing Standard: 100% compliance</p>	

CRITERIA	PHASE I	PHASE II
<p>4.3 Accurate assignment of service/product costs to patients for</p> <ul style="list-style-type: none"> - Nursing - Diagnostic Imaging - Pharmacy - Laboratories - Allied Health (if applicable) 	<p>Hospital to Provide:</p> <ul style="list-style-type: none"> - Report from source (functional centre) system identifying type and quantity of services delivered for the period for the selected functional centres. - Analogous report from cost accounting system. <p>Review Method: Select ten (five inpatient and five day surgery) patient-specific case cost reports. Validate service/product costs assigned by comparing to cost accounting system product/service cost information.</p> <p>Passing Standard: 95% compliance by product/service.</p> <p>Hospital to Provide:</p> <ul style="list-style-type: none"> - Detailed patient-specific cost reports. - Access to cost accounting system to obtain product/service cost information. 	<p>Review Method: Calculate average total cost by day (total cost divided by length of stay). Identify the top 1% of cases.</p> <p>Examine cases based on CMG and length of stay. Investigate by examining functional centre distribution.</p>
<p>5. Functional Centre Unit Costs</p>		
<p>5.1 Workload units assigned to all products and services provided by the functional centres.</p> <p>Workload measurement consistent with National WMS where applicable.</p>	<p>Review Method - General Case: Select a sample of functional centres from each patient care area.</p> <p>Select a random sample of products or services and examine service units rule/intermediate product workload profile and compare workload assignment to WMS.</p>	

CRITERIA	PHASE I	PHASE II
<p>5.1 (a) Nursing Units (Inpatient and Episodic)</p> <ul style="list-style-type: none"> - Assignment of nursing workload units to nursing days for all classification system levels (Medicus type or GRASP time category) for all functional centres. 	<p>Passing Standard: 100% compliance</p> <p><i>Hospital to Provide:</i></p> <ul style="list-style-type: none"> - <i>Access to cost accounting system to review functional centre service unit rules or intermediate products workload profiles.</i> <p>Review Method: Select two inpatient and one episodic nursing functional centres and compare system workload unit assignment with nursing workload measurement system dictionary.</p> <p>Passing Standard: 100% compliance</p> <p><i>Hospital to Provide:</i></p> <ul style="list-style-type: none"> - <i>Service unit rules/intermediate product workload profiles for selected functional centres.</i> 	<p>Review Method: Identify all cost records with no nursing costs or \$0 nursing costs.</p> <p>Passing Standard: No systematic non-capture of nursing days by the system.</p>
<p>5.1 (b) Operating Room:</p> <ul style="list-style-type: none"> -Assignment of workload units corresponding to Operating Room nursing time. -Tracking of all patient-specific supplies, assemblies and implants over \$250 that are used on patients. 	<p>Review Method: Compare system workload unit assignment for the O.R. with nursing workload measurement system dictionary (based on O.R. time).</p> <p>Validate \$250 supply tracking by comparing system supply list (through report or on screen) with Materials Management list of supplies used by the O.R. and corresponding prices.</p> <p>Passing Standard:</p>	<p>Review Method: Identify all cost records with no O.R. costs or \$0 nursing costs.</p> <p>Passing Standard: No systematic non-capture of O.R. days by the system.</p>

CRITERIA	PHASE I	PHASE II
<p>5.1 (c) Clinical Laboratory</p> <ul style="list-style-type: none"> - Assignment of laboratory workload units to all tests conducted at all laboratory functional centres as consistent with National WMS. - Tracking of workload and costs incurred for referred out tests. 	<p>100% compliance</p> <p>Hospital to Provide:</p> <ul style="list-style-type: none"> - <i>O.R.. service unit rules/intermediate product workload profiles.</i> - <i>\$250 supply list from O.R. system</i> - <i>\$250 supply list for O.R. from materials management system.</i> <p>Review Method: Select two laboratory functional centres and compare system workload unit assignments to lab tests with workload dictionary and verify that assignment is consistent with National WMS.</p> <p>Examine average costs and workload assigned for a sample of referred out tests for the selected functional centres.</p> <p>Passing Standard: 100% compliance</p>	<p>Review Method: Identify all cost records with \$0 laboratory functional centre direct costs.</p> <p>Passing Standard: No systematic non-capture at laboratory costs.</p>
<p>5.1 (d) Diagnostic Imaging</p> <ul style="list-style-type: none"> - Assignment of workload units to all exams conducted at all Diagnostic Imaging 	<p>Hospital to Provide:</p> <ul style="list-style-type: none"> - <i>Workload unit rules or intermediate product workload profiles for selected functional centres.</i> - <i>List of referred out test costs for selected laboratory functional centres.</i> <p>Review Method: Select 2 Imaging functional centres and compare system workload unit assignments to Imaging exams</p>	<p>Review Method: Identify all cost records with \$0 Diagnostic Imaging functional</p>

CRITERIA	PHASE I	PHASE II
<p>functional centres as consistent with National WMS.</p> <p>- Tracking of all patient-specific supplies over \$250 that are used on patients.</p>	<p>with workload dictionary and verify that assignment is consistent with National WMS.</p> <p>Validate \$250-supply tracking by comparing system supply list (through report or on screen) with Materials Management list of supplies used by Diagnostic Imaging and corresponding prices.</p> <p>Passing Standard: 100% compliance</p> <p><i>Hospital to Provide:</i></p> <ul style="list-style-type: none"> - <i>Workload unit rules or intermediate product workload profiles for selected functional centres.</i> - <i>\$250 supply list report from functional centre system.</i> - <i>\$250 supply list for Diagnostic Imaging from materials management system.</i> 	<p>centre direct costs.</p> <p>Passing Standard: No systematic non-capture at Diagnostic Imaging costs.</p>
<p>5.1 (e) Allied Health (for hospitals costing these services)</p> <p>-Assignment of workload units to all services at all Allied Health functional centres costed by the hospital.</p>	<p>Select a sample of Allied Health functional centres and compare system workload unit assignments to workload dictionary.</p> <p>Passing Standard: 100% compliance</p> <p><i>Hospital to Provide:</i></p> <ul style="list-style-type: none"> - <i>Workload unit rules or intermediate product workload profiles for selected functional centres.</i> 	<p>Review Method: Identify all cost records with \$0 Allied Health functional centre direct costs.</p> <p>Passing Standard: No systematic non-capture at Allied Health costs.</p>

CRITERIA	PHASE I	PHASE II
<p>5.1 (f) Pharmacy</p> <ul style="list-style-type: none"> - Assignment of drug costs (micro-costed or grouped) to all drugs provided to patients. - Assignment of workload units to all drugs provided to patients. 	<p>Review Method: Select a sample of drugs from Pharmacy formulary and cross-check with system drug cost list and workload unit assignment list.</p> <p>Passing Standard: 100% compliance</p> <p>Hospital to Provide:</p> <ul style="list-style-type: none"> - <i>Pharmacy Formulary.</i> - <i>List of drug costs and associated workload.</i> 	<p>Review Method: Identify all cost records with \$0 Pharmacy functional centre direct costs.</p> <p>Passing Standard: No systematic non-capture at Pharmacy costs.</p>
<p>5.2 Total workload is obtained by summing workload units associated with all products/services delivered to patients.</p>	<p>Review Method - General Case: Select a sample of functional centres from each patient care area and compare total workload produced by the cost accounting system for that functional centre with the sum of the constituent product/services workload breakdown.</p> <p>Passing Standard: 95% compliance</p> <p>Hospital to Provide:</p> <ul style="list-style-type: none"> - <i>Cost Accounting report showing type, quantity and associated workload of all products/services delivered for the selected functional centres.</i> - <i>Total workload units by functional centre from the Cost Accounting system.</i> 	
<p>5.2 (a) Nursing Units (Inpatient and Episodic)</p> <ul style="list-style-type: none"> - Accurate calculation of total functional 	<p>Review Method: Select two inpatient and one episodic functional</p>	

CRITERIA

centre workload by aggregating workload associated with patient days (or periods) of stay provided for the period.

PHASE I

centres. From the cost accounting system, obtain a breakdown of the number of days for each category/level of care and associated workload for nursing days of service provided to patients during the period for the selected functional centres. Compare total units obtained with total workload used to calculate unit costs.

Passing Standard:

95% compliance

Hospital to Provide:

- *Cost accounting report showing breakdown by nursing category/level of care, number of days-of-stay and associated workload for the selected functional centres.*
- *Total workload used to calculate unit cost for the selected functional centres.*

Review Method:

From the cost accounting system, obtain a breakdown of the categories of O.R. time and associated workload for all O.R. procedures provided to patients during the period. Compare total units obtained with total O.R. workload used to calculate unit costs.

Passing Standard:

95% compliance

Hospital to Provide:

- *Cost accounting report showing breakdown by time category of O.R. time and associated workload.*

PHASE II

5.2 (b) Operating Room:

- Accurate calculation of total functional centre workload by aggregating workload associated with O.R. time provided for the period.

CRITERIA	PHASE I	PHASE II
<p>5.2 (c) Clinical Laboratory</p> <ul style="list-style-type: none"> - Accurate calculation of total functional centre workload by aggregating workload units associated with lab tests provided to patients for the period. 	<ul style="list-style-type: none"> - <i>Total workload used to calculate unit cost for the O.R.</i> <p>Review Method: Select two functional centres. From the cost accounting system, obtain a breakdown of the quantity and associated workload for all lab tests provided to patients during the period for the selected functional centres. Compare total units obtained with total workload used to calculate unit costs.</p> <p>Passing Standard: 95% compliance</p> <p><i>Hospital to Provide:</i></p> <ul style="list-style-type: none"> - <i>Cost accounting report showing breakdown, by type of lab test, of quantity and associated workload for the selected functional centres.</i> - <i>Total workload used to calculate unit cost for the O.R.</i> 	
<p>5.2 (d) Diagnostic Imaging</p> <ul style="list-style-type: none"> - Accurate calculation of total functional centre workload by aggregating workload units associated with Imaging exams provided to patients for the period. 	<p>Review Method: Select two functional centres. From the cost accounting system, obtain a breakdown of the quantity and associated workload for all Imaging exams provided to patients during the period for the selected functional centres. Compare total units obtained with total workload used to calculate unit costs.</p> <p>Passing Standard: 95% compliance</p> <p><i>Hospital to Provide:</i></p>	

CRITERIA	PHASE I	PHASE II
<p>5.2 (e) Allied Health (for hospitals costing these services)</p> <ul style="list-style-type: none"> - Accurate calculation of total functional centre workload by aggregating workload units associated with all Allied Health services provided to patients for the period. 	<ul style="list-style-type: none"> - <i>Cost accounting report showing breakdown, by type of Imaging exam, of quantity and associated workload for the selected functional centres.</i> - <i>Total workload used to calculate unit cost for the selected functional centres.</i> <p>Review Method: Select two functional centres. From the cost accounting system, obtain a breakdown of the quantity and associated workload for all Allied Health services provided to patients during the period for the selected functional centres. Compare total units obtained with total workload used to calculate unit costs.</p> <p>Passing Standard: 95% compliance</p> <p>Hospital to Provide:</p>	<ul style="list-style-type: none"> - <i>Cost accounting report showing breakdown, by type of service, of quantity and associated workload for the selected functional centres.</i> - <i>Total workload used to calculate unit cost for the selected functional centres.</i> <p>Review Method: From the cost accounting system, obtain a breakdown of the quantity and associated workload for all drugs provided to patients during the period. Compare total units obtained with total workload used to calculate unit costs.</p> <p>Passing Standard: 95% compliance</p>
<p>5.2 (f) Pharmacy</p> <ul style="list-style-type: none"> - Accurate calculation of total Pharmacy workload by aggregating workload units associated with all drugs provided to patients for the period. 	<p>Review Method: From the cost accounting system, obtain a breakdown of the quantity and associated workload for all drugs provided to patients during the period. Compare total units obtained with total workload used to calculate unit costs.</p> <p>Passing Standard: 95% compliance</p>	

CRITERIA

PHASE I

PHASE II

Hospital to Provide:

- *Cost accounting report showing breakdown, by type of drug, of quantity and associated workload for the period.*
- *Total workload used to calculate unit cost for the selected functional centres.*

6. Pharmacy

- 6.1 Distribution of Ward Stock drugs costs to patients by functional centre based on an average cost determined per either:
1. day of stay
 2. nursing workload unit

Review Method:

Examine procedures to assign ward stock drug costs to nursing units and develop an average cost per day or per unit and distribute to patients. Select two nursing functional centres and verify ward stock drug cost assignment and average cost development. Select five patient-specific reports and validate ward stock drug cost distribution.

Passing Standard:

100% compliance

Hospital to Provide:

- *Documentation and demonstration of procedures to assign ward stock drugs to nursing units and distribution to patients.*
- *Two Nursing functional centre cost reports showing ward stock drug cost assignment.*
- *Five patient-specific reports showing ward stock drug cost distribution.*

APPENDIX B
Review Forms for Case Costing Methodology Compliance

1. Salaries and Benefits

1.1 Labour Costs

CRITERIA: Assignment of Labour Costs to the functional centre where the employee's corresponding paid hours were worked regardless of home functional centre.

- Documentation provided for procedures used by the hospital to assign worked hours and dollars to functional centres for employees who work at two or more centres. Yes No
- Controls available to ensure accurate recording of labour costs to functional centres. Yes No
- Demonstration of procedures used by the hospital to assign worked hours and dollars to functional centres for employees who work at two or more centres during Phase 1 review. Yes No

Provision of examples

CRITERIA SATISFIED?

Yes No

IF NO, SYSTEMATIC ERRORS IDENTIFIED:

COMMENTS:

1.2 Benefit Costs

CRITERIA: Assignment of Benefit Costs to the functional centre where the employee's majority of corresponding paid hours are worked (home functional centre).

<u>Functional Centres Examined</u>	<u>Benefit Costs Present</u>		<u>Sum of Benefit Costs</u>	<u>Sum of Labour Costs</u>	<u>Ratio of Benefits to Total Labour</u>
1.	<input type="checkbox"/> Yes	<input type="checkbox"/> No	\$	\$	
2.	<input type="checkbox"/> Yes	<input type="checkbox"/> No	\$	\$	
3.	<input type="checkbox"/> Yes	<input type="checkbox"/> No	\$	\$	
4.	<input type="checkbox"/> Yes	<input type="checkbox"/> No	\$	\$	

CRITERIA SATISFIED?
 Yes No

IF NO, SYSTEMATIC ERRORS IDENTIFIED:

COMMENTS:

1.3 Physician Salaries

CRITERIA: Assignment of Physician Salaries and Fee-for-service costs to the appropriate functional centres.

- Demonstration of Procedures for tracking and assigning physician compensation costs to appropriate Functional Centres. Yes No

Functional Centres Examined

Physician Compensation Costs Assigned

- | | | |
|----|------------------------------|-----------------------------|
| 1. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 2. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

CRITERIA SATISFIED?

- Yes No

IF NO, SYSTEMATIC ERRORS IDENTIFIED:

COMMENTS:

1.4 Distribution of Physician Compensation Costs to Patients

CRITERIA: Distribution of physician compensation costs (salaries or fee-for-service) to patients in Diagnostic Imaging and Clinical Laboratory-Pathology

(a) Diagnostic Imaging

Functional Centre:

- Demonstration of procedures to distribute Physician Compensation costs. Yes No

Patient-Specific Cost Records selected

Accurate Distribution of Fee-For-Service Costs

- | | | |
|----|------------------------------|-----------------------------|
| 1. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 2. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 3. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 4. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 5. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

CRITERIA SATISFIED?

- Yes No

IF NO, SYSTEMATIC ERRORS IDENTIFIED:

COMMENTS:

(b) Clinical Laboratory-Pathology (if applicable)

Functional Centre:

- Demonstration of procedures to distribute Physician Compensation costs. Yes No

Patient-Specific Cost Records selected

Accurate Distribution of Physician Salaries Costs

- | | | |
|----|------------------------------|-----------------------------|
| 1. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 2. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 3. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 4. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 5. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

CRITERIA SATISFIED?

- Yes No

IF NO, SYSTEMATIC ERRORS IDENTIFIED:

COMMENTS:

2. Patient Care Administration and Support

2.1 Depreciation Costs

CRITERIA: Assignment of Depreciation Costs to the functional centre where the equipment is being used.

<u>Functional Centres Examined</u>	<u>Depreciation Costs Present</u>	<u>Total Depreciation</u>	<u>Depreciation Schedule</u>
1.	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	\$
2.	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	\$
3.	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	\$
4.	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	\$

CRITERIA SATISFIED?

Yes No

IF NO, SYSTEMATIC ERRORS IDENTIFIED:

COMMENTS:

2.2 External Maintenance Costs

CRITERIA: Assignment of External Maintenance Costs to the appropriate functional centres.

- Demonstration of Procedures for tracking and assigning external maintenance costs to appropriate Functional Centres. Yes No

Functional Centres Examined

Maintenance Costs Assigned

- | | | |
|----|------------------------------|-----------------------------|
| 1. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 2. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

CRITERIA SATISFIED?

Yes No

IF NO, SYSTEMATIC ERRORS IDENTIFIED:

COMMENTS:

2.3 Leasing

CRITERIA: Assignment of Leasing Costs to the appropriate functional centres.

- Demonstration of Procedures for tracking and assigning leasing costs to appropriate Functional Centres. Yes No

Functional Centres Examined

Leasing Costs Assigned

1. Yes No

2. Yes No

CRITERIA SATISFIED?

Yes No

IF NO, SYSTEMATIC ERRORS IDENTIFIED:

COMMENTS:

3.0 Case Costing Standards

3.1 Variable/Fixed Costs

CRITERIA: Mapping of G/L expense accounts to be Variable/Fixed cost categories as consistent with OCCI Standards.

Functional Centre 1:

G/L Account

Variable Cost Category

Fixed Cost Category

CRITERIA SATISFIED?

Yes No

IF NO, SYSTEMATIC ERRORS IDENTIFIED:

COMMENTS:

3.1 Variable/Fixed Costs - Continued

Functional Centre 2:

G/L Account

Variable Cost Category

Fixed Cost Category

CRITERIA SATISFIED?

Yes No

IF NO, SYSTEMATIC ERRORS IDENTIFIED:

COMMENTS:

3.2 Allocation Statistics

CRITERIA: OCCI Standard statistics should be used to allocate overhead costs.
Approved, hospital-derived statistics may also be used.

<u>Functional Centres Examined</u>	<u>Standard Statistics Used</u>	
1.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
2.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
3.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
4.	<input type="checkbox"/> Yes	<input type="checkbox"/> No

CRITERIA SATISFIED?

Yes No

IF NO, SYSTEMATIC ERRORS IDENTIFIED:

COMMENTS:

3.3 SEAM

CRITERIA: SEAM must be used to allocate all TCC costs to ACC's.

- Hospital SEAM specifications verified as true SEAM. Yes No

CRITERIA SATISFIED?

Yes No

IF NO, SYSTEMATIC ERRORS IDENTIFIED:

COMMENTS:

3.4 Unit Costing

CRITERIA: The calculation of functional centre direct unit costs by dividing total direct costs (less patient-specific supplies, drugs, and other non-workload distributed costs) by the total patient specific workload units. The calculation of functional centre indirect unit cost by dividing total indirect cost by the total patient-specific workload units.

3.4(a) Nursing Units:

Functional Centres Examined

Accurate Unit Cost

1. Yes No

2. Yes No

CRITERIA SATISFIED?

Yes No

IF NO, SYSTEMATIC ERRORS IDENTIFIED:

COMMENTS:

3.4(b) Clinical Laboratory:

Functional Centres Examined

Accurate Unit Cost

1. Yes No

2. Yes No

CRITERIA SATISFIED?

Yes No

IF NO, SYSTEMATIC ERRORS IDENTIFIED:

COMMENTS:

3.4(c) Diagnostic Imaging:

Functional Centres Examined

Accurate Unit Cost

1. Yes No

2. Yes No

CRITERIA SATISFIED?

Yes No

IF NO, SYSTEMATIC ERRORS IDENTIFIED:

COMMENTS:

3.4(d) Pharmacy:

Functional Centres Examined

Accurate Unit Cost

1.

Yes No

2.

Yes No

CRITERIA SATISFIED?

Yes No

IF NO, SYSTEMATIC ERRORS IDENTIFIED:

COMMENTS:

3.4(e) Allied Health:

Functional Centres Examined

Accurate Unit Cost

1. Yes No

2. Yes No

CRITERIA SATISFIED?

Yes No

IF NO, SYSTEMATIC ERRORS IDENTIFIED:

COMMENTS:

3.5 Capture of Products/Services into Patient-Specific Cost Record

CRITERIA: The capture of all products/services delivered to the patient from the cost accounting system into the patient-specific cost report.

<u>Patient Cost Reports Selected</u>	<u>All Products/Services captured</u>	
1.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
2.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
3.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
4.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
5.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
6.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
7.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
8.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
9.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
10.	<input type="checkbox"/> Yes	<input type="checkbox"/> No

CRITERIA SATISFIED?

Yes No

IF NO, SYSTEMATIC ERRORS IDENTIFIED:

COMMENTS:

3.6 Capture of Patient-Specific supplies over \$250 into the Patient-Specific Cost Record

CRITERIA: Total patient-specific case cost equals workload costs plus patient-specific supply costs (over \$250).

3.6(a) Operating Room:

Patient-Specific Cost Records selected

Accurate capture of \$250 supplies

- | | | |
|----|------------------------------|-----------------------------|
| 1. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 2. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 3. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 4. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 5. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

CRITERIA SATISFIED?

Yes No

IF NO, SYSTEMATIC ERRORS IDENTIFIED:

COMMENTS:

3.6(b) Diagnostic Imaging:

Patient-Specific Cost Records selected

Accurate capture of \$250 supplies

- | | | |
|----|------------------------------|-----------------------------|
| 1. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 2. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 3. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 4. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 5. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

CRITERIA SATISFIED?

Yes No

IF NO, SYSTEMATIC ERRORS IDENTIFIED:

COMMENTS:

4. Intermediate Products and Services

4.1 Workload Distribution

CRITERIA: The capture of all products/services delivered to the patient from the cost accounting system into the patient-specific cost report.

- Nursing Units:

<u>Functional Centres Examined</u>	<u>Total Departmental Workload</u>	<u>Total Inpatient (Distributed) Workload</u>	<u>Total Workload from Case Cost Record (Phase 2)</u>
1.	\$	\$	\$
2.	\$	\$	\$

CRITERIA SATISFIED?

Yes No

IF NO, SYSTEMATIC ERRORS IDENTIFIED:

COMMENTS:

- Clinical Laboratory:

<u>Functional Centres Examined</u>	<u>Total Departmental Workload</u>	<u>Total Inpatient (Distributed) Workload</u>	<u>Total Workload from Case Cost Record (Phase 2)</u>
1.	\$	\$	\$
2.	\$	\$	\$

CRITERIA SATISFIED?

Yes No

IF NO, SYSTEMATIC ERRORS IDENTIFIED:

COMMENTS:

- Diagnostic Imaging:

<u>Functional Centres Examined</u>	<u>Total Departmental Workload</u>	<u>Total Inpatient (Distributed) Workload</u>	<u>Total Workload from Case Cost Record (Phase 2)</u>
1.	\$	\$	\$
2.	\$	\$	\$

CRITERIA SATISFIED?

Yes No

IF NO, SYSTEMATIC ERRORS IDENTIFIED:

COMMENTS:

- Pharmacy:

<u>Functional Centres Examined</u>	<u>Total Departmental Workload</u>	<u>Total Inpatient (Distributed) Workload</u>	<u>Total Workload from Case Cost Record (Phase 2)</u>
1.	\$	\$	\$
2.	\$	\$	\$

CRITERIA SATISFIED?

Yes No

IF NO, SYSTEMATIC ERRORS IDENTIFIED:

COMMENTS:

Appendix B-Review Forms for Case Costing Methodology Compliance

- Allied Health:

<u>Functional Centres Examined</u>	<u>Total Departmental Workload</u>	<u>Total Inpatient (Distributed) Workload</u>	<u>Total Workload from Case Cost Record (Phase 2)</u>
1.	\$	\$	\$
2.	\$	\$	\$

CRITERIA SATISFIED?

Yes No

IF NO, SYSTEMATIC ERRORS IDENTIFIED:

COMMENTS

4.2 Transfer of Product/Service Information from Functional Centre to Cost Accounting

CRITERIA: Products and services recorded as being delivered at the functional centre level are transferred accurately to the cost accounting system.

Functional Centres Examined

Functional Centre System Report Consistent with Cost Accounting Report

- | | | |
|----|------------------------------|-----------------------------|
| 1. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 2. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 3. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 4. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

CRITERIA SATISFIED?

Yes No

IF NO, SYSTEMATIC ERRORS IDENTIFIED:

COMMENTS:

4.3 Capture of Product/Service Costs into Patient-Specific Cost Record

CRITERIA: Accurate assignment of service/product costs to patients.

Patient Cost Reports Selected

All Product/Service Costs captured accurately

- | | | |
|-----|------------------------------|-----------------------------|
| 1. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 2. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 3. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 4. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 5. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 6. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 7. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 8. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 9. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 10. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

CRITERIA SATISFIED?

Yes No

IF NO, SYSTEMATIC ERRORS IDENTIFIED:

COMMENTS:

5. Functional Centre Unit Costs

5.1 Workload Assignment

CRITERIA: Workload units assigned to products and services provided by the functional centre.

Workload measurement consistent with National WMS where applicable.

5.1(a) Nursing Units (Inpatient and Episodic):

Functional Centres Examined

Workload Units Assigned to All
Days/Categories

- | | | |
|----|------------------------------|-----------------------------|
| 1. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 2. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 3. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

CRITERIA SATISFIED?

Yes No

IF NO, SYSTEMATIC ERRORS IDENTIFIED:

COMMENTS:

5.1(b) Operating Room:

Workload Units Assigned to O.R. time categories

Yes No

CRITERIA SATISFIED?

Yes No

IF NO, SYSTEMATIC ERRORS IDENTIFIED:

COMMENTS:

5.1(c) Clinical Laboratory:

<u>Functional Centres Examined</u>	<u>Workload Units Assigned to All Laboratory Tests</u>		<u>Workload Unit Assignment as per National WMS</u>	
1.	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Yes	<input type="checkbox"/> No
2.	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Referred out Laboratory Test Costs Assigned			<input type="checkbox"/> Yes	<input type="checkbox"/> No

CRITERIA SATISFIED?

Yes No

IF NO, SYSTEMATIC ERRORS IDENTIFIED:

COMMENTS:

5.1(d) Diagnostic Imaging:

<u>Functional Centres Examined</u>	<u>Workload Units Assigned to All Imaging Exams.</u>		<u>Workload Unit Assignment as per National WMS</u>	
1.	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Yes	<input type="checkbox"/> No
2.	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Yes	<input type="checkbox"/> No

CRITERIA SATISFIED?

Yes No

IF NO, SYSTEMATIC ERRORS IDENTIFIED:

COMMENTS:

5.1(e) Allied Health:

<u>Functional Centres Examined</u>	<u>Workload Units Assigned to All Services</u>		<u>Workload Unit Assignment as per National WMS</u>	
1.	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Yes	<input type="checkbox"/> No
2.	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Yes	<input type="checkbox"/> No

CRITERIA SATISFIED?

Yes No

IF NO, SYSTEMATIC ERRORS IDENTIFIED:

COMMENTS:

5.1(f) Pharmacy:

- All Drugs in the sample had costs assigned to them in the Cost Accounting System. Yes No

- All Drugs in the sample had workload units assigned to them. Yes No

CRITERIA SATISFIED?

Yes No

IF NO, SYSTEMATIC ERRORS IDENTIFIED:

COMMENTS:

5.2 Total Workload Calculation

CRITERIA: Total workload is obtained by summing workload units associated with all products/services delivered to patients.

5.2(a) Nursing Units (Inpatient and Episodic)

<u>Functional Centres Examined</u>	<u>Summed Constituent Workload Total</u>	<u>Cost Accounting Workload Total</u>	<u>Variance %</u>
------------------------------------	--	---------------------------------------	-------------------

1.

2.

3.

CRITERIA SATISFIED?

Yes No

IF NO, SYSTEMATIC ERRORS IDENTIFIED:

COMMENTS:

5.2(b) <u>Operating Room</u>	<u>Summed Constituent Workload Total</u>	<u>Cost Accounting Workload Total</u>	<u>Variance %</u>
------------------------------	--	---	-----------------------

CRITERIA SATISFIED?

Yes No

IF NO, SYSTEMATIC ERRORS IDENTIFIED:

COMMENTS:

5.2(c) Clinical Laboratory:

<u>Functional Centres Examined</u>	<u>Summed Constituent Workload Total</u>	<u>Cost Accounting Workload Total</u>	<u>Variance %</u>
------------------------------------	--	---	-----------------------

1.

2.

CRITERIA SATISFIED?

Yes No

IF NO, SYSTEMATIC ERRORS IDENTIFIED:

COMMENTS:

5.2(d) Diagnostic Imaging:

<u>Functional Centres Examined</u>	<u>Summed Constituent Workload Total</u>	<u>Cost Accounting Workload Total</u>	<u>Variance %</u>
------------------------------------	--	---	-----------------------

1.

2.

CRITERIA SATISFIED?

Yes No

IF NO, SYSTEMATIC ERRORS IDENTIFIED:

COMMENTS:

5.2(e) Allied Health:

<u>Functional Centres Examined</u>	<u>Summed Constituent Workload Total</u>	<u>Cost Accounting Workload Total</u>	<u>Variance %</u>
------------------------------------	--	---	-----------------------

1.

2.

CRITERIA SATISFIED?

Yes No

IF NO, SYSTEMATIC ERRORS IDENTIFIED:

COMMENTS:

5.2(f) Pharmacy:

<u>Functional Centres Examined</u>	<u>Summed Constituent Workload Total</u>	<u>Cost Accounting Workload Total</u>	<u>Variance %</u>
------------------------------------	--	---	-----------------------

1.

2.

CRITERIA SATISFIED?

Yes No

IF NO, SYSTEMATIC ERRORS IDENTIFIED:

COMMENTS:

6.0 Pharmacy

6.1 Distribution of Ward Stock Drug Costs to Patients

CRITERIA: Distribution of Ward Stock drugs costs to patients by functional centre based on an average cost determined by either day of stay or nursing workload unit.

6.1(a) Ward Stock Drug Cost Assignment to Functional Centres

<u>Nursing Functional Centres selected</u>	<u>Assignment of Total Ward Stock Costs</u>		<u>Development of Average Costs</u>	
1.	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Yes	<input type="checkbox"/> No
2.	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Yes	<input type="checkbox"/> No

CRITERIA SATISFIED?

Yes No

IF NO, SYSTEMATIC ERRORS IDENTIFIED:

COMMENTS:

6.1(b) Distribution of Ward Stock Costs to Patients

Patient-Specific Cost Records selected

Accurate Distribution of Ward Stock Costs

- | | | |
|----|------------------------------|-----------------------------|
| 1. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 2. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 3. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 4. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 5. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

CRITERIA SATISFIED?

Yes No

IF NO, SYSTEMATIC ERRORS IDENTIFIED:

COMMENTS: