Common Costing Group

Terms of Reference

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| Status: | Final |

Common Costing Group

**Mission / Purpose**

“To raise the standard of costing activity across DHB provider arms and thus provide a sound basis for decision-making”

**How this will be achieved**

* Developing and maintaining the ‘Common Costing Standards’
* Creating Common Costing Guidelines to ensure consistency across the sector
* Education – both within the group and within each members DHB
* Input into the NCCP data submission
* Reviewing of the NCCP results via the data cube
* Liaise with NCCP work streams to review costing data quality issues impacting on pricing

**Principles**

The Costing Group is a forum that will encourage and promote accurate costing done in a consistent way across the sector by:

* Develop, maintain, review and update costing standards
* Encourage consistency in definition of purchase units for both counting and costing purposes
* Encourage consistent application of costing methodology and standards in accordance with Common Costing Standards
* Encourage consistent reporting of financial and service activities
* Liaise with the national pricing programme
* Share knowledge between members
* Provide a sound basis for benchmarking and national comparative analysis
* Encourage disclosure where non-compliance to relevant standards is identified

# Membership

Common Costing Group

Membership of the Common Costing Group is open to individuals with costing related roles within DHBs or the Ministry. Costing system vendor representatives are very welcome and must advise the chair/secretariat if they are representing a DHB. A representative from each DHB and from the Ministry of Health National Pricing team is encouraged to attend each meeting.

Individuals working on specific projects that link into costing data can also attend.

Group Chair

The Chair of the Costing Group shall be rotated between the members to spread any additional workload this may incur.

Attendance of the Chair at group meetings is mandatory.

**Governance**

A quorum for decision making will be 50% of active member DHB. An active member is a DHB who share the principles of the group and seeks to attend meetings regularly.

The group is sponsored by the CFO Technical Accounting Group, DHBs and the Ministry of Health.

**Guidelines**

The Costing Group will be governed according to the following guidelines.

* There is an expectation that members will make every effort to attend all meetings and devote sufficient time to become familiar with the affairs of the group and the wider environment within which it operates.
* Members will make every effort to do the work as required by the group.
* Members, including the Chair, may invite new members to attend one or more meetings.
* Members have a duty to act responsibly with regard to the effective and efficient administration of the group.
* Members have a duty to respect the confidentiality of information and data provided to the group.
* Members are expected to support any course of action decided upon by the group.

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# Meetings

**Frequency**

Costing Group face to face meetings will be held three times a year between February and November. These will be 2 day meetings to allow for all the issues to be discussed.

There will be various work progress teleconferences in between these meeting and before the meetings to ensure all relevant papers / analysis is completed and circulated to the group in advance of the meeting.

**Etiquette**

Standard meeting etiquette applies to all group meetings. These include:

* punctual attendance
* attendances and apologies to be notified to the chair / secretariat in advance
* assigned actions to individuals or all members to be completed by the due date

**Papers**

The secretariat will circulate a proposed agenda to all members one month prior to the meeting date, with a request for any additional items for the agenda. Any papers to be read prior to the meeting will be attached to the final agenda which should be circulated one week before the meeting date.

All meetings will have minutes documented and circulated to every DHB regardless of attendance, no later than one month following the meeting.

# Common Costing Group links to related groups

To ensure all relevant areas have input into the work of the Common Costing Group, linkages will be maintained through the groups listed in the table below.

Linkages between groups will be achieved through:

* formal communications between the groups/projects as detailed in the table below. This will take the form of these groups receiving the minutes of the CCG meetings along with regular updates from these groups from a combination of the group leaders and / or members whom are part of the CCG and the other groups.

**Linkages**

The following linkages are important for the effective functioning of the Common Costing Group.

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| **Group** | **Each Group’s expectations of the Common Costing Group** | **Common Costing Group’s expectations of this group** |
| NCCP - TRG | A commitment to an on-going process around improving data consistency and data quality with the aim of achieving a consistent way of costing purchase units across the DHB sector. | Notice of national pricing related issues and their relative priority in the work plans of the Common Costing Group.  Formal communication of collective views and agreement (or otherwise) with draft recommendations. |
| NCCP - Casemix | That costing and data quality issues at a Purchase Unit level are reviewed by the group and the group looks to clarify these via standardised costing guidelines / agreement. | Formal communication of concerns / issues around the quality and consistency of costing data along with feedback on specific issues / areas especially around data quality / consistency being achieved or otherwise. |
| NCCP – Non Casemix |
| CFO Liaison | Acceptable work plans and completion of those work plans.  A high level update of the work the group is involved in raising issues for the CFOs to consider as and when required. | High level advocacy  Ensuring resource availability  Championing recommendations  Encouraging around the importance of costing in the sector |
| Service Framework Group | Annual update of work plans.  Recommendations for annual updates to the Common Costing Standards. | High-level focused direction and support for continuing the work of the Common Costing Group.  Notice of national issues and their relative priority in the work plans of the Common Costing Group.  Endorsement of Terms of Reference, work plans and recommendations. |
| Service Specifications Group | Effective linkages between service specifications and the counting and costing of each.  Forum for debate of national NSF Data Dictionary related issues.  Sound, workable costing standards.  Formal communications on recommendations for annual updates to the Common Costing Standards. | Effective linkages between service specifications and the counting and costing of each.  Notice of national issues and relative priority in the work plans of the Common Costing Group.  Formal communication of collective views and agreement (or otherwise) with draft recommendations. |

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| **Group** | **Each Group’s expectations of the Common Costing Groups** | **Common Costing Groups’ expectations of this group** |
| Ministry national collections team | That any proposals that affect the work of the common costing group are considered by the group and responses are made in a timely manner. | Notification of national issues / potential changes that affect the work the costing group does, i.e. bringing costing data into the national collections. |
| Ministry of Health Data collection / pricing team | Forum for debate of national issues related to costing.  Forum for knowledge sharing between DHBs and the Ministry.  Sound, workable costing standards and costing guidelines.  Formal communications on recommendations for annual updates to the Common Costing Standards. | Effective linkage between the Common Costing Group and the Ministry.  Notice of national issues and relative priority in the work plans of the Common Costing Group.  Commitment of Ministry resources to complete the work plans, manage the groups and provide intellectual input into the work of the groups.  Attendance at the Common Costing Group meetings is expected. |
| Common Counting Group |  |  |