12 July 2018

Mr James Downie
CEO
Independent Hospital Pricing Authority
PO Box 483
DARLINGHURST NSW 1300

By email to: submissions.ihpa@ihpa.gov.au

Dear Mr Downie

Re: Consultation Paper on the Pricing Framework for Australian Public Hospital Services 2019-20

The Royal Australian and New Zealand College of Psychiatrists (RANZCP) welcomes the opportunity to respond to the Consultation Paper on the Pricing Framework for Australian Public Hospital Services 2019-20. This letter outlines general comments on efforts to develop fair pricing models for consultation-liaison, mother baby units and treating mental illness and co-morbidities in the elderly.

The RANZCP is the principal organisation representing the medical speciality of psychiatry in Australia and New Zealand and is responsible for training, educating and representing psychiatrists on policy issues. The RANZCP represents more than 6000 members, including more than 4000 qualified psychiatrists, many of whom provide hospital-based consultations. The RANZCP is guided on policy issues by a range of expert committees whose membership is made up of leading psychiatrists with relevant expertise, and consumer, carer and community representatives.

The RANZCP remains very interested in the implementation of national Activity Based Funding (ABF) for Australian public hospitals and strongly supports the IHPA's development of the Australian Mental Health Care Classification (AMHCC) to classify and price mental health services on an activity basis across both the admitted and non-admitted settings.

Consultation-Liaison Psychiatry

We note that this work, including input from Members of the RANZCP's Faculty of Consultation-Liaison Psychiatry, is referenced in Section 4.7 of the Consultation Paper. Work to date, and the inclusion of pricing issues for consultation-liaison psychiatry is reassuring. As we have noted previously, the RANZCP would be willing to support work to drive this further, in particular with the analysis of data sets.

309 La Trobe Street, Melbourne VIC 3000 Australia
T +61 3 9640 0646 F +61 3 9642 5652
ranzcp@ranzcp.org www.ranzcp.org
ABN 68 000 439 047

We also note that Consultation for the 11th edition of Australian Classification of Health Interventions (ACHI) is also underway. As we have raised previously, it may be better to view consultations by psychiatrists occurring in non-psychiatric general hospital settings of care in the same way as interventions, rather than other ABF classifications. The same mechanism, but a different intervention code, might be applicable for Mental Health Liaison Nurses, for instance, in their independent work in emergency departments.

Mother Baby Units

Further to the questions on page 24 of the consultation paper, the RANZCP's Section of Perinatal and Infant Psychiatry recommends a review of pricing models for mother baby units, which would include a loading to cover the costs of ensuring the safety and care of the baby, similar to precedents that already exist in pricing for rural and Aboriginal and Torres Strait Islander services. The RANZCP believes that mother baby units provide an important model of care for women and also an effective prevention opportunity, which is unrecognised in current pricing. They are currently funded and priced based on extrapolated costs associated with adult mental health units, and this approach has not been reviewed over the past two decades. There are clear differences in the requirements of care unique to mother baby units.

Mother baby units have been established to care for women with moderate to severe mental illness in the postpartum period without separation from their baby i.e. both a mother and baby remain in the unit. There are no other mental health units or indeed any services where fully dependent 'boarders' are cared for within the impatient unit.

Psychiatrists who lead these units have clinical responsibility and governance for the care and wellbeing of the baby and this impacts costs for staffing. The infants are less than 12 months old, so this level of care is significant. There is clear evidence that infants of women with mental disorders also have higher rates of physical and developmental concerns.

Mental health for the elderly

The RANZCP notes in the Consultation Paper very little consideration of the complex issues related to pricing treatments in mental health inpatient units for the elderly. Elderly people with mental health problems often have complex medical and psychiatric comorbidities. Mental health issues may prompt an admission to address acute issues, or present as an active comorbidity that complicates or exacerbates the recovery associated with the primary reason for admission.

Dementia, delirium and social challenges dramatically affect the length of stay and costs of care. Older people admitted to inpatient units could be coded as acute, functional gain, consolidating gain, intensive extended or use Australian National Subacute and Non-Acute Patient (AN-SNAP) psychogeriatric classifications. The RANZCP recommends a review of these classifications to reduce confusion and clarify ambiguities.

On page 50 of the paper, dementia is considered a significant factor that predicts risk of readmission for any cause. There is no discussion on the impact dementia and other common co-morbidities in the elderly have on costs of care and length of stay for elderly inpatients. It is surprising that depression is not noted as a risk for readmission. This data may not be collected, and may therefore not be visible.

When admissions for elderly patients are not accurately priced, care to this cohort is restricted with poor health outcomes and challenges to the management and funding of services.

The RANZCP would welcome an opportunity to meet and discuss issues relating to these three areas of work. For further information, please contact Rosie Forster, Executive Manager, Practice, Policy and Partnerships via rosie.forster@ranzcp.org or by phone on (03) 9601 4943.

Yours sincerely

Dr Kym Jenkins
President

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