

**April 2023**

**Tasmania's submission in response to the request from the Independent Health and Aged Care Pricing Authority (IHACPA) to provide comments on the Draft IHACPA Work Program and Corporate Plan 2023-24**

**Prepared by the Tasmanian Department of Health**

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# Draft Work Program and Corporate Plan 2023-24

## Strategic Objective One: Perform pricing functions

### (a) Development of the Pricing Framework for Australian Public Hospital Services 2024-25

Deliverables	Timeframes	Comments
Complete the public consultation process for the Pricing Framework for Australian Public Hospital Services 2024-25.	July 2023	Tasmania supports the public consultation process and looks forward to the release of the final Pricing Framework, following IHACPA's consideration of the consultation feedback.
Provide the draft Pricing Framework for Australian Public Hospital Services 2024-25 to health ministers for a 45-day comment period.	September 2023	Tasmania supports the 45-day ministerial comment period.
Publish the final Pricing Framework for Australian Public Hospital Services 2024-25 on the IHACPA website.	December 2023	Tasmania supports this annual process.

### (b) Determination of in-scope public hospital services eligible for Commonwealth funding under the National Health Reform Agreement

Deliverable	Timeframes	Comments
Finalise decisions on the General List of In-Scope Public Hospital Services for additional or altered in-scope services for 2024-25.	December 2023	Tasmania has no issues with the interpretive guidelines and with the application process for changes to the General List.

### (c) National Efficient Price and National Efficient Cost Determinations 2024-25

Deliverables	Timeframes	Comments
Finalise decisions on jurisdictional submissions for legitimate and unavoidable cost variations to determine whether adjustments are required for the National Efficient Price Determination 2024-25.	December 2023	<p>Tasmania currently has no identified unavoidable variations in costs or other factors for consideration by IHACPA in the development of the 2024-25 National Efficient Price Determination.</p> <p>It is agreed that IHACPA will continue to work closely with jurisdictions to understand the future pricing impacts of COVID-19, to ensure that changes to models of care, activity and costs are</p>

<b>Deliverables</b>	<b>Timeframes</b>	<b>Comments</b>
		provided for in refining future national pricing models.
Provide the draft National Efficient Price and National Efficient Cost Determinations 2024-25 to health ministers for a 45-day comment period.	December 2023	Tasmania supports the 45-day ministerial comment process.
Publish the National Efficient Price and National Efficient Cost Determinations 2024-25 on the IHACPA website.	March 2024	Tasmania supports this annual process.

#### **(d) Pricing and funding for safety and quality in the delivery of public hospital services**

<b>Deliverable</b>	<b>Timeframes</b>	<b>Comments</b>
Incorporate safety and quality reforms into the pricing and funding of public hospital services.	Ongoing	<p>Tasmania supports the work undertaken to date by both IHACPA and the Australian Commission on Safety and Quality in Health Care (the Commission) on sentinel events, hospital acquired complications, and avoidable hospital readmissions.</p> <p>Tasmania looks forward to the prospect of working with IHACPA, the Commission, the other jurisdictions, and broader stakeholders, to explore further options for reducing avoidable and preventable hospitalisations, with a focus on additional admission prevention activities (which should be in tandem with the Commonwealth addressing the shortfalls in primary care service and other health and welfare services, (such as residential aged care).</p>

#### **(e) Forecast of the National Efficient Price for future years**

<b>Deliverable</b>	<b>Timeframes</b>	<b>Comments</b>
Provide confidential National Efficient Price forecast for future years to jurisdictions.	March 2024	Tasmania is appreciative of the continued annual development and confidential release of the NEP forecast for future years.

## (f) National Efficient Cost Supplementary Determination

Deliverable	Timeframes	Comments
Publish the National Efficient Cost Supplementary Determination 2023-24.	May 2024	<p>The new timing of the NEC Supplementary Determination could pose issues for Tasmania as for NEC funded services the National Health Funding Body will only act on the determination.</p> <p>Tasmania notes that, as required annually in the past, jurisdictions submitted their initial NEC23 cost estimates in January 2023. Tasmania's state budget for 2023-24 will be handed down in May 2023 - which means that any new Tasmanian government initiatives affecting NEC23 will not be captured by IHACPA until the NEC23 supplementary determination in May 2024. Effectively this would mean that Tasmania would not receive the Commonwealth component of any service change/expansion for a period of 11-12 months. Accordingly, Tasmania would like to work with IHACPA to resolve this issue in a manner acceptable to both parties.</p>

## (g) Pricing model refinements

Deliverables	Timeframes	Comments
Undertake a review of the eligibility criteria for specified intensive care units and specialised children's hospitals.	December 2023	Tasmania supports this review.
Undertake a review of the national efficient price indexation methodology.	December 2023	<p>IHACPA noted it will work closely with jurisdictions to support the review of the indexation methodology and to further understand potential factors that may be driving state and territory health expenditure beyond the funding delivered under the national pricing model.</p> <p>Tasmania fully support this position, noting that for the review of the NEP indexation methodology to be</p>

		effective, it should be appropriately broad to capture a full range of indexation options.
Undertake a review of the funding methodology for unqualified newborns.	December 2023	Tasmania supports this review.
Investigate and implement other pricing model refinements in consultation with jurisdictions	Ongoing	Tasmania supports IHACPA considering other pricing model refinements, on an ongoing basis.

#### (h) Development of the Pricing Framework for Australian Residential Aged Care 2024-25

Deliverables	Timeframes	Comments
Complete the public consultation process for the Pricing Framework for Australian Residential Aged Care Services 2024–25.	August 2023	Tasmania supports the public consultation process and looks forward to the release of the draft Pricing Framework for Residential Aged Care Services, following IHACPA's consideration of the consultation feedback it receives.
Provide the draft Pricing Framework for Australian Residential Aged Care Services 2024–25 to Commonwealth Minister.	December 2023	Tasmania notes the absence of an agreed ministerial comment period and asks if a similar provision should be considered for aged care pricing.
Publish the final Pricing Framework for Australian Residential Aged Care Services 2024–25 on the IHACPA website.	March 2024	Tasmania supports this annual process.

#### (i) Aged Care Pricing Advice 2024-25

Deliverables	Timeframes	Comments
Provide pricing advice to inform Commonwealth Government decisions on residential aged care and respite care funding for 2024-25.	March 2024	<p>Tasmania supports this process and welcomes opportunity for jurisdictional representation and input to the development of aged care pricing advice via the Interim Aged Care Working Group.</p> <p>Tasmania would welcome the opportunity to discuss unavoidable cost variations to determine whether</p>

		regional adjustments should be considered in the pricing advice.
Develop pricing advice to inform Commonwealth Government decisions on the Support at Home Program.	June 2024	<p>Tasmania supports this process and welcomes the opportunity for jurisdictional representation and input to the development of aged care pricing advice via the Interim Aged Care Working Group.</p> <p>Tasmania would welcome the opportunity to discuss unavoidable cost variations to determine whether regional and other adjustments should be considered in the pricing advice.</p>

### (j) Prostheses List reform

Deliverable	Timeframes	Comments
Provide advice, as requested, to the Commonwealth Department of Health and Aged Care to support the Prostheses List reforms.	Ongoing	Tasmania will continue to work with IHACPA, as requested, on these reforms.

## Strategic Objective Two: Refine and develop hospital and aged care activity classification systems

### (a) Admitted acute care

Deliverables	Timeframes	Comments
Continue the refinement of the International Statistical Classification of Diseases and Related Health Problems, Tenth Revision, Australian Modification, Australian Classification of Health Interventions and Australian Coding Standards Thirteenth Edition.	June 2024	Tasmania supports the refinement of the ICD-10-AM/ACHI/ACS Thirteenth Edition and will continue to collaborate with IHACPA and the other jurisdictions to achieve this.
Continue the development of the Australian Refined Diagnosis Related Groups Version 12.0.	June 2024	Tasmania will continue to work closely with IHACPA and the other jurisdictions on the development of AR-DRG Version 12.0.

### (b) Subacute and non-acute care

<b>Deliverables</b>	<b>Timeframes</b>	<b>Comments</b>
Price admitted subacute and non-acute services using the Australian National Subacute and Non-Acute Patient Classification Version 5.0 for the National Efficient Price Determination 2024-25.	March 2024	Tasmania supports the implementation of AN-SNAP version 5.0 for NEP 24, which introduces a new variable to recognise frailty as a cost driver for geriatric evaluation and management, and non-acute episodes of care.
Refine the Australian National Subacute and Non-acute Patient Classification Version 5.0	Ongoing	Tasmania supports the continued investigation of other drivers of cost for classification purposes and will support IHACPA in this work through the Subacute Care Working Group.

### (c) Emergency Care

<b>Deliverables</b>	<b>Timeframes</b>	<b>Comments</b>
Refine the Australian Emergency Care Classification (AECC) Version 1.0.	Ongoing	Tasmania agrees that the AECC requires considerable refinement in the areas that have been highlighted by IHACPA in the draft Work Program. Tasmania will work via the Emergency Care Working Group to improve data collection and the reporting of variables that affect the classification.
Develop a draft Data Request Specification for emergency virtual care consultation	June 2024	Tasmania supports this process, particularly with the expanded use of virtual care in Emergency Departments.

### (d) Non-Admitted care

<b>Deliverables</b>	<b>Timeframes</b>	<b>Comments</b>
Continue to maintain the Tier 2 Non-Admitted Services Classification.	Ongoing	Tasmania supports IHACPA ensuring that the Tier 2 Classification system and price weights remain clinically relevant while building the new Australian Non-Admitted Care Classification (ANACC). The COVID-19 pandemic has shown that significantly more detailed non-admitted patient clinical care can be provided outside of a hospital bed,



<b>Deliverables</b>	<b>Timeframes</b>	<b>Comments</b>
		and this care needs to be able to be captured by the jurisdictions.
Undertake a multi-stage project to support the development of a new patient level non-admitted care classification.	June 2024	Tasmania is of the view that the proposed timeframe for this work is perhaps ambitious, depending on the measurable project outcomes required in that timeframe.
Develop a new non-admitted care classification.	Ongoing	Tasmania continues to be supportive of this major work, through the Non-Admitted Care Advisory Working Group.

### **(e) Mental health care**

<b>Deliverables</b>	<b>Timeframes</b>	<b>Comments</b>
Price community mental health care using the Australian Mental Health Care Classification (AMHCC) Version 1.0 for the National Efficient Price Determination 2024–25.	March 2024	<p>Tasmania acknowledges that community mental health care will potentially move from being block funded under NEC23, to being ABF-funded under NEP24.</p> <p>Tasmania does have concerns that ABF funding alone may not adequately fund these services and that block funding of some form may still be necessary due to the economies of scale.</p> <p>Tasmania supports that IHACPA, through the Mental Health Working Group, is now completing the development of AMHCC Version 1.1 – following the identification of specific areas for refinement required, since the initial introduction of AMHCC Version 1.0.</p>
Release the Australian Mental Health Care Classification Version 1.1.	August 2023	Tasmania supports the release of AMHCC Version 1.1.

### **(f) Teaching, training, and research**

Deliverable	Timeframes	Comments
Continue to work with jurisdictions to implement the Australian Teaching and Training Classification (ATTC).	Ongoing	Tasmania is broadly supportive of this process. However, as with other jurisdictions, Tasmania is unable to provide accurate and meaningful data at this time.

### (g) Sales of the admitted acute care classification system

Deliverable	Timeframes	Comments
Manage the international sales of the admitted acute care classification system.	Ongoing	Tasmania supports IHACPA's management of the international sales of the ICD-10-AM/ACHI/ACS and AR-DRG classification system.

### (h) Assessment of new health technologies

Deliverable	Timeframes	Comments
Assess submissions for new health technologies to ensure they are accounted for in the pricing of public hospital services.	Ongoing	Tasmania supports the extensive changes that were made under the 2021-22 review of the <i>New Health Technology Policy</i> , and which have successfully streamlined and expedited the whole assessment process.

### (h) Residential aged care

Deliverable	Timeframes	Comments
Refine the Australian National Aged Care Classification.	Ongoing	Tasmania supports the refinement of Australian National Aged Care Classification and will continue to work closely with IHACPA to achieve this.

## Strategic Objective Three: Refine and improve hospital and aged care costing

### (a) Australian Hospital Patient Costing Standards

Deliverables	Timeframes	Comments
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Release the Australian Hospital Patient Costing Standards Version 4.2.	May 2023	Tasmania supports the release of the Australian Hospital Patient Costing Standards Version 4.2.
Promote ongoing improvement and consistency in cost data submissions through refinement of the Australian Hospital Patient Costing Standards.	Ongoing	Tasmania continues to support the ongoing improvement and consistency in cost data submissions.

### (b) National Hospital Cost Data Collection (NHCDC) for public and private hospitals

Deliverables	Timeframes	Comments
Release the 2021-22 NHCDC public sector report.	March 2024	Tasmania supports the release of the 2021-22 NHCDC public sector report.
Release the 2021-22 NHCDC private sector report.	March 2024	Tasmania supports the release of the 2021-22 NHCDC private sector report.
Collect the 2022-23 NHCDC for public and private hospitals.	June 2024	Tasmania will continue to provide its NHCDC public sector data to IHACPA.

### (c) NHCDC Independent Financial Review

Deliverable	Timeframe	Comments
Release the NHCDC 2021-22 Independent Financial Review.	March 2024	Tasmania supports the release of the NHCDC 2021-22 Independent Financial Review.

### (d) Costing private patients in public hospitals

Deliverable	Timeframe	Comments
Phase out the private patient correction factor for all jurisdictions, for the National Efficient Price Determination 2024-25.	March 2024	<p>As required, Tasmania is working towards phasing out the private patient correction factor. Tasmania remains concerned that the identification of the cost of medical treatments to both public, compensable, and private patients is limited due to:</p> <ul style="list-style-type: none"> <li>various rights of private practice arrangements and associated revenue arrangements (e.g., variations in facility fee rates).</li> </ul>

		<ul style="list-style-type: none"> <li>The understanding of the medical practitioner’s revenue and expenditure for treating privately referred non-inpatient activity.</li> </ul> <p>In Tasmania, identified costs of salaried medical staff and VMOs are included into public, compensable and private patients. However, Tasmania notes there is no differentiation between public, compensable, and private patients in the cost allocation.</p> <p>Third-party contract arrangements for the purchase of pathology, imaging and patients privately purchased pharmaceuticals and prosthetics is unknown and therefore potentially not included in the costs of private patients.</p> <p>Tasmania continues to work towards being able to phase out the private patient correction.</p>
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### (e) Australian Aged Care Cost Data Collection

Deliverables	Timeframe	Comments
Undertake the Residential Aged Care Costing Study.	December 2023	Tasmania would welcome an invitation to participate in the Residential Aged Care Costing Study.
Develop the Australian Aged Care Costing Standards.	June 2024	Tasmania will collaborate on the development of the Aged Care Costing Standards.

### (f) Costing studies for public hospital services

Deliverable	Timeframe	Comments
Continue the investigation of organ donation, retrieval, and transplantation costs.	December 2023	<p>Tasmania supports the review of organ donation, retrieval costs, but is concerned that not all expenditure is visible in hospital general ledgers.</p> <p>Transplantation costs are not incurred in Tasmania.</p>

## Strategic Objective Four: Determine data requirements and collect data

### (a) Revision of the Three-Year Data Plan

Deliverable	Timeframe	Comments
Publish the Three-Year Data Plan 2024-25 to 2026-27.	June 2024	Tasmania supports the publication of the 2024-25 to 2026-27 Data Plan.

### (b) Data specification development and revision

Deliverables	Timeframe	Comments
Complete the annual review of ABF National Best Endeavours Data Sets and National Minimum Data Sets.	December 2023	Tasmania supports this process. However, Tasmania has concerns about the increasing data burden that the collection of mandatory data elements in National Minimum Data Sets has on the smaller jurisdictions.
Develop a Posthumous organ procurement National Best Endeavours Data Set	June 2024	Tasmania notes that IHACPA will be undertaking this work in consultation with the Commonwealth Department of Health and Aged Care and the Australian Institute of Health and Welfare,

### (c) Individual Healthcare Identifier

Deliverable	Timeframe	Comments
Provide support to jurisdictions to improve the coverage and quality of reporting of the Individual Healthcare Identifier in national health data sets.	Ongoing	Tasmania broadly supports the inclusion of the IHI to facilitate innovative models of care and associated funding mechanisms. However, Tasmania is concerned at being able to fulfill this requirement, within its current ICT systems infrastructure.

### (d) Cluster coding for admitted patient care data

Deliverable	Timeframe	Comments
Investigate the incorporation of cluster coding into admitted patient care data sets.	Ongoing	Tasmania notes that IHACPA is investigating options to incorporate cluster coding to align with the release of the Thirteenth Edition of the International

		<p>Statistical Classification of Diseases and Related Health Problems, Tenth Revision, Australian Modification, the Australian Classification of Health Interventions, and the Australian Coding Standards, anticipated for implementation from July 2025.</p> <p>Tasmania assumes that IHACPA will work very closely with its relevant jurisdictional technical groups and with the Technical Advisory Committee in investigating options to incorporate cluster coding.</p>
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### (e) Improvements to data submission, loading and validation processes

Deliverable	Timeframes	Comments
Further develop the Secure Data Management System (SDMS) functionality.	Ongoing	Tasmania notes that IHACPA will continue collaborating with key stakeholders to enhance the data submission portals in the SDMS.

### (f) Collection of ABF activity data for public hospitals

Deliverables	Timeframes	Comments
Collect jurisdictional submissions for March quarter 2023 ABF activity data.	June 2023	Tasmania advises that quality processes are conducted during each quarter. However, due to time and resource constraints, quarters prior to the final quarter may be subject to change as the year develops.
Collect jurisdictional submissions for June quarter 2023 ABF activity data.	September 2023	As above.
Collect jurisdictional submissions for September quarter 2023 ABF activity data.	December 2023	As above.
Collect jurisdictional submissions for December quarter 2023 ABF activity data.	March 2024	As above.

### (g) Data Compliance

Deliverables	Timeframes	Comments
Publish data compliance report for March quarter 2023.	September 2023	Tasmania supports the data compliance schedule. However, Tasmania has concerns about the increasing data burden that the collection of mandatory and non-mandatory data elements has on the smaller jurisdictions.
Publish data compliance report for June quarter 2023.	December 2023	
Publish data compliance report for September quarter 2023.	March 2024	
Publish data compliance report for December quarter 2023.	June 2024	

### (h) Promoting access to public hospital data

Deliverable	Timeframe	Comments
Continue to expand access to data through the National Benchmarking Portal (NBP).	Ongoing	Tasmania supports the work being undertaken by IHACPA in collaborating with the jurisdictions to enhance the functionality of, and data sets available through, the NBP.

## Strategic Objective Five: Investigate and make recommendations concerning cost-shifting and cross-border disputes

### (a) Review of the Cost-Shifting and Cross-Border issues

Deliverable	Timeframes	Comments
Conduct the annual review of the <i>Cost-Shifting and Cross-Border Dispute Resolution Policy</i> .	June 2024	Tasmania supports this annual process.

## Strategic Objective Six: Conduct independent and transparent decision-making and engage with stakeholders

### (a) Monitor and evaluate the implementation of ABF for public hospital services

Deliverable	Timeframe	Comments
Provide quarterly ABF activity data reports to the Pricing Authority and Jurisdictional Advisory Committee.	Ongoing	Tasmania supports the quarterly ABF activity data reports but notes that, due to time and resource constraints, quarters prior to the final quarter may be subject to change as the year develops.

### (b) Evidence-based ABF-related research

Deliverables	Timeframe	Comments
Publish evidence-based ABF related research and analysis.	Ongoing	Tasmania supports this ongoing process.
Develop a funding methodology for trials of innovative funding models.	Ongoing	<p>Tasmania supports IHACPA exploring alternative funding models that support value, outcomes, and long-term reform.</p> <p>Tasmania supports IHACPA in moving the health system from the funding of episodic activity towards a more holistic view of a patient's journey of healthcare and supports the potential appropriate use of Bundled Payments for chronic disease treatment.</p>

### (c) Support ABF education at a national level

Deliverables	Timeframe	Comments
Implement strategies, tools and working papers to ensure that IHACPA is providing information that will inform its stakeholders.	Ongoing	<p>Tasmania supports IHACPA providing information at national forums and through other opportunities for education.</p> <p>Tasmania notes that IHACPA will work closely with the jurisdictions to ensure that its ABF education respects jurisdictional local ABF and ABM environments.</p>
Deliver the IHACPA Annual Conference 2023.	August 2023	Tasmania fully supports the IHACPA Annual Conference, as a vitally important part of the ongoing relationship between IHACPA and the jurisdictions.
Develop and promote educational materials and resources.	Ongoing	Tasmania is very appreciative of IHACPA's continued provision of national educational resources on activity-based funding concepts to both the health sector and the public.