



IHACPA

Data Compliance Policy

June 2024



Data Compliance Policy – June 2024

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Acronyms and abbreviations

ABF	Activity based funding
AHMAC	Australian Health Ministers' Advisory Council ¹
CEO	Chief Executive Officer
IHACPA	Independent Health and Aged Care Pricing Authority
NEC	National efficient cost
NEP	National efficient price
NHCDC	National Hospital Cost Data Collection
NHRA	National Health Reform Agreement
NWAU	National weighted activity unit
SDMS	Secure Data Management System
The addendum	Addendum to the National Health Reform Agreement 2020–25
The Administrator	The Administrator of the National Health Funding Pool
The NHR Act	<i>National Health Reform Act 2011</i>
This policy	Data Compliance Policy

¹ The Australian Health Ministers' Advisory Council has been dissolved. The Health Chief Executives Forum has been established as its replacement, as the advisory and support body to the Council of Australian Governments Health Council.

1. Introduction

1.1 Context

The Independent Health and Aged Care Pricing Authority (IHACPA) is an independent government agency provided for through the National Health Reform Agreement (NHRA) and established under the [National Health Reform Act 2011](#) (the NHR Act). A major component of these reforms is the implementation of national activity based funding (ABF) for Australian public hospitals and residential, respite and in-home aged care services.

IHACPA's key functions include determining pricing for public hospital services funded on an activity basis through the national efficient price (NEP), determining the efficient cost for public hospital services which are block funded through the national efficient cost (NEC) and providing annual aged care costing and pricing advice to the Australian Government Minister for Health and Aged Care.

To determine the NEP and NEC and provide aged care pricing advice, IHACPA must first specify the classifications, counting rules, data and coding standards as well as the methods and standards for costing data. IHACPA has commenced the process of developing new aged care data sets, however will rely upon data sets currently collected by the Australian Government Department of Health and Aged Care to fulfil its aged care costing and pricing functions.

As the provision of timely, accurate and reliable data is vital to IHACPA in fulfilling its legislated functions, IHACPA annually prepares a rolling Three Year Data Plan, which sets out these requirements for the Australian Government and state and territory governments in accordance with clauses B66 to B81 of the addendum to the National Health Reform Agreement 2020–2025.

This edition of the Data Compliance Policy is a supplement document to the IHACPA Three Year Data Plan.

1.2 Background

The functions of IHACPA pertaining to pricing and funding for public hospital services are specified in section 131 of the NHR Act and clause A46b of the addendum and include:

- determining the NEP for health care services provided by public hospitals where the services are funded on an activity basis
- determining the NEC for health care services provided by public hospitals where the services are block funded
- determining adjustments to the NEP to reflect legitimate and unavoidable variations in the costs of delivering health care services

- developing and specifying classification systems to be used to classify health care and other services provided by public hospitals for ABF purposes
- determining data requirements and standards to apply, for ABF purposes, in relation to data to be provided by jurisdictions, including:
 - data and coding standards to support uniform provision of data
 - requirements and standards relating to patient demographic characteristics and other information relevant to classifying, costing and paying for public hospital functions.
- except where otherwise agreed between the Commonwealth and a state or territory – to determine the public hospital functions that are to be funded in the state or territory by the Commonwealth.

The role of IHACPA within the Australian aged care system is described in section 131A of the NHR Act and includes:

- providing annual aged care pricing advice about methods for calculating amounts of subsidies and supplements to be paid for residential aged care, residential respite care and in-home care. This will involve advice on the costs of care and how changes in the costs of care should be considered in Australian Government funding decisions.
- reviewing data, conducting studies and undertaking consultation for the purpose of providing aged care costing and pricing advice.
- performing such functions as conferred by the [Aged Care Act 1997](#) or the [Aged Care \(Transitional Provisions\) Act 1997](#).
- performing other functions relating to aged care (if any) specified in regulations.
- undertaking other actions incidental or conducive to the performance of the above functions.

1.3 Purpose

The purpose of the Data Compliance Policy is to detail the process by which IHACPA will publicly report on compliance by jurisdictions with the public hospital data requirements and data submission dates specified in the IHACPA Three Year Data Plan. It does not capture the full data quality assurance process which is outlined in the IHACPA [Data Quality Assurance Framework](#).

Aged care data is validated by the Australian Government Department of Health and Aged Care. As such, compliance with aged care data submission requirements is not incorporated in this policy.

1.4 Review

The Pricing Authority and Chief Executive Officer of IHACPA will review this policy, including associated documentation, every three years or as required.

This policy was last reviewed in June 2024.

2. What is the data compliance process?

For IHACPA's purposes, data compliance refers to the process of reporting on whether the Australian Government and state and territory governments supplied the data requested by IHACPA in order to meet its functions under the NHR Act and the addendum.

As of 1 July 2018, states and territories are required to report hospital activity data on a quarterly 'year to date' basis to IHACPA, while teaching, training and research and hospital cost data through the National Hospital Cost Data Collection (NHCDC) are reported on an annual basis. Sentinel events are reported every six months as part of the December and June submissions.

In accordance with the addendum, IHACPA must report on the compliance of jurisdictions with these requirements. Jurisdictions will be assessed to have complied with IHACPA's data requirements if they:

- have provided the data required as specified in the data request
- have provided the data in the timeframes requested.

In accordance with section 131 of the NHR Act and clause A46b of the addendum, jurisdictions are required to provide sufficient data for IHACPA to have confidence that the data reflects the actual cost of delivery of public hospital services in the jurisdiction from as wide a range of hospitals as practicable.

If a jurisdiction does not meet both of these requirements for any given data submission, they will be regarded as being non-compliant. Where a jurisdiction is assessed to be non-compliant, IHACPA and the jurisdiction will work together to address the issues of concern until agreement is reached that the data is sufficient for costing and pricing public hospital services.

A jurisdiction will be rated as non-compliant if they have not addressed qualified compliant or non-compliance issues raised previously by IHACPA or if they refuse to provide data.

The data compliance status information, and where relevant the action taken to bring the data submission into compliance, will be published on the IHACPA website on a quarterly basis.

Aged care data is currently collected and validated by the Australian Government Department of Health and Aged Care and is provided to IHACPA to inform its aged care costing and pricing advice. Aged care data provided by the Australian Government Department of Health and Aged Care to IHACPA to enable the aged care pricing functions of IHACPA includes:

- aged care financial report (ACFR) on an annual basis
- quarterly financial report (QFR) on a quarterly basis

All compliance activities for aged care data are undertaken by the Australian Government Department of Health and Aged Care.

2.1 Who is responsible for the data compliance process?

The IHACPA Director of Data Acquisition is responsible for assessment of compliance and the preparation of a data compliance report with accompanying documentation for the Chief Executive Officer of IHACPA and the Pricing Authority.

2.2 Data submission

The data submission process and timelines for collection of data from the Australian Government and state and territory governments for the purposes of calculating the NEP or performing other functions of IHACPA is articulated in Chapter 6 of the IHACPA Three Year Data Plan. In order to undertake its functions to provide residential, respite and in-home aged care pricing and costing advice, IHACPA requires accurate classification and financial expenditure data regarding aged care facilities. Chapter 7 of the IHACPA Three Year Data Plan sets out the classifications and data sets that will be used by IHACPA to prepare aged care costing and pricing advice.

2.3 Statement of Assurance

The Statement of Assurance is a requirement under clauses B82 and B83 of the addendum.

As required under clause B82(b) of the addendum, the Australian Health Ministers' Advisory Council (AHMAC)² have endorsed a process regarding the provision of a Statement of Assurance to IHACPA and the Administrator of the National Health Funding Pool, collectively the national bodies.

The Statement of Assurance from the Australian Government (under clause B83) and state and territory governments (under clause B82) relates to public hospital data submissions and is to include commentary on:

- steps taken to promote completeness and accuracy of activity data (for example audit tools or programs, third-party reviews, stakeholder engagement strategies)
- efforts applied to ensure the classification of activity was in accordance with the current year's standards, data plans and determinations

² The Health Chief Executives Forum has been established as the advisory and support body to the Health Ministers' Meetings, and serves as the replacement for AHMAC.

- variations in activity volumes and movements between activity based funding and block funding
- explanations on any significant changes in activity and national weighted activity unit (NWAU) values from the prior financial year (as part of annual data submission)
- other information that may be relevant to users of the data, as determined by the signing officer.

Given states and territories have differing levels of maturity of ABF processes, commentary may vary across each state and territory.

To fulfil requirements under clauses B82 and B83, the AHMAC endorsed process is set out below:

- a Statement of Assurance is provided with state and territory public hospital data submissions in March and September each year, and by the Australian Government when submitting data under clauses A8 and A9 of the addendum
- a letter from senior health department official (seniority is defined as IHACPA Jurisdictional Advisory Committee member executive level or above, at the discretion of that department) is included with the Statement of Assurance, stating that the activity data is, to the best knowledge and belief of the official, complete, accurate and fit-for-purpose at the time of submission
- the Statement of Assurance is uploaded to the IHACPA portal alongside the relevant data submission, and a copy provided to the Administrator of the National Health Funding Pool
- a Statement of Assurance is also provided each time there is a resubmission of data, where resubmission means the subsequent submission of a file at the initiation of a state or territory
- when resubmitting public hospital data, the letter from the official includes the reason for resubmission of data
- where states and territories submit NWAU values as well as raw data in their March and September submissions, a Statement of Assurance accompanies the submission of NWAU values
- the Statement of Assurance will not be published publicly.

2.4 NHCDC Data Quality Statement

State and territory governments are required to provide a quality statement with their final NHCDC data submission for each financial year. The data quality statement should outline conformance with the Australian Hospital Patient Costing Standards and relevant changes. The data quality statement will be published publicly.

2.5 Data compliance process

The IHACPA Data Compliance Report details Australian Government and state and territory governments compliance with the public hospital data submission process. The data compliance process outlined below has been informed by and is consistent with the public hospital data supply and compliance processes articulated in the IHACPA Three Year Data Plan.

Table 1: Public hospital data submission and compliance process

No.	Activity	Description	Data compliance checks
1.	Send data request	<p>IHACPA will send an email to each jurisdiction with the following instructions:</p> <ul style="list-style-type: none"> the method of delivery contact person at IHACPA a data request, which will include a spread sheet (or similar) that provides the format in which the data is to be supplied the validation rules that IHACPA will apply to ensure that the submitted data meets the specified requirements summary of changes from previous versions of the data specification the due date for submission. 	<p>IHACPA provides data request in accordance with Three Year Data Plan. Delays in issue of data request may influence subsequent timing requirements for jurisdictions.</p>
2.	Validate data	<p>Before submission of data, jurisdictions are able to validate data multiple times through IHACPA's online Secure Data Management System (SDMS). The data will be validated in accordance with the instructions specified in the data request specification. IHACPA will ensure that the system is ready for the data validation four weeks before the submission due date.</p>	<p>Nil – this falls into broader data quality assurance processes.</p>

No.	Activity	Description	Data compliance checks
3.	Submit quality assured data to IHACPA	<p>Once jurisdictions are satisfied with the data quality based on the feedback generated by the online validation feature, data submitters can formally submit the data within the SDMS. A confirmation email will be issued by the system to acknowledge the submission.</p> <p>The ABF submission must be accompanied by a Statement of Assurance pertaining to the quality of the data for the March and September submissions.</p> <p>The NHCDC submission requires a signed statement which addresses data quality and the application of the Australian Hospital Patient Costing Standards. The signed statement should be provided to inform the creation of the final data set.</p>	<p>IHACPA receives data and Statement of Assurance and records time of receipt.</p> <p>The NHCDC data quality statement is published alongside the NHCDC Public Sector Report.</p>
4.	Review data	<p>Based on the validation result, any data anomalies or errors identified by IHACPA will be discussed with the relevant jurisdiction to determine how they will be addressed. As part of this process, jurisdictions will have an opportunity to identify the circumstances associated with any anomalies or errors identified. This will in turn assist IHACPA to improve the data submission process over time.</p>	<p>Nil – this falls into broader data quality assurance processes.</p> <p>If data submitted is subsequently determined to be incomplete or data contains significant issues which need to be addressed through resubmission, jurisdictions will be assessed as non-compliant.</p>
5.	Decision	<p>If there are no errors or anomalies, the final datasets are created. Otherwise jurisdictions will be asked to make appropriate corrections and re-submit the data to IHACPA. Where the issues cannot be corrected, jurisdictions will be required to advise IHACPA that the data is to be used with known issues.</p>	<p>IHACPA finalises data with quality statement.</p>

No.	Activity	Description	Data compliance checks
6.	Correct identified issues	<p>Jurisdictions correct any errors or anomalies identified by IHACPA and resubmit their data.</p> <p>A Statement of Assurance is to be provided to IHACPA and the Administrator each time there is a formal resubmission of ABF data during the March and September submission period, and include the reason for the resubmission of data.</p> <p>A signed statement is also required to reconfirm the NHCDC data submission as final.</p>	<p>Nil – this falls into broader data quality assurance processes.</p> <p>The NHCDC data quality statement is published alongside the NHCDC Public Sector Report.</p>
7.	Compliance evaluation	<p>IHACPA determine if the final jurisdiction submission complies with the data request and if the jurisdiction met timeframes.</p>	<p>IHACPA confirms that requested data are provided in useable form, consistent with specifications, by the submission date.</p>
8.	Notice of compliance findings	<p>IHACPA will:</p> <ul style="list-style-type: none"> advise jurisdictions of compliance evaluation publish the data compliance report that summarises jurisdiction compliance. This will not include the Statement of Assurance. 	<p>Advice to jurisdiction and release of national summary finding (see Section 2.6 <i>Data compliance process findings</i>).</p>

2.6 Public hospital data compliance process findings

The IHACPA Data Compliance Report details jurisdiction compliance with the public hospital data submission process.

IHACPA will assess a jurisdiction as either compliant or non-compliant. The compliance test needs to be lenient to enable jurisdictions to implement and test new data collection and reporting systems. It is expected that the compliance checks will become more robust as the system matures. A summary of compliance assessment findings is provided at **Table 2**.

Compliant – IHACPA will report a jurisdiction as *compliant* if:

The jurisdiction has provided data in the time required, has supplied data in conformance with data specifications, has supplied a complete data set, and submitted a Statement of Assurance pertaining to the quality of the data.

Qualified compliant – IHACPA will report a jurisdiction as *compliant* but will issue a *qualified compliance* notice from the CEO of IHACPA to the jurisdiction detailing areas of deficiency and necessary remediation if:

The jurisdiction has not provided data in the time required, has supplied data not conforming with data specifications and/or not submitted a Statement of Assurance pertaining to the quality of the data.

Non-compliant – IHACPA will publicly report a jurisdiction as *non-compliant* if:

The jurisdiction has been provided notice by IHACPA of a qualified compliance finding for any reason, in relation to the previous submission or the previous twelve months, and has not subsequently rectified the situation detailed in the compliance notice or agreed with IHACPA on a process to rectify data supply issues in the subsequent data supply and/or does not submit a Statement of Assurance/NHCDC data quality statement.

Table 2: Summary of compliance assessment findings

Quarterly assessment	Compliance finding	Public status report	Notice to state or territory
Jurisdiction provided data in the time required and in conformance with data specifications	Compliant	Compliant	Compliant
Jurisdiction provided data in the time required but not in conformance with data specifications, requiring a resubmission	Qualified compliant - incomplete	Compliant	<i>Qualified compliance notice</i> – detailing compliance issues and advising of timeframe and process for addressing issues
Jurisdiction provided data after the submission date, but in conformance with data specifications	Qualified compliant - late	Compliant	<i>Qualified compliance notice</i> – detailing compliance issues and advising of timeframe and process for addressing issues
Jurisdiction provides incomplete data which requires a resubmission after the submission date.	Qualified compliant - incomplete	Compliant	<i>Qualified compliance notice</i> – detailing compliance issues and advising of timeframe and process for addressing issues.
Jurisdiction has not addressed issues raised in <i>Qualified compliance</i>	Non-compliant	Non-compliant Non-compliant – incomplete Non-compliant - late	<i>Non-compliance notice</i> – CEO of IHACPA will advise the jurisdiction of data compliance deficiency and lack of necessary remediation.

Quarterly assessment	Compliance finding	Public status report	Notice to state or territory
Jurisdiction refuses to provide any data and withdraws from participation in ABF consultative processes	Non-compliant	Non-compliant - withdrawn	<i>Non-compliance notice</i> – CEO of IHACPA will advise the jurisdiction of non-compliance with data obligations.



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