







NSW Health is partially compliant with the following standards under the version 4.1 of the AHPCS. Explanations are noted below.

- Standard 1.2 – Identify Relevant Expenses – Third Party Expenses – most third-party expenses are included in the cost ledger for the NHCDC. However, expenses such as pathology costs for private and compensable patients that are held centrally are not distributed to districts/networks for inclusion in DNR cost ledgers. Medical expenses for private patients recorded in trust accounts or non-operation accounts are also not included in the cost ledger.
- Standard 2.2 – Create the Cost Ledger – Matching Cost Objects and Expenses – while the range and extent of service data expands with each DNR submission, not all districts/networks have the same levels of service data to match expense with the relevant cost objects.
- Standard 3.2 – Create Final Cost Centres – Allocation of Expenses in Overhead Cost Centres – in some cases the preferred overhead allocation statistic detailed in the CAG is not used for the allocation of overhead expense as the allocation statistic data is not readily available.
- Standard 6.1 – Review and Reconcile – Data Quality Framework – while NSW has a comprehensive data quality framework in place, a systematic review of product areas that do not have service data has not been undertaken at this time.
- Standard 6.2 – Review and Reconcile – Reconciliation to Source Data – while an extensive expense and activity reconciliation process is embedded in the DNR submission process, further reconciliation of patient activity to the source systems is required.
- Like Round 25, NSW notes some deviation from Costing Guideline – Critical Care. Many critical care services in NSW hospitals have critical care and step-down beds in the one ward. Examples of this include Intensive Care Unit (ICU)/High Dependency Unit (HDU) or Critical Intensive Care Unit (CICU)/Coronary Care Unit (CCU) wards. Typically, these services have one cost centre and one ward set up in the Patient Administration System, with 2 or more bed types to distinguish the ICU (CICU) hours/bed days separately to the HDU (CCU) hours/bed days. The bed type is used to calculate ICU hours.
- The final cost allocation reflects appropriate nursing levels for ICU/HDU patients. In some instances where a patient only has HDU hours, the cost will be reported under a critical care cost centre, as the cost centre maps to critical care even though there are no reported ICU hours. Additionally, only facilities with Level 3 ICUs map their cost centre to critical care, even though locally they may use the ICU bed type.

#### **4. Other relevant information**

Please include other information relevant to your jurisdiction's annual NHCDC submission. This may include:

- impact of COVID-19 on the 2021-22 submission

- other significant factors and challenges that impacted the 2021-22 NHCDC submission.

There were no significant changes to the costing guidelines for COVID-19 between Round 25 and Round 26.

COVID-19 related expense that is attributable to patient care directly or indirectly was allocated to relevant encounters. Examples could include front door screening, increased infection control related expenditure, additional cleaning related expense and transport. Cost was included irrespective of the funding source to ensure total cost of operations was reflected.

#### 5. NHCDC Declaration

All data provided by NSW Health to the 2021-22 NHCDC has been prepared in accordance with the Independent Health and Aged Care Pricing Authority Three-Year Data Plan 2021-22 to 2023-24, Data Compliance Policy June 2021, and version 4.1 of the AHPCS. Best endeavours were taken to ensure complete and factual reporting and compliance. Data provided in this submission has been reviewed for adherence to version 4.1 of the AHPCS and is complete and free of known material errors.

Assurance is given that to the best of my knowledge, data provided are suitable to be used for the primary purpose of the NHCDC, which includes development of the National Efficient Price.



Susan Pearce AM  
Secretary, NSW Health

26/6/24