

Response to IHACPA Consultation Paper  
Pricing Framework Australian Public Hospital Services  
2025–26

## About the NHLF

The National Health Leadership Forum (NHLF) is a collective partnership of national Aboriginal and Torres Strait Islander health and wellbeing organisations, whose collaborative purpose is to drive systemic and structural transformation of mainstream government systems, including addressing institutional racism and advancing the health rights of Indigenous peoples in alignment with the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP). We have expertise across policy, service delivery, workforce, research, healing, mental health, aged care and disability, and social and emotional wellbeing, with a capacity to elevate clinical expertise when necessary.

The NHLF was instrumental in the formation of the Close the Gap Campaign and continues to lead the Campaign as the senior collective of Aboriginal and Torres Strait Islander health leadership. Committed to achieving health equality, we draw strength from cultural integrity, the evidence base and community.

The NHLF provides advice and direction to the Australian governments on the development and implementation of informed policy and program objectives that contribute to improved and equitable health and life outcomes, and the cultural wellbeing of Aboriginal and Torres Strait Islander peoples. Our vision is for the Australian health system to be free of racism and inequality and all Aboriginal and Torres Strait Islander people have access to health services that are effective, high quality, appropriate and affordable.

The list of the NHLF Membership is at the back of the submission.

## Statement

This NHLF welcomes the opportunity to respond to the Independent Health and Aged Care Pricing Authority (IHACPA) Consultation Paper on the Pricing Framework for Australian Public Hospital Services 2025-26. We offer the following comments against the broader work and role of IHACPA.

The deficit in health and life expectancy of Aboriginal and Torres Strait Islander peoples clearly illustrates inequality in the application and impact of Australian laws and policy settings. These issues are not inherently intractable. For instance, much of the disease burden suffered by Aboriginal and Torres Strait Islander peoples could be avoided or reduced through education and appropriate opportunities to access preventive care<sup>1</sup>. It should be a fundamental right for Aboriginal and Torres Strait Islander people to have access to culturally safe and responsive health services in their communities. These should be guided by safe and robust policies founded on strengths-based frameworks. This approach would not only contribute to the health and wellbeing of Aboriginal and Torres Strait Islander people but strengthen the positive participation rates and social and economic circumstances of the national as a whole.

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<sup>1</sup> <https://www.aihw.gov.au/reports/burden-of-disease/australian-bod-study-2011-indigenous-australians/formats>

Aboriginal and Torres Strait Islander people have expressed time and time again, the need to eliminate institutional racism and the unconscious bias that obstructs their equal access to health, and all other resources associated with self-determination and healthy sustainable outcomes. Institutional racism and the multi-generational experiences of trauma and dislocation continue to have real impacts on the lives of many Aboriginal and Torres Strait Islander people<sup>2</sup>. This inhibits widespread improvements in health and wellbeing.

The NHRA mid-term review report released in December 2023, recommended for the first-time specific focus on First Nations health, which should entail a change in the new arrangements to the pricing of services to reflect the disparity in health outcomes as well as access to health care. The strengths-based approaches that the NHLF advocates for includes institutions such as IHACAPA changing its ways of working. Currently, within IHACAPA's governance structures such as the Board, Clinical Advisory Committee and Senior Management/Leadership there is no Aboriginal and Torres Strait Islander presence. This lack of voice is compounded as the Stakeholder Advisory Committee does not include Aboriginal and Torres Strait Islander representation.

The NHLF calls upon IHACAPA to ensure that Aboriginal and Torres Strait Islander Australians have a role in the development and implementation of policies that affect them this is the only way to address the poor health outcomes and prevent ongoing marginalisation. The consultation paper shows a disconnect between the framing of pricing policy and the health needs of Aboriginal and Torres Strait Islander peoples. The tone and language used in the consultation paper reflects an economic rather than a patient centred health care system, the act of providing care is codified into economic input for treatments provided rather than on health outcomes for people. To make change IHACAPA can start with including Aboriginal and Torres Strait Islander people and their perspectives in the governance structures and reviewing aspects of the pricing approach to ensure that they do not further embed the inequities of health outcomes between Aboriginal and Torres Strait Islander and non-Indigenous Australians.

The next step IHACAPA can address is the way the actual pricing framework operates as its clear that basing prices on old data is not a needs-based nor patient-centred approach. Historic cost data is information that is based on what services had previously been provided, this does not reflect the actual treatment and health care needs of people who experience higher level of burden of disease.

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<sup>2</sup> NHLF, 2017, *Position Paper on Racism*: <https://www.catsinam.org.au/policy/position-statements>; and Joint Statement (NMBA, CATSINaM, ACM, CAN and ANMF), 2018, *Cultural safety: Nurses and midwives leading the way for safe health care*: <https://www.catsinam.org.au/communications/press-releases-and-joint-statements>

The Productivity Commission’s Review of the National Agreement on Closing the Gap (National Agreement) highlighted the poor level of knowledge, understanding and acceptance across our public sector agencies of their role in the National Agreement and their responsibility to implement the priority reform areas. These priority reforms include a commitment to genuine partnership when it comes to policy making that impact the lives of Aboriginal and Torres Strait Islander Australians<sup>3</sup>. Setting the price for services within our health and hospital systems is one that requires full and proper knowledge rather than a tired old format. In this case the NHLF supports the work of NACCHO whose work has estimated an under-servicing to be worth approximately \$4.4 billion per year<sup>4</sup>. In order to address this, consideration should be given to replacing the cost-based adjustment with a needs-based adjustment.

The discrepancy between health data and pricing costs, and the apparent lack of any accountability measures within in the public hospital pricing framework in relation to where the additional funding associated with Aboriginal and Torres Strait Islander peoples is spent, merely compounds poor outcomes. IHACPA should engaged with Aboriginal and Torres Strait Islander health leaders located within the NHLF and NACCHO as well as the discussions around the new NHRA addendum and the First Nations Schedule to inform their knowledge and processes for pricing policy making.

The Priority Reform Three under the National Agreement relates to addressing racism in mainstream public services. If there are no Aboriginal and Torres Strait Islander voices in the vast committee structure of IHACPA then these issues are likely to remain invisible. Aboriginal and Torres Strait Islander interests need to be engaged as full partners in the development, implementation and monitoring of the public hospital pricing framework. This call for change, also includes the collection, collation, storage and access of data within hospitals and across systems. Data needs to be more transparent and accessible to properly understand trends in health care and health outcomes therefore the NHLF also argues that data from sources such as Hospital-Acquired Complications (HACs) and Avoidable Hospital Readmissions (AHRs) are able to be disaggregated to show which patients are Aboriginal and/or Torres Strait Islander peoples (i.e. Indigenous status).

Overall, the review of and the reforms resulting from the midterm review of the National Health Reform Agreement were undertaken contrary to the intention of the National Agreement, as it largely ignored the voice of the broader Aboriginal and Torres Strait Islander health sector/leadership. Whilst the review canvassed input from NACCHO this process reduced the focus to the smaller community-controlled health services sector and thus ignoring a strategic review of the intersection between primary health care and the health and hospital systems. There needs to be an ongoing embedded process that facilitates Aboriginal and Torres Strait Islander perspectives within IHACPA, as well as the broader bureaucracy that wraps around health care service delivery.

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<sup>3</sup> Australian Governments and the Coalition of Peaks (2020). National Agreement on Closing the Gap. Article 18

<sup>4</sup> National Aboriginal Community Controlled Health Organisation (NACCHO) and Equity Economics. “Measuring the Gap in Health Expenditure: Aboriginal and Torres Strait Islander Australians,” May 2022, 3.



**NHLF** Leading Aboriginal and Torres Strait Islander healthcare **MEMBERS**  
National Health Leadership Forum



**Australian Indigenous Doctors' Association**  
<https://aida.org.au/>



**Australian Indigenous Psychologists' Association**  
<https://indigenoupsychology.com.au/>



**Congress of Aboriginal and Torres Strait Islander Nurses and Midwives**  
<https://catsinam.org.au/>



**First Nations Eye Health Alliance**  
<https://fneha.com.au/#>



**First Peoples Disability Network**  
<https://fpdn.org.au/>



**Gayaa Dhuwi (Proud Spirit) Australia**  
<https://www.gayaadhuwi.org.au/>



**Indigenous Allied Health Australia**  
<https://iaha.com.au/>



**Indigenous Dentists' Association of Australia**



**National Aboriginal and Torres Strait Islander Ageing and Aged Care Council**  
<https://natsiaacc.org.au/>



**National Association Aboriginal and Torres Strait Islander Health Workers and Practitioners**  
<https://www.naatsihwp.org.au/>

**National Association of Aboriginal and Torres Strait Islander Physiotherapists**



**The Aboriginal and Torres Strait Islander Healing Foundation**  
<https://healingfoundation.org.au/>



**The Lowitja Institute**  
<https://www.lowitja.org.au/>



THIRRILI

**Thirrili Suicide Postvention Service**  
<https://thirrili.com.au/>



**Torres Strait Regional Authority**  
<https://www.tsra.gov.au/>