



IHACPA

## National Efficient Price and National Efficient Cost Determinations 2025–26 – Glossary of Terms

### Terms

Words and phrases used in the *National Health Reform Act 2011* (NHR Act), the National Health Reform Agreement (NHRA) and the Addendum to the NHRA 2020–26 (Addendum) have the same meaning when used in the Independent Health and Aged Care Pricing Authority's (IHACPA) National Efficient Price Determination 2025–26 or the National Efficient Cost Determination 2025–26, and in addition:

**ABS** refers to the Australian Bureau of Statistics.

**ACHI** refers to a group within the classification system known as the Australian Classification of Health Interventions Thirteenth Edition (also known as ACHI Thirteenth Edition).

**ACS** refers to a group within the classification system known as the Australian Coding Standards Thirteenth Edition (also known as ACS Thirteenth Edition).

**Activity based funding (ABF)** is a way of funding hospitals whereby they get paid for the number and mix of patients they treat. ABF arrangements are outlined in the NHR Act, the NHRA and the Addendum.

**Activity based funding activity** means an activity comprising in-scope public hospital services that will be funded by the Australian Government in the 2025–26 financial year in the manner described at clause A32(c) of the NHRA. Activity based funding activity may take the form of a separation, phase, presentation or service event.

**Acute patient** means a patient recorded as having a care type of 1, 7 or 11 (see [METEOR: 711010](#)).

**Addendum** refers to the [Addendum to the National Health Reform Agreement 2020–26](#).

**Adjustment** means an amount added to, or subtracted, from a price weight, in recognition of legitimate and unavoidable variations in the cost of service delivery. The adjustments for 2025–26 are at Chapter 5 of the National Efficient Price Determination 2025–26.

**AECC** refers to a group within the classification system known as the Australian Emergency Care Classification Version 1.1 (also known as AECC Version 1.1).

**ALOS** refers to the average length of stay of an episode or phase of care.

**AMHCC** refers to a group within the classification system known as the Australian Mental Health Care Classification Version 1.1 (also known as AMHCC Version 1.1).

**AN-SNAP** refers to a group within the classification system known as the Australian National Subacute and Non-Acute Patient Classification Version 5.0 (also known as AN-SNAP Version 5.0).

**AR-DRG** refers to a group within the classification system known as the Australian Refined Diagnosis Related Groups Classification Version 11.0 (also known as AR-DRG Version 11.0).

**ASGS** refers to the Australian Statistical Geography Standard Edition 3, which is the geographical framework used by the Australian Bureau of Statistics.

**Avoidable hospital readmission** means when a patient has been discharged from hospital (defined as the index admission) and has a subsequent unplanned admission that is related to the index admission and was potentially preventable (defined as the readmission). The complete list of avoidable hospital readmission conditions is available in Chapter 6 of the National Efficient Price Determination 2025–26 and on the [Australian Commission on Safety and Quality in Health Care's website](#).

**Bundled price weight** means the weight assigned to activity based funding activity that is priced on a per calendar month basis. A bundled price weight applies for the specified Tier 2 Non-Admitted Services Classification Version 9.1 classes at Appendix L of the National Efficient Price Determination 2025–26.

**COVID-19** refers to coronavirus disease 2019.

**COVID-19 treatment adjustment** means an adjustment for an admitted acute patient who is assigned one of 2 International Statistical Classification of Diseases and Related Health Problems, Tenth Revision, Australian Modification Thirteenth Edition codes indicating they were treated for COVID-19 and who has received care as defined by one of the Australian Refined Diagnosis Related Groups specified in Appendix Q of the National Efficient Price Determination 2025–26.

**Determination** refers to the National Efficient Price Determination 2025–26 or National Efficient Cost Determination 2025–26.

**Dialysis adjustment** means an adjustment for an admitted acute or admitted subacute and non-acute patient with a specified Australian Classification of Health Interventions Thirteenth Edition dialysis intervention code who is not assigned to the Australian Refined Diagnosis Related Group L61Z *Haemodialysis* or L68Z *Peritoneal Dialysis*.

**Emergency department** means an area within a hospital matching all of the descriptors applicable to the levels 3B to 6 as described in Attachment 1 of this glossary.

**Emergency service** means an area within a hospital matching all of the descriptors applicable to the levels 1 to 3A as described in Attachment 1 of this glossary.

**Hospital acquired complication (HAC)** refers to a complication for which clinical risk mitigation strategies may reduce (but not necessarily eliminate) the risk of that complication occurring. The complete list of HACs is available in Chapter 6 of the National Efficient Price Determination 2025–26 and on the [Australian Commission on Safety and Quality in Health Care's website](#).

**ICD-10-AM** refers to a group within the classification system known as the International Statistical Classification of Diseases and Related Health Problems, Tenth Revision, Australian Modification Thirteenth Edition.

**IHACPA** refers to the Independent Health and Aged Care Pricing Authority.

**Indigenous adjustment** means an adjustment for a person who identifies as being of Aboriginal and/or Torres Strait Islander origin.

**Inner regional** means an area that is classified as inner regional Australia under the Australian Statistical Geography Standard Edition 3 (see [METEOR: 747271](#)).

**Intensive care unit (ICU) adjustment** means an adjustment for an admitted acute patient who has spent time in a specified intensive care unit (ICU) as listed at Appendix D of the National Efficient Price Determination 2025–26, except where the activity is represented by a newborn/neonate Australian Refined Diagnosis Related Group identified as 'bundled ICU' in the tables of price weights at Appendix H.

**LHN** refers to a local hospital network.

**Multidisciplinary clinic adjustment** means an adjustment for a non-admitted service event where three or more health care providers (each of a different specialty) are present, as identified using the non-admitted 'multiple health care provider indicator' that is not assigned to the Tier 2 Non-Admitted Services Classification class 20.48 *Multidisciplinary burns clinic*, 20.56 *Multidisciplinary case conference - patient not present* or 40.62 *Multidisciplinary case conference - patient not present*.

**Multiple health care provider indicator** is an indicator used to identify whether a non-admitted patient service event was delivered by multiple health care providers for the reporting of non-admitted activity data (see [METEOR: 652537](#)).

**Multiple health care providers** means 3 or more health care providers who deliver care either individually or jointly within a non-admitted patient service event. The health care providers may be of the same profession (medical, nursing or allied health). However, they must each have a different specialty so that the care provided by each provider is unique and meets the definition of a non-admitted patient service event.

**National pricing model** refers to the methodology underpinning the National Efficient Price Determination 2025–26.

**NBEDS** refers to the national best endeavours data sets.

**NEC** means the efficient cost of a small rural hospital, which is the sum of the fixed component and the variable cost component, as set out at Chapter 3 of the National Efficient Cost Determination 2025–26.

**NEP** means the national efficient price per national weighted activity unit 2025–26, which is based on the average cost of public hospital activity in 2022–23, as set out at Chapter 2 of the National Efficient Price Determination 2025–26.

**NHCDC** refers to the National Hospital Cost Data Collection.

**NHDD** refers to the [National Health Data Dictionary](#).

**NHR Act** refers to the [National Health Reform Act 2011](#).

**NHRA** refers to the [National Health Reform Agreement](#) between the Commonwealth of Australia and the states and territories, dated 2 August 2011.

**NMDS** refers to the national minimum data sets.

**Non-admitted patient service** refers to specialist outpatient clinic services (comprising all clinics in the Tier 2 Non-Admitted Services Classification (Tier 2) classes in the 10, 20 and 30 series, with the exception of 20.06 *General practice and primary care*) and other non-admitted patient services and non-medical specialist outpatient clinics (comprising all clinics in the Tier 2 classes in the 40 series, with the exception of 40.02 *Aged care assessment*, 40.08 *Primary health care*, 40.27 *Family planning* and 40.33 *General counselling*) that meet the criteria set out in Chapter 3 of the National Efficient Price Determination 2025–26.

**NWAU** means national weighted activity unit and is a measure of hospital activity expressed as a common unit, against which the national efficient price is paid. It is a point of relativity for the pricing of hospital services, which are weighted for clinical complexity.

**NWAU(24)** refers to national weighted activity unit 2024–25.

**NWAU(25)** refers to national weighted activity unit 2025–26.

**Other public hospital programs** include programs that were determined to be eligible for Australian Government funding, as assessed through IHACPA's [General List of In-Scope Public Hospital Services Eligibility Policy](#).

**Outer regional** means an area that is classified as outer regional Australia under the Australian Statistical Geography Standard Edition 3 (see [METEOR: 747271](#)).

**Paediatric adjustment** means an adjustment for an admitted acute, admitted mental health care or non-admitted patient who is up to and including the age of 17 years and is treated by a specialised children's hospital.

**Patient residential remoteness area adjustment – Outer regional area** means an adjustment for a person whose residential address is within an area that is classified as being 'outer regional' under the Australian Statistical Geography Standard Edition 3.

**Patient residential remoteness area adjustment – Remote area** means an adjustment for a person whose address is within an area that is classified as 'remote' under the Australian Statistical Geography Standard Edition 3.

**Patient residential remoteness area adjustment – Very remote area** means an adjustment for a person whose address is within an area that is classified as 'very remote' under the Australian Statistical Geography Standard Edition 3.

**Patient treatment remoteness area adjustment – Remote area** means an adjustment for a person who receives care in a hospital that is within an area that is classified as being 'remote' under the Australian Statistical Geography Standard Edition 3.

**Patient treatment remoteness area adjustment – Very remote area** means an adjustment for a person who receives care in a hospital that is within an area that is classified as being ‘very remote’ under the Australian Statistical Geography Standard Edition 3.

**Presentation** refers to patient presentation at an emergency department as referred to in the National Health Data Dictionary.

**Price weight** means the weight assigned to an activity based funding activity as set out in Appendices H – N of the National Efficient Price Determination 2025–26.

**Pricing Authority** refers to the governing body of IHACPA established under the NHR Act.

**Private funding neutrality adjustment** means an adjustment to Australian Government growth funding pertaining to private patient revenue per national weighted activity unit 2025–26 (NWAU(25)) so that the sum of revenue a local hospital network (LHN) receives for public patient NWAU(25) (Australian Government and state or territory activity based funding (ABF) payments) should be equal to payments made for a LHN service for private patient NWAU(25) (Australian Government and state or territory ABF payments, insurer payments and Medicare Benefit Schedule payments), as described at Chapter 7 of the National Efficient Price Determination 2025–26.

**Private patient accommodation adjustment** means an adjustment for eligible admitted private patients as described at Chapter 5 of the National Efficient Price Determination 2025–26, the rates for which are set out at Appendix F.

**Private patient service adjustment** means an adjustment for eligible admitted private patients as described at Chapter 5 of the National Efficient Price Determination 2025–26, the rates for which are set out at Appendix F.

**Radiotherapy adjustment** means an adjustment for an admitted acute or admitted subacute and non-acute patient with a specified Australian Classification of Health Interventions Thirteenth Edition radiotherapy intervention code assigned, as set out at Appendix B of the National Efficient Price Determination 2025–26.

**Remote** means an area that is classified as remote Australia under the Australian Statistical Geography Standard Edition 3 (see [METEOR: 747271](#)).

**Sentinel events** are a subset of adverse patient safety events that are wholly preventable and result in serious harm to, or death of, a patient. The national set of sentinel events agreed to by Australian Health Ministers is available in Chapter 6 of the National Efficient Price Determination 2025–26 and on the [Australian Commission on Safety and Quality in Health Care’s website](#).

**Separation** is the process by which an episode of care for an admitted patient ceases (see [National Health Data Dictionary](#)).

**Service event** is an interaction between one or more health care providers with one non-admitted patient, which must contain therapeutic and/or clinical content and result in a dated entry in the patient’s medical record.

**Specialised children’s hospital** refers to the list of public hospitals at Appendix E of the National Efficient Price Determination 2025–26.

**Specified intensive care units** are intensive care units that are eligible for the intensive care unit adjustment, as set out at Appendix D of the National Efficient Price Determination 2025–26.

**Subacute patient** means a patient recorded as having a care type of 2, 3, 4, 5, 6 and 88 (see [METEOR: 711010](#)).

**Tier 2 non-admitted service** refers to a group within the classification system known as the Tier 2 Non-Admitted Services Classification Version 9.1.

**UDG** refers to a group within the classification system known as the Urgency Disposition Groups Classification Version 1.3 (also known as UDG Version 1.3).

**Very remote** means an area that is classified as very remote Australia or migratory under the Australian Statistical Geography Standard Edition 3 (see [METEOR: 747271](#)).

## Interpretation

In the National Efficient Price and National Efficient Cost Determinations, unless the contrary intention appears:

- ‘includes’ means ‘includes without limitation’
- a reference to a statute or other legislation (whether primary or subordinate) or to the [National Health Data Dictionary](#) (NHDD) is a reference to that statute or other legislation or the NHDD as amended from time to time
- a reference to ‘\$’ or ‘dollars’ is a reference to Australian currency.

## Attachment 1 – Emergency care

Level	Description	
<b>1</b>	Services	Able to provide first aid and treatment prior to referral to a facility able to provide a higher level of service, if necessary.
	Staffing	Access to a medical practitioner – this may be by telephone.
	Location	Not applicable.
<b>2</b>	Services	As for Level 1. Can cope with minor injuries and ailments. Resuscitation and limited stabilisation capacity prior to referral to a facility able to provide a higher level of service.
	Staffing	As for Level 1 (medical). Nursing staff from ward available to cover emergency presentations. Visiting medical officer (includes general practitioner) on call.
	Location	Emergency service in a small hospital.
<b>3A</b>	Services	As for Level 2.
	Staffing	As for Level 2. Designated emergency department nursing staff available 24 hours a day and nursing unit manager. Medical staff available for recall to the hospital within 20 minutes, 24 hours a day. Specialists appropriate to the role delineation of the hospital available for consultation, plus arrangements in place for other specialties. Access to allied health professionals. Specialist psychiatric/mental health assessment personnel available for consultation.
	Location	Purpose designed area, with full resuscitation facilities in separate area such as a cubicle.

<b>Level</b>	<b>Description</b>	
<b>3B</b>	Services	As for Level 3A.
	Staffing	As for Level 2. Designated emergency department nursing staff available 24 hours a day and nursing unit manager. Medical staff available in the hospital 24 hours a day (though may have other commitments in the hospital). Specialists appropriate to the role delineation of the hospital available for consultation, plus arrangements in place for other specialties. Access to allied health professionals. Specialist psychiatric/mental health assessment personnel available for consultation.
	Location	As for Level 3A.
<b>4</b>	Services	Can manage most emergencies. Participation in regional adult retrieval system (rural base hospitals). As for Level 3B.
	Staffing	Registered nurses with emergency nursing experience or qualifications on site 24 hours a day. Emergency department-specific medical officer(s) on site 24 hours a day. Emergency department medical director.
	Location	As for Level 3B.
<b>5</b>	Services	As for Level 4. Has undergraduate and postgraduate teaching and a research program.
	Staffing	As for Level 4. Access to clinical nurse consultant or similar. Has designated emergency care registrars on site 24 hours a day. Sub-specialists available on rosters.
	Location	As for Level 4.
<b>6</b>	Services	As for Level 5. Can manage all emergencies and provide definitive care. State-wide referral role and/or major trauma centre.
	Staffing	As for Level 5.
	Location	As for Level 5.