

## **National Hospital Cost Data Collection (NHCDC) cycle animation transcript**

Each year, the Independent Hospital Pricing Authority undertakes the National Hospital Cost Data Collection.

Whether patients receive care through an emergency department, outpatient clinic or an admission to hospital, all of the care provided is recorded.

This plays a key role in calculating the cost of public hospital services and encourages best practice across the healthcare system.

But how do we actually do that?

This is Alice. She's about to have a hip replacement.

By collecting her data accurately, we can help to calculate future hospital funding across Australia.

...enabling health departments to manage resources more effectively...

...and improving services for patients, like Alice.

From the moment she arrives in hospital, data is recorded about the care Alice receives. It keeps on coming, right up until she's discharged.

And every last bit is recorded into the hospitals' Patient Administration System.

The accuracy and completeness of the data plays a crucial part in calculating costs.

Health information managers and clinical coders at the hospital begin classifying the data that's been recorded.

...separating the diagnosis information, from the procedural...

This data is entered into an electronic ' grouper ' system

...assigning each patient a Diagnosis Related Group.

This is used by the hospital's costing team.

To calculate the true cost of Alice's stay.

...everything is taken into consideration, from medicines and tests...

...through to catering and linen.

This process accounts for all expenses incurred, by the hospital including salaries and wages paid to doctors, nurses and hospital managers enabling the hospital to calculate the cost of Alice's stay.

The DRG code is matched with the actual cost of Alice's visit highlighting opportunities for improved care.

The information is then provided to the state or territory health department...

...allowing them to assess patterns or variations in the cost of care

This also enables them to see whether costing standards are being applied consistently across all hospitals in their area.

Every twelve months the states and territories pass this data to us, the Independent Hospital Pricing Authority, taking care to remove Alice's personal details.

## Transcript—National Hospital Cost Data Collection (NHCDC) cycle animation

Our role is to calculate the National Efficient Price and the National Efficient Cost.

The numbers go through our quality assurance checks and independent reviews to improve accuracy and ensure transparency...

...which enables us to put together the National Hospital Cost Data Collection.

This data set informs the National Efficient Price and the National Efficient Cost, for hospital services over the next financial year.

This determines how much the Commonwealth Government contributes to Local Hospital Networks (LNN) for services such as hip replacements, whilst the states and territories as system managers determine their contributions to each LHN.

...ensuring public hospitals are funded for the services they provide.

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