

H20/26505

Mr James Downie
Chief Executive Officer
Independent Hospital Pricing Authority
PO Box 483
DARLINGHURST NSW 1300

Dear Mr Downie

Thank you for your invitation to submit a response to the public consultation on the Independent Hospital Pricing Authority's (IHPA) Draft Work Program for 2020-21.

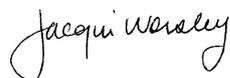
While NSW largely supports the IHPA's proposed program of work for 2020-21, the impact of COVID-19 should be reflected. NSW suggests IHPA include the deliverables required to facilitate the response to COVID-19 National Partnership Agreement and the effects of counting, classification and costing on the National Hospital Cost Data Collection. This should include costs incurred in planning and preparation for the pandemic as well as private public partnerships and other activity. COVID-19 has also impacted timelines for the Australian Non-Admitted Care Classification (ANACC) Costing Study. NSW requests that IHPA extend the current deadline into 2021.

NSW maintains concerns over the Individual Healthcare Identifier. There are a range of privacy, legal and ethical issues that would need to be addressed prior to agreeing to the collection of the Individual Healthcare Identifier in any national data sets. NSW has provided advice to IHPA that it is willing to work with them to investigate and address these concerns. This has not been addressed by IHPA. NSW also maintains its objection to making the National Benchmarking Portal a publicly accessible resource and again notes there are already publicly available resources on public hospital performance on a range of measures.

Detailed comments, consistent with advice previously provided to you on behalf of Minister Hazzard in January, are enclosed.

If you would like more information please contact me on 9391 9533.

Yours sincerely



Jacqueline Worsley
Executive Director, Government Relations Branch
NSW Health

Encl.

IHPA Draft Work Program 2020-21

COVID-19

COVID-19 has impacted the ANACC Costing Study such that the December 2020 date is no longer achievable and NSW request IHPA extend this deadline into 2021.

IHPA should include in their work plan for 2021 the deliverables required for the NPA and the effects of counting, classification and costing for its impact on the NHCCD. This should include costs incurred in planning and preparation for the pandemic as well as private public partnerships and other activity.

NSW Comments

Section	Comments
General comments	
<u>Tools – Resources</u> NSW requests all tools integral to achieving milestones are included in the Work Program. Delays with the emergency department grouper have caused concern with the launch of the Australian Emergency Care Classification. Integral tools include grouping software, mapping tables and new innovations essential to meeting key milestones of the Work Program. Delay in the provision of these tools impacts the review and evaluation of proposed changes and support of the change across NSW.	
<u>Transparency</u> The Work Program appears to change deadlines or miss some deliverables, from the previous work program or the Draft Pricing Framework. NSW recommends that the Work Program include a section to clarify any deliverables that have been introduced, removed or changed for the current year as a result of the Pricing Framework. A requirement under Section 225 of the National Health Reform Act 2011 is for IHPA to publicly consult on its Work Program at least once. This does not limit IHPA's ability to update the Work Program as a published addendum, and as an evaluation of the previous year's program. Updating the Work Program will ensure transparency on intended deliverables or where issues arise. For example, IHPA agreed in the 2019-20 Pricing Framework to develop shadow funding criteria, however it was unclear what deliverable this would result in, and only resulted in an update to the back-casting policy. NSW recommends that data analysis provided by IHPA at IHPA Working Groups and other meetings such as the Technical Advisory Committee (TAC) should be provided to the level of Local Health Districts/Specialty Health Networks, if not by hospital (as applicable where anomalies are	

identified), and not just by jurisdiction. This will allow for validation, accurate monitoring and improved actioning at a State level.

Public Consultation

NSW requests that IHPA note in the Work Program the due dates for all public or jurisdictional submissions (e.g. General List of In-Scope Public Hospital Services submission); not just the final timeframe for decisions. This could be done in the same manner as quarterly data submissions. If more detailed milestones were available and transparent, jurisdictions could better plan their review and analysis time.

An addendum to the Work Program would ensure the Work Program remained in sync with commitments to undertake work, as stated in the Pricing Framework or as a result of other public consultations.

Strategic Objective 1: Perform IHPA Pricing Functions

Development of the Pricing Framework for Australian Public Hospital Services 2021-22	At the IHPA governance committees, NSW requested, and IHPA agreed to determine criteria for transition from shadow funding to actual funding. The 2020-21 Work Program does not reflect this commitment.
Determination of in-scope public hospital services for the purposes of Commonwealth funding under the NHRA	Deliverables should include a call for submissions date, and timing for jurisdictional comments, and timeframe for the final response.
NEP and NEC Determinations 2021-22	
NEP and NEC model refinement	Whilst NSW disagree with the Fundamental Review as it currently stands, NSW will continue to work with IHPA to ensure all the original objectives from the Fundamental Review are achieved. Milestones within this deliverable need to be expanded to ensure transparency when reviewing recommendations.
Pricing and funding safety and quality in the delivery of public hospital services	<p>Avoidable readmissions quarterly report – NSW recommends IHPA specify when each will be delivered. This is consistent with the approach to specify collection of quarterly data submissions.</p> <p>The 2020-21 Draft Pricing Framework stated an intention to progress release of a report on the impact of funding adjustments for hospital acquired complications. There is no evidence of this work being undertaken in the 2020-21 Work Program.</p>

	NSW recommends IHPA include a safety and quality approach to its 2020-21 Work Program.
Forecast of the NEP for future years	
NEC Supplementary Determination	
Price harmonisation across care settings	This work was outlined for 2019-20. No reference is made in the Pricing Framework for 2020-21. NSW acknowledges that IHPA have included this work in the Public Consultation work program.
Strategic Objective 2: Refine and Develop Hospital Activity Classification Systems	
Acute Care Classifications	<p>NSW reiterates the need for the timeframe for AR-DRG revision to be extended from two years. However, NSW requests IHPA balance the reduction in frequency of AR-DRG updates with maintaining clinical currency when significant changes in clinical practice occur. This could be done by harnessing ICD-10-AM andACHI updates.</p> <p>NSW reiterates the importance for implementation of a framework (including a timeline for response) for addressing and reviewing public AR-DRG submissions, and a framework for addressing and prioritising items for review in AR-DRG development. NSW acknowledges that IHPA have incorporated a Principle Based Framework in its 2020-21 Work Program.</p> <p>NSW recommends IHPA consider expansion of underlying ICD10 classifications to include other streams. This will simplify data collection and classification systems for clinicians.</p>

<p>Australian Mental Health Care Classification</p>	<p>NSW recommends IHPA add to its 2020-21 Work Program a commitment to provide a shadow funding report outlining financial implications and risks inherent in implementing published AMHCC shadow price weights. This deliverable was discussed at TAC.</p> <p>NSW recommends IHPA publish criteria that it will use to decide on moving from shadow pricing to actual pricing. Criteria should be based on evaluation, including how well shadow pricing has performed. NSW questions IHPAs ability to move to an actual pricing method for 2021-22 without appropriately evaluating the shadow year. This is especially important in the Ambulatory component of the classification where weights have been based on the costs of one State.</p> <p>NSW recommends IHPA ensure changes to the grouper, mapping, work in progress rules or phase definitions are provided in sufficient time to test and have incorporated into the NSW health system.</p> <p>NSW recommends IHPA consider using the ICD10 classification to collect required data to apply the AMHCC classification for inpatient records. It is also recommended that consideration be given to simplifying and streamlining classification systems for clinicians. NSW is willing to discuss this concept further with IHPA in early 2020.</p>
<p>Australian National Subacute and Non-acute Patient Classification</p>	<p>Clinicians on the NSW Sub and Non-Acute Patient (SNAP) Working Group have expressed disappointment at the constant change of deadline to develop the AN-SNAP version 5 classification. NSW encourages IHPA to achieve the current deadline to avoid loss of credibility with stakeholders.</p> <p>NSW supports IHPA's change to include the 2017-18 data and remove the 2014-15 data from its analysis in the development of AN-SNAP v5 classification where NSW considers the 2017-18 dataset more robust and fit for purpose.</p> <p>NSW recommends IHPA consider use of the ICD10 classification to collect required data to apply SNAP classification for inpatient records. It is also recommended that consideration is given to simplifying and streamlining classification systems for clinicians. NSW is willing to discuss this concept further with IHPA in early 2020.</p>
<p>Tier 2 Non-Admitted Services Classification</p>	<p>NSW questions IHPAs deliverable to maintain the classification, when no further work has been achieved in</p>

	2019-20 and focus has moved to the Australian Non-Admitted Care Classification (ANACC).
Australian Non-Admitted Care Classification	As previously notified, NSW is concerned about the timeframe for the HPA to deliver the RVUs for costing of the NAPCCS. The current timeframe for delivery is after the draft NSW Costing Submission is due.
Australian Emergency Care Classification (AECC)	NSW request IHPA incorporate into the 2020-21 Work Program development of criteria to move the AECC from shadow to actual pricing. NSW encourages updates to the AECC grouper in a timely manner.
Australian Teaching and Training Classification	NSW notes in the 2020-21 Work Program that IHPA has identified 'research data' and associated challenges however continues to recognise it as the 'teaching and training' classification. NSW recommends IHPA identify whether research will be incorporated in the Australian Teaching and Training Classification or if a separate research classification will be developed. IHPA have acknowledged that Research is not incorporated into ATTC and that no further work is to be included. NSW suggests IHPA develop a plan for improving current collection and data reporting. The NBEDS approach does not improve accountability for change. IHPA have acknowledged that further is required to improve the data.
Sales of the AR-DRG system	
Incorporating new technology in patient classifications systems	With the introduction of cellular therapies, NSW recommends IHPA incorporate development of activity data and costing standards for high cost/low volume activity. This could be in the format of overall principles with each new technology or therapy then having a sub- section if required, e.g. Kymriah.
Strategic Objective 3: Refine and Improve Hospital Costing	
Australian Hospital Patient Costing Standards	NSW is currently working through the methodology of including costing RFA and has identified many challenges that will need to be considered before being able to fully comply with the AHPCS v4.0. NSW recommend IHPA clarify best practice to cost AMHCC at the contact, phase and episode level. This criteria needs to

	be consistent across all activity layers. Clarity should be documented as a deliverable in the 2020-21 Work Program.
Collection of NHCDC for public and private hospitals	
NHCDC Independent Financial Review	
Costing private patients in public hospitals	NSW do not agree that it is feasible to phase out the private patient correction factor for NEP21 as this would be based on 2018-19 costing. NSW were not able to be compliant in the NHCDC for that year as previously advised.
Strategic Objective 4: Determine Data Requirements and Collect Data	
Revision of the Three Year Data Plan	
Phasing out aggregate non-admitted data reporting	NSW suggest IHPA provide suitable alternatives for: <ol style="list-style-type: none"> 1. Patients whose identity cannot be established or 2. Patient who for privacy reasons cannot be identified.
Data specification development and revision	
Individual Healthcare Identifier	NSW maintains concerns over the Individual Healthcare Identifier. There are a range of privacy, legal and ethical issues that would need to be addressed prior to agreeing to the collection of the Individual Healthcare Identifier in any national data sets. NSW has provided advice to IHPA that it is willing to work with them to investigate and address these concerns. This has not been addressed by IHPA.
Improvements to data submission, loading and validation processes	
Collection of ABF activity data for public hospitals	
Data compliance	
Promoting access to public hospital data	NSW does not support the NBP being made public.

Strategic Objective 5: Resolve Disputes on Cost-Shifting and Cross-Border Issues	
Review of the Cost-Shifting and Cross-Border Dispute Resolution Framework	
Strategic Objective 6: Independent and Transparent Decision-Making and Engagement with Stakeholders	
Monitor and evaluate the introduction of ABF	NSW recommends IHPA evaluate the value of quarterly data submissions, reconcile the variance in quarter to date submissions, and review impact of the submissions on the stability of activity based funding. It is recommended that IHPA undertake this evaluation as an independent review.
Evidence-based ABF related research	NSW recommends IHPA improve the level of information provided to jurisdictions when asked to comment on release of data. To ensure compliance with privacy and ethics requirements, it is recommended that IHPA discourage requesters asking for 'broad brush' access to all datasets without robust hypothesis. IHPA should consider adopting the AIHW policies for data release.
Support ABF education at a national level	