

Independent Hospital Pricing Authority

# Data Compliance Policy

July 2020



IHPA

## Data Compliance Policy – July 2020

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# Glossary

<b>ABF</b>	Activity Based Funding
<b>AHMAC</b>	Australian Health Ministers' Advisory Council
<b>CEO</b>	Chief Executive Officer
<b>IHPA</b>	Independent Hospital Pricing Authority
<b>LHN</b>	Local Hospital Network
<b>NBEDS</b>	National Best Endeavours Data Set
<b>NEC</b>	National efficient cost
<b>NEP</b>	National efficient price
<b>NHCDC</b>	National Hospital Cost Data Collection
<b>NHRA</b>	National Health Reform Agreement
<b>NWAU</b>	National weighted activity unit
<b>SDMS</b>	Secure Data Management System
<b>The Act</b>	<i>National Health Reform Act 2011</i>
<b>The Addendum 2017–2020</b>	Addendum to the National Health Reform Agreement 2017–2020
<b>The Addendum 2020–2025</b>	Addendum to the National Health Reform Agreement 2020–2025
<b>The Administrator</b>	The Administrator of the National Health Funding Pool

# 1 Introduction

## 1.1 Context

The Independent Hospital Pricing Authority (IHPA) is an independent government agency provided for through the National Health Reform Agreement (NHRA) and established under the *National Health Reform Act 2011* (the Act). A major component of these reforms is the implementation of national activity based funding (ABF) for Australian public hospitals.

IHPA's key functions include determining pricing for services funded on an activity basis, through the national efficient price (NEP), and determining the efficient cost for services which are block funded, through the national efficient cost (NEC).

In determining the NEP and NEC, IHPA must first specify the classifications, counting rules, data and coding standards as well as the methods and standards for costing data. As the provision of timely, accurate and reliable data is vital to IHPA in determining the NEP, IHPA annually prepares a rolling Three Year Data Plan, which sets out these requirements to the Commonwealth, states and the territories in accordance with clauses B66 to B81 of the Addendum to the NHRA 2020–2025. This edition of the Data Compliance Policy is a supplement document to the IHPA Three Year Data Plan 2020–21 to 2022–23.

## 1.2 Background

The functions of IHPA are specified in section 131 of the Act and include:

- determining the NEP for health care services provided by public hospitals where the services are funded on an activity basis
- determining the NEC for health care services provided by public hospitals where the services are block funded
- determining adjustments to the NEP to reflect legitimate and unavoidable variations in the costs of delivering health care services
- developing and specifying classification systems to be used to classify health care and other services provided by public hospitals for ABF purposes
- determining data requirements and standards to apply, for ABF purposes, in relation to data to be provided by jurisdictions, including:
  - i. data and coding standards to support uniform provision of data
  - ii. requirements and standards relating to patient demographic characteristics and other information relevant to classifying, costing and paying for public hospital functions.
- except where otherwise agreed between the Commonwealth and a state or territory – to determine the public hospital functions that are to be funded in the state or territory by the Commonwealth.

In June 2017, Australian governments signed an Addendum to the National Health Reform Agreement 2017–2020, which set out public hospital financing arrangements until 30 June 2020. It introduced a new requirement for jurisdictions to submit a Statement of Assurance pertaining to the completeness and accuracy of the data submitted to IHPA. A further Addendum to the National Health Reform Agreement 2020–2025 was signed in May 2020, re-affirming the requirement to submit a Statement of Assurance. The implications of this Addendum for data submission and compliance are outlined in Chapter 2.

### 1.3 Purpose

The purpose of the Data Compliance Policy is to detail the process by which IHPA will publicly report on compliance by state and territories with the data requirements and data submission dates specified in the IHPA Three Year Data Plan 2020–21 to 2022–23. It does not capture the full data quality assurance process which is outlined in the IHPA [Data Quality Assurance Framework](#).

### 1.4 Review

The IHPA Data Compliance Policy and associated documentation will be reviewed annually, with more regular updates if required.

The criteria for assessing data compliance will be reviewed annually to ensure these reflect IHPA data requirements as specified in the IHPA Three Year Data Plan 2020–21 to 2022–23.

Should new criteria for assessment of compliance be developed to address data specification requirements, data supply timelines, and data supply accuracy, these will be addressed explicitly in the most recent Three Year Data Plan and reflected in an updated Data Compliance Policy.

## 2 What is the data compliance process?

For IHPA's purposes, data compliance refers to the process of reporting on whether states, territories and the Commonwealth supplied the data requested by IHPA in order to meet its functions under the National Health Reform Agreement. As of 1 July 2018, states and territories are required to report hospital activity data on a quarterly 'year to date' basis to IHPA, while teaching training and research and hospital cost data through the National Hospital Cost Data Collection (NHCDC) remains on an annual basis.

The general data compliance process and criteria are described in the IHPA Three Year Data Plan 2020–21 to 2022–23. The following section reflects the arrangements specified in the data plan.

State and territories are required to submit activity data, using approved data specifications, to IHPA on a quarterly basis. Teaching, training and research and cost data is to be submitted on an annual basis. In accordance with the NHRA, IHPA must report on state and territories' compliance with these requirements. State and territories will be judged to have complied with IHPA's data requirements if they:

- have provided the data required as specified in the data request
- have provided the data in the timeframes requested.

If a state or territory does not meet both of these requirements for any given quarter, they will be regarded as being non-compliant. Where a state or territory is judged to be non-compliant, IHPA will provide the state or territory with an opportunity to communicate their circumstances. In doing this, IHPA and the state or territory will work together to improve the data submission process over time.

A state or territory will be rated as non-compliant if they do not address issues raised by IHPA after being advised that they are non-compliant or if a state or territory refuses to provide data.

The data compliance status information will be published on the IHPA website on a quarterly basis.

### 2.1 Who is responsible for the data compliance process?

The IHPA Director of Data Acquisition is responsible for assessment of compliance and the preparation of a data compliance report with accompanying documentation for the Chief Executive Officer (CEO) of IHPA and the Pricing Authority.

### 2.2 Data submission timing

The data submission process for collection of data from the states, territories and the Commonwealth for the purposes of calculating the NEP or performing other functions of IHPA is articulated in Chapter 7 of the IHPA Three Year Data Plan 2020–21 to 2022–23.

The current data supply timeline has been reproduced below in Table 1, Table 2 and Table 3.

**Table 1: Activity data submission timeline**

Financial year	Data reporting period	NBEDS published	Data request sent	Submission date	IHPA review date	Resubmission date (if required)
2020-21	Sep Quarter	31-Dec-19	20-Mar-20	21-Dec-20	11-Jan-21	25-Jan-21
	Dec Quarter	31-Dec-19	20-Mar-20	31-Mar-21	14-Apr-21	28-Apr-21
	Mar Quarter	31-Dec-19	20-Mar-20	30-Jun-21	14-Jul-21	28-Jul-21
	Jun Quarter	31-Dec-19	20-Mar-20	30-Sep-21	14-Oct-21	28-Oct-21
2021-22	Sep Quarter	31-Dec-20	19-Mar-21	21-Dec-21	11-Jan-22	28-Jan-22
	Dec Quarter	31-Dec-20	19-Mar-21	31-Mar-22	14-Apr-22	29-Apr-22
	Mar Quarter	31-Dec-20	19-Mar-21	30-Jun-22	14-Jul-22	29-Jul-22
	Jun Quarter	31-Dec-20	19-Mar-21	30-Sep-22	14-Oct-22	28-Oct-22
2022-23	Sep Quarter	31-Dec-21	18-Mar-22	23-Dec-22	13-Jan-23	27-Jan-23
	Dec Quarter	31-Dec-21	18-Mar-22	31-Mar-23	14-Apr-23	28-Apr-23
	Mar Quarter	31-Dec-21	18-Mar-22	30-Jun-23	14-Jul-23	28-Jul-23
	Jun Quarter	31-Dec-21	18-Mar-22	29-Sep-23	13-Oct-23	27-Oct-23

**Table 2: National Hospital Cost Data Collection data submission timeline**

NHCDC Round	Data reporting period	Data request sent	Submission date	IHPA review date	Resubmission date (if required)
24	2019-20	31 Jul 20	1 Mar 21	31 Mar 21	30 Apr 21
25	2020-21	30 Jul 21	28 Feb 22	14 Mar 22	25 Mar 22
26	2021-22	29 Jul 22	28 Feb 23	14 Mar 23	24 Mar 23

**Table 3: Commonwealth data submission timeline**

Data Category	Data reporting period	Data Request Sent	Submission Date
Hospital Casemix Protocol	2019-20	19-Mar-21	30-Apr-21
	2020-21	18-Mar-22	30-Apr-22
	2021-22	20-Mar-23	30-Apr-23
Private Hospital Data Bureau	2019-20	19-Mar-21	30-Apr-21
	2020-21	18-Mar-22	30-Apr-22
	2021-22	20-Mar-23	30-Apr-23
Pharmaceutical Benefits Scheme	2019-20	19-Mar-21	30-Jun-21
	2020-21	18-Mar-22	30-Jun-22
	2021-22	20-Mar-23	30-Jun-23

## 2.3 Statement of Assurance

The Statement of Assurance is a requirement under clause B82 of the Addendum 2020–2025.

As required under clause B82(b) of the Addendum 2020–2025, the Australian Health Ministers' Advisory Council (AHMAC) have endorsed a process regarding the provision of a Statement of Assurance to the National Bodies.

The Statement of Assurance from states and territories (B82) and the Commonwealth (under clause B83) is to include commentary on:

- Steps taken to promote completeness and accuracy of activity data (e.g. audit tools or programs, third-party reviews, stakeholder engagement strategies).
- Efforts applied to ensure the classification of activity was in accordance with the current year's standards, data plans and determinations.
- Variations in activity volumes and movements between activity based funding and block funding.
- Other information that may be relevant to users of the data, as determined by the signing officer.

Given state and territories have differing levels of maturity of ABF processes, commentary may vary across each state and territory.

To fulfil requirements under clauses B82 and B83, the AHMAC endorsed process is set out below:

- A Statement of Assurance is provided with state and territory data submissions in March and September each year, and by the Commonwealth when submitting data under clauses A8 and A9 of the Addendum.
- A letter from senior health department official (seniority as defined as IHPA Jurisdictional Advisory Committee member executive level or above, at the discretion of the department) is included with the Statement of Assurance, stating that the activity data is, to the best knowledge and belief of the official, complete, accurate and fit for purpose at the time of submission.
- The Statement of Assurance is uploaded to the IHPA portal alongside the relevant data submission.
- A Statement of Assurance is also provided each time there is a resubmission of data, where resubmission means the subsequent submission of a file at the initiation of a state or territory.
- When resubmitting data, the letter from the official includes the reason for resubmission of data.
- Where states and territories submit national weighted activity unit (NWAU) values as well as raw data in their March and September submissions, a Statement of Assurance accompanies the submission of NWAU values.
- IHPA provides the Statement of Assurance to the Administrator.
- The Statement of Assurance will not be published publicly.

## 2.4 NHCDC Data Quality Statement

State and territories are required to provide a quality statement with their final NHCDC data submission for each financial year. The quality statement should outline conformance with the Australian Patient Hospital Costing Standards.

## 2.5 Data compliance process

The IHPA Data Compliance Report details state and territory compliance with the data submission process. The compliance process below has been informed by and is consistent with the data supply and compliance processes articulated in the IHPA Three Year Data Plan 2020–21 to 2022–23.

**Table 4: Data submission and compliance process description**

No.	Activity	Description	Data compliance checks
1.	Send data request	<p>IHPA will send an email to each state and territory with the following instructions:</p> <ul style="list-style-type: none"> <li>the method of delivery</li> <li>contact person at IHPA</li> <li>a data request, which will include a spread sheet (or similar) that provides the format in which the data is to be supplied</li> <li>the validation rules that IHPA will apply to ensure that the submitted data meets the specified requirements</li> <li>summary of changes from previous versions of the data specification</li> <li>the due date for submission.</li> </ul>	IHPA provides data request in accordance with Three Year Data Plan 2020–21 to 2022–23. Delays in issue of data request may influence subsequent timing requirements for states and territories.
2.	Validate data	<p>Before submission of data, state and territories are able to validate data multiple times through IHPA's online Secure Data Management System (SDMS). The data will be validated in accordance with the instructions specified in the data request specification. IHPA will ensure that the system is ready for the data validation four weeks before the submission due date.</p>	Nil – this falls into broader data quality assurance processes.
3.	Submit quality assured data to IHPA	<p>Once state and territories are satisfied with the data quality based on the feedback generated by the online validation feature, data submitters can formally submit the data within the SDMS. A confirmation email will be issued by the system to acknowledge the submission.</p> <p>The ABF submission must be accompanied by a Statement of Assurance pertaining to the quality of the data for the March and September submissions.</p> <p>The NHCDC submission requires a signed statement which addresses data quality and the application of the Australian Hospital Patient Costing Standards. The signed statement should be provided to inform the creation of the final data set.</p>	<p>IHPA receives data and record time of receipt.</p> <p>Statement of Assurance is received and forwarded to the Administrator according to their Three Year Data Plan submission requirements.</p> <p>The NHCDC statement is published in the NHCDC Cost Report.</p>

No.	Activity	Description	Data compliance checks
4.	Review data	Based on the validation result, any data anomalies or errors identified by IHPA will be discussed with the relevant state or territory to determine how they will be addressed. As part of this process, state and territories will have an opportunity to identify the circumstances associated with any anomalies or errors identified. This will in turn assist IHPA to improve the data submission process over time.	Nil – this falls into broader data quality assurance processes.
5.	Decision	If there are no errors or anomalies, the final datasets are created. Otherwise, state and territories will be asked to make appropriate corrections and re-submit the data to IHPA. Where the issues cannot be corrected, state and territories will be asked to advise IHPA that the data is to be used with known issues.	IHPA finalises data with quality statement.
6.	Correct identified issues	State and territories correct any errors or anomalies identified by IHPA and resubmit their data.  A Statement of Assurance is to be provided each time there is a formal resubmission of ABF data during the March and September submission period, and include the reason for the resubmission of data.  A signed statement is also required to reconfirm the NHCDC data submission as final.	Nil – this falls into broader data quality assurance processes.  Statement of Assurance, if resubmitted, provided to the Administrator according to their Three Year Data Plan submission requirements.  The NHCDC statement is published in the NHCDC Cost Report.
7.	Compliance evaluation	IHPA determine if the final state or territory submission complies with the data request and if the state or territory met timeframes.	IHPA confirms that requested data are provided in useable form consistent with specifications.
8.	Notice of compliance findings	IHPA will: <ul style="list-style-type: none"> <li>advise state and territories of compliance evaluation</li> <li>publish the data compliance report that summarises state or territory compliance. This will not include the Statement of Assurance.</li> </ul>	Advice to state or territory and national summary finding (see Section 2.6 <i>Data compliance process findings</i> ).

## 2.6 Data compliance process findings

IHPA will assess a state or territory as either compliant or non-compliant. The compliance test needs to be lenient to enable state and territories to implement and test new data collection and reporting systems. It is expected that the compliance checks will become more robust as the system matures. A summary of compliance assessment findings is provided at Table 5.

**Compliant** – IHPA will report a state or territory as compliant if:

A state or territory has provided data in the time required, has supplied data in conformance with data specifications and submitted a Statement of Assurance pertaining to the quality of the data.

**Qualified compliant** – IHPA will report a state or territory as compliant but will issue a qualified compliance notice from the CEO of IHPA to the state or territory detailing areas of deficiency and necessary remediation if:

A state or territory has not provided data in the time required, has supplied data not conforming with data specifications and/or not submitted a Statement of Assurance pertaining to the quality of the data.

**Warning of non-compliance** – IHPA will report a state or territory as compliant but will issue a warning of non-compliance notice from the CEO of IHPA to the state or territory detailing areas of deficiency and necessary remediation if:

A state or territory has been provided notice by IHPA of a qualified compliance finding in a quarter and has not rectified the situation detailed in the compliance notice in the subsequent quarter or agreed with IHPA on a process to rectify data supply issues in the subsequent data supply.

**Non-compliant** – IHPA will publically report a state or territory as non-compliant if:

The state or territory does not provide sufficient data to enable for the calculation of the NEP for that state or territory and/or does not submit a Statement of Assurance. This circumstance would not require notice and would only be invoked should there be a very significant breakdown in the data reporting arrangements with a particular state or territory, e.g. the formal refusal by a state or territory to supply the requested data in accordance with the IHPA Three Year Data Plan 2020-21 to 2022-23.

**Table 5: Summary of compliance assessment findings**

Quarterly assessment	Compliance finding	Public status report	Notice to state or territory
State or territory provided data in the time required and in conformance with data specifications	Compliant	Compliant	Compliant
State or territory provided data in the time required but not in conformance with data specifications	Qualified compliant	Compliant	<i>Qualified compliance notice</i> – detailing compliance issues and advising of timeframe and process for addressing issues
State or territory provided data late, but in conformance with data specifications	Qualified compliant	Compliant	<i>Qualified compliance notice</i> – detailing compliance issues and advising of timeframe and process for addressing issues

Quarterly assessment	Compliance finding	Public status report	Notice to state or territory
State or territory has qualified compliance from previous quarter and provides data that is not on time, or does not conform with data specification and relates to the same issues raised in the qualified compliance	Qualified compliant-warning of non-compliance	Compliant	<i>Warning of non-compliance notice</i> from the CEO of IHPA to the state or territory detailing areas of deficiency and necessary remediation and advising of finding of non-compliance in next quarter if not remedied
State or territory has not addressed issues raised in <i>Warning of non-compliance</i>	Non-compliant	Non-compliant	<i>Notice of non-compliance</i> – CEO of IHPA will advise the state or territory of data compliance deficiency and lack of necessary remediation.
State or territory refuses to provide any data and withdraws from participation in ABF consultative processes	Non-compliant	Non-compliant	<i>Notice of non-compliance</i> – CEO of IHPA will advise the state or territory of non-compliance with data obligations.

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