

6 April 2020

Mr James Downie CEO
Independent Hospital Pricing Authority

By email to: enquiries.ihpa@ihpa.gov.au

Dear Mr Downie

Re: The draft Independent Hospital Pricing Authority (IHPA) Work Program 2020-21 and correspondence from the IHPA on the Pricing Framework 2020-20.

The Royal Australian and New Zealand College of Psychiatrists (RANZCP) welcomes the opportunity to provide feedback into the public consultation on the draft *IHPA Work Program 2020-21* (the Work Program).

In addition, the RANZCP would also like to use this opportunity to respond to the IHPA's recent correspondence, dated 17 March 2020, on the Pricing Framework for Australian Public Hospital Services 2020-21. Whilst the RANZCP acknowledges the positions IHPA has taken which are outlined in your recent correspondence, we remain committed to advocating for improvements in pricing models in the following key areas: mother baby units (MBUs), older people services and consultation-liaison services in acute health settings.

The RANZCP is the principal organisation representing the medical speciality of psychiatry in Australia and New Zealand and is responsible for training, educating and representing psychiatrists on policy issues. The RANZCP represents more than 6700 members, including more than 5000 qualified psychiatrists, and is guided on policy matters by a range of expert committees.

The RANZCP notes that within the Work Program the IHPA advises it will work with stakeholders on an implementation timeframe for recommendations from the Clinical Refinement Project which will inform the refinement of the Mental Health Phase of Care and future versions of Australian Mental Health Care Classification. We welcome the earlier recognition that such refinement was required and look forward to reviewing the proposed changes.

Mother baby units

The RANZCP was disappointed to note the IHPA's response to the pricing of MBUs given the recent discussion between the RANZCP and the IHPA. For clarification, a table is attached outlining the most recent communication between the RANZCP and the IHPA.

At the meeting between the IHPA and the RANZCP in November 2019 it was agreed that the RANZCP would provide the IHPA with potential solutions to the issues associated with pricing MBU services. The RANZCP's [Section of Perinatal and Infant Psychiatry](#) Committee has discussed a potential solution to propose following the November 2019 meeting, remaining committed to ensuring MBUs are able to be costed appropriately and therefore, adequately resourced.

Understanding the IHPA's concerns around this issue, the RANZCP would still welcome further discussions on how we can work with IHPA on adjusting MBU pricing to better reflect the necessary resources required to improving perinatal mental health care services.

Services for older people

The RANZCP welcomes the ongoing review of data in relationship to mental health services for older people but has concerns regarding factors other than patient differences that may contribute to perceived differences. In particular, the resources and emphasis invested in recording additional diagnoses is much greater in non-mental health services, and this is likely to continue given the lack of impact of additional diagnoses upon mental health classification pricing. The RANZCP would also be interested to know if volumes within the psychogeriatric class type have increased to an extent that the IHPA can be confident that the age differences do not just reflect the people in these units being representative of a subset of older people within the mental health classifications.

Consultation-liaison services

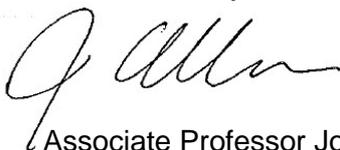
While the RANZCP acknowledges the considerations that IHPA has made in its recent correspondence, we remain concerned that the process of developing a pricing model for mental health services in acute hospital settings within the acute health ABF model will not be progressed.

The RANZCP remains committed to changes within consultation-liaison pricing as evidence is clear that the absence of adequate mental health services in acute hospital settings are essential for patient flow and quality care. The absence of the appropriate model will lead to grossly inadequate or absent mental health services in acute hospital settings with unacceptable consequences in terms of patients care, risk management and efficient hospital practice. The RANZCP has a representative in the Mental Health Working Group but notes that the work required appears to be in the Acute Care Working Group in which we do not have a representative. We would welcome a meeting with the IHPA to discuss this issue further.

The RANZCP will be very interested in seeing the recommendations with regards to mental health consultation liaison services arising from the foreshadowed review of the acute care classification program, including how any pricing adjustments should flow to mental health services given the separate classification schemes.

If you would like to discuss any of the items raised in this letter or would like to schedule a meeting, please contact Rosie Forster, Executive Manager, Practice, Policy and Partnerships via rosie.forster@ranzcp.org or by phone on (03) 9601 4943.

Yours sincerely



Associate Professor John Allan
President

Ref: 1737

Attachment: Mother baby units

Timeline of correspondence between the RANZCP and IHPA

No	Action/correspondence	Date
1	RANZCP letter - response to the IHPA Pricing Framework 2020-21	July 2019
2	RANZCP letter – follow up to the RANZCP’s meeting with IHPA re MBUs in November 2019	January 2020
3	IHPA letter – response to the RANZCP’s letter (1) on IHPA Pricing Framework 2020-21	March 2020