

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH AND AGEING PORTFOLIO

Budget Estimates 2012-2013, 30 & 31 May and 1 June 2012

Question: E12-342

OUTCOME 9: Private Health

Topic: Independent Hospital Pricing Authority

Type of Question: Written Question on Notice

Number of pages: 2

Senator: Senator Fierravanti-Wells

Question:

- a) Are there any public hospital services that States will no longer be directly funded by the Commonwealth through efficient pricing, such as outpatients or post-surgical rehabilitation?
- b) If so, how will these services be provided? Who will pay for such services? The Commonwealth through MBS, or the individual patient?
- c) How will you measure and monitor the difference in what services are publicly available in each jurisdiction?

Answer:

- a) The National Health Reform Agreement deems acute admitted patient services and emergency department services as eligible for Commonwealth funding contribution under the revised funding arrangements; for other services' – for example, non-admitted services – eligibility is to be determined by the Independent Hospital Pricing Authority (IHPA). IHPA has developed criteria for assessing the eligibility of such services for inclusion in the "General List" of public hospital services eligible to receive Commonwealth funding; these criteria are set out in both the National Efficient Price 2012-2013 and Pricing Framework, both of which were released publicly on 8 June 2012. It is important to note that the criteria developed by IHPA are not location-based, and have been designed in recognition of the fact that public hospital services can, and are, in some circumstances provided in community settings, rather than on public hospital campuses.

In terms of outpatient clinics' eligibility, outpatient clinics identified in the Tier 2 Outpatient Clinic Definitions List which were reported as public hospital services in the 2010 Public Hospital Establishments Collection (PHEC) in terms of their activity, expenditure or staffing are in-scope for the purposes of Commonwealth funding.

In addition, services which meet the criteria for inclusion as an “Other Non-admitted Patient Service” are in-scope for Commonwealth funding purposes. These are services which are:

- directly related to an inpatient admission or an emergency department attendance; or
- intended to substitute directly for an inpatient admission or emergency department attendance; or
- expected to improve the health or better manage the symptoms of persons with physical or mental health conditions who have a history of frequent hospital attendance or admission; or
- reported as a public hospital service in the 2010 PHEC.

Post-surgical rehabilitation is in-scope for the purposes of Commonwealth funding.

b) Not applicable.

c) The measurement and monitoring of service availability is the responsibility of States and Territories in their role as system managers. IHPA will monitor the trends in service utilisation through quarterly activity data submissions from all states and territories.