



Ref: Out/13/159

Ms Christine McDonald  
Secretary  
Standing Committee on Finance  
and Public Administration  
PO Box 6100  
Parliament House  
CANBERRA ACT 2600

Dear Ms McDonald

**Re: Supplementation of evidence given to the Senate Standing Committee on Finance and Public Administration Inquiry into the Implementation of the National Health Reform Agreement**

Thank you for inviting me to give evidence at the abovementioned Inquiry on Thursday 21 February 2013.

Since giving my evidence my attention has been drawn to a Supplementary Submission lodged by the Victorian Minister for Health, Hon David Davis MP. I now wish to add to my evidence of 21 February 2013.

I wish to confirm that the activity data from public hospitals that I reported in my evidence accords exactly with the data submitted to the Independent Hospital Pricing Authority (IHPA) by the reporting states and territories.

The Committee will recall that I gave evidence to the effect that there had been a reported decrease in Victorian public hospital separations of 8% from the September quarter 2011 to the September quarter 2012 across the 141 Victorian public hospitals that reported across both quarters. Similarly, I reported a decrease in reported National Weighted Activity Units (NWAUs) in the same Victorian public hospitals of 3% across the same quarters.

The Committee will recall that I noted that the most recent quarterly public hospital activity data reported to IHPA had to be viewed with some circumspection. I also noted that the Victorian Government was in a position to explain these reductions in admissions reported and that IHPA was not the appropriate body to explain these reductions.

---

**Independent Hospital Pricing Authority**

Level 6, 1 Oxford Street Sydney NSW 2000 | MDP 159 | PO Box 483 Darlinghurst NSW 1300  
P +61 2 8215 1100 | F +61 2 8215 1111  
ABN: 27 598 959 960

I have noted in the Supplementary Submission lodged by the Victorian Minister for Health that these reductions are explained by a "change in the counting rules for Victorian hospital admitted separations from July 2012".

I now wish to clarify that IHPA was informed on 30 January 2013 by Victorian Department of Health officials that Victoria had made these changes in counting rules for admissions and that some 137,000 admissions per annum were likely to be re-categorised. This information was contained in a footnote to a 28 page submission lodged with IHPA on that date. It was not included in the correspondence that accompanied the Victorian public hospital activity data submission received by IHPA on 11 January 2013.

IHPA is currently seeking confirmation of the net impact of this change in counting policy from the Secretary of the Victorian Department of Health including the provision of data that would allow IHPA to conduct its own like for like comparison of separation numbers.

Yours sincerely

Dr Tony Sherbon  
Chief Executive Officer

March 2013