

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH AND AGEING PORTFOLIO

Additional Estimates 13 & 15 February 2013

Question: E13-187

OUTCOME 1: Population Health

Topic: Independent Hospital Pricing Authority – Cost Data

Type of Question: Written Question on Notice

Senator: Senator Fierravanti-Wells

Question:

In a previous question on notice, you identified that normative pricing models operate in other jurisdictions, including the UK, British Columbia and in some instances in the US. Why has there been a delay and no substantive work done to date on a normative pricing model in Australia?

Answer:

During 2013-14 the Independent Hospital Pricing Authority (IHPA) will continue reviewing the current policy of setting of the national efficient price at the 'average cost'. IHPA's future pricing policy process will include extensive assessment of international practice on normative pricing and will build upon the work undertaken to date, including the literature review. This process will include consultation with governments, other stakeholders and the public.