

**Senate Community Affairs Committee**

**ANSWERS TO ESTIMATES QUESTIONS ON NOTICE**

**HEALTH PORTFOLIO**

**Additional Estimates 2015 - 2016, 03 March 2016**

**Ref No:** SQ16-000250

**OUTCOME:** 4 - Acute Care

**Topic:** Independent Hospital Pricing Authority

**Type of Question:** Written Question on Notice

**Senator:** Gallagher, Katy

**Question:**

What specific "operational functions" of IHPA will be transferred to the Department of Health, and what specific "functions" will the Board and Chief Executive retain? (2015-16 MYEFO, p. 183)

**Answer:**

The "operational functions" of the Independent Hospital Pricing Authority (IHPA) to be transferred to the Department of Health represent the corporate services and support functions of the entity. The Department of Health will provide all corporate service functions to the IHPA through Departmental shared service arrangements. This will include:

- Finance Services – including financial operations, financial reporting and treasury services, budgeting and financial statements.
- Personnel Services – including employee payroll and reporting, committee payroll and workplace relations advice.
- ICT Services.
- Property Management – including ongoing management of existing lease arrangements and facilities accommodation services.
- Procurement Support – including advice relating to procurement and contract negotiations.
- Other – including Corporate Plan and Annual Report development under direction of the Board and CEO of the IHPA.

The Board and Chief Executive Officer (CEO) will continue to retain all statutory functions of the agency as identified in the National Health Reform Act 2011, Section 131. This includes the functions as identified under the Act as set out below. The Department of Health will make available, under Section 174(a) of the National Health Reform Act, an agreed number of departmental staff to support the delivery of these functions, under the authority of the CEO.

- Determine the national efficient price for health care services provided by public hospitals where services are funded on an activity basis;

- Determine the efficient cost for health care services provided by public hospitals where the services are block funded;
- Develop and specify classification systems for health care and other services provided by public hospitals;
- Determine adjustments to the national efficient price to reflect legitimate and unavoidable variations in the costs of delivering health care services;
- Determine data requirements and data standards to apply in relation to data to be provided to states and territories, including:
  - a) data and coding standards to support uniform provision of data; and
  - b) requirements and standards relating to patient demographic characteristics and other information relevant to classifying, costing and paying for public hospital functions.