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: E12-343

OUTCOME 13: Acute Care

Topic: Independent Hospital Pricing Authority

Type of Question: Written Question on Notice

Number of pages: 1

Senator: Senator Fierravanti-Wells

Question:

The 2012-13 Budget is almost $27M to determine the efficient price for hospital services with a similar cost every year in the forward estimates.

a) What constitutes the projected recurrent expense of almost $20M to suppliers?
b) Can you confirm that the greatest expense across the IHPA is consulting services?
c) Given the consistency of the budget over the forward estimates, will the IHPA bring such competency in house, rather than maintain expensive outsourcing of work?

Answer:

a) The combined Departmental and Administered 2012-13 Portfolio Budget Statement Supplier Expenses are $19.6 million. The Administered component of $12.6 million is predominantly for provision of quality assurance and data management services to be delivered in support of the development of Activity Based Funding, advice regarding determination of the Nationally Efficient Price and contribution to the development of the Enterprise Data Warehouse project.
Department funds of $7.0million include depreciation, leasehold costs, payment for shared services received from the Department of Health and Ageing, salaries plus on costs and governance expenses.

b) No, the single largest supplier cost is data management services to be delivered in support of the development of Activity Based Funding.

c) The Independent Hospital Pricing Authority (IHPA) will undertake a mix of in and out sourcing to provide advice on activity based funding of hospital services at the most effective cost.