

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH AND AGEING PORTFOLIO

Budget Estimates 5, 6 & 7 June 2013

Question: E13-240

OUTCOME: 13 – Acute Care

Topic: Independent Hospital Pricing Authority – Activity Based Funding

Type of Question: Written Question on Notice

Senator: Di Natale

Question:

Throughout consultations in 2012 and 2013, stakeholders have recommended that Activity Based Funding exclude funding for medical errors. Examples of procedures that were recommended for exclusion include procedures involving wrong patients or body parts, reoperations caused by retained instruments after surgical procedure, blood transfusion reaction, infant discharge to wrong family, intravascular gas embolism resulting in death or neurological damage, entrapment in bed accessories resulting in death or major loss of functions.

- a) Why has the Independent Hospital Pricing Authority continued to delay these exclusions, which would create incentives for reducing medical errors?
- b) When will the Independent Hospital Pricing Authority be in a position to move towards this model?

Answer:

The Independent Hospital Pricing Authority (IHPA) continues to work with the Australian Commission on Safety and Quality in Health Care (the Commission) to consider options for their respective governing bodies on the most appropriate potential approaches to ensuring safety and quality in the provision of health care services. This includes establishing Joint Working Party of senior clinicians nominated by both organisations.

Work undertaken to date includes an extensive literature review of existing Australian and international mechanisms for integrating safety and quality into hospital pricing mechanisms. The literature review is available on the Commission's website
<http://www.safetyandquality.gov.au/national-priorities/jwp-acsqhc-ihpa/>

The next phase of work includes releasing a discussion paper identifying the most appropriate options for integrating safety and quality into pricing public hospital services.