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Mr James Downie
Chief Executive Officer
Independent Hospital Pricing Authority
PO Box 483
DARLINGHURST NSW 1300
Via Email: submissions.ihpa@ihpa.gov.au

Dear Mr Downie

RE: Consultation paper on the development of the Australian National Subacute and Non-Acute Patient (AN-SNAP) Classification Version 5.0

Thank you for the opportunity to provide comment on the Independent Hospital Pricing Authority's *Development of the Australian National Subacute and Non-Acute Patient (AN-SNAP) Classification Version 5.0 – Consultation paper* (the Consultation Paper).

NT Health's submission to the Consultation Paper is enclosed for your consideration. I welcome further discussion between IHPA and NT Health on this submission. If you have any queries, please contact Ms Flairy Caragay, Director Activity Based Funding, on (08) 8999 2590 or at Flairy.Caragay@nt.gov.au.

Yours sincerely

Mr David Braines-Mead
Acting Chief Executive
21 May 2021

Australian National Subacute and Non-Acute Patient Classification (AN-SNAP) Version 5.0

Northern Territory Submission

NT Health supports the IHPA's work to ensure that the AN-SNAP classification maintains its relevance and adequately reflects the true cost of delivering subacute and non-acute hospital services.

NT Health notes that this update reflects a major structural change to the classification and IHPA should use transitional arrangements, including shadow pricing, to ensure robust data collection and reporting to accurately model the financial and counting impact of changes on the National Funding Model.

Frailty Risk Score

Consultation question/s

- Do you support IHPA's proposed approach to use the Frailty Risk Score calculated from ICD-10-AM codes as proxy markers of frailty? If not, why not? How will these changes affect the costs of these services in the short and long term?
- If the Frailty Risk Score is adopted for AN-SNAP V5, do you support IHPA's proposed approach to exclude less defined and redundant codes from the score's calculation? If not, why not?

ICD-10-AM codes as proxy markers of frailty

NT Health recommends that IHPA analyse 2019-20 datasets to assess the impact of revisions to Australian Coding Standard (ACS) 0002 Additional Diagnoses on the effectiveness of the Frailty Risk Score methodology and its performance against existing explanatory variables, particularly the Functional Independence Measure (FIM) and Resource Utilisation Group-Activities of Daily Living (RUG-ADL).

NT Health is concerned that conditions which were tested as informing frailty in 2015-16 to 2017-18 activity and cost datasets may now be coded far less frequently following revisions to ACS 0002 introduced from July 2019. These conditions, such as loss of weight and frequent falls, contribute to episode complexity particularly in terms of additional nursing inputs for monitoring and assistance with daily living activities such as feeding. However, because these are not acute conditions that are treated as part of the episode of care they do not meet the requirements for coding under ACS 0002.

NT Health recommends that IHPA also consider codes that could be included in the Frailty Risk Score calculation that were not coded frequently in test datasets but which may have been in subsequent periods. For example, in July 2017 ACS 1807 Acute and Chronic Pain was revised to provide more clarity regarding the coding of *R52.2 Chronic pain* and could be used to inform frailty risk.

Exclusion of less defined codes from frailty calculation

NT Health is concerned that IHPA's proposal to exclude less defined codes is problematic as many of the ICD-10-AM codes available to describe non-acute conditions are non-specific. IHPA should undertake further analysis before excluding less defined codes, particularly the exclusion of codes such as *M62.50 Muscle wasting and atrophy*, which is used for "deconditioning" and assigned with frail and aged patients with mobility constraints.

Rehabilitation care

Consultation question/s

- Do you support IHPA's proposal to establish a new impairment type group Orthopaedic conditions, replacement for knee, hip and shoulder replacement activity?

NT Health supports this proposal as this new impairment type group would provide additional reporting granularity.

Consultation question/s

- Do you support a measure of frailty being introduced into the classification for adult admitted rehabilitation care, in principle? If so, do you have an approach you recommend?
- Do you support IHPA continuing to explore the Functional Independence Measure for children (WeeFIMTM) as a potential variable within the paediatric rehabilitation classes? If not, why not?

NT Health supports in principle the development of a frailty measure for adult admitted rehabilitation care, subject to further consultation with clinicians to determine the most appropriate approach. NT Health also supports IHPA exploring WeeFIMTM as a potential variable within the paediatric rehabilitation classes as improved clinical specificity will improve care provision and outcome reporting.

Care cost drivers for investigation (all care types)

Consultation question/s

- Do you have any other suggestions for future work to refine the classification of adult or subacute and non-acute care, such as: care cost drivers which could be further investigated; and/or data items to consider for national collection?

NT Health recommends that IHPA investigate the impact of socioeconomic status (including housing and familial supports) on costs of subacute and non-acute care provision. For example, NT homeless patients are often provided temporary accommodation after discharge in order to support outpatient components of the clinical care pathway. This adds significant cost to service delivery.