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Queensland  
Government

Children's Health Queensland  
Hospital and Health Service

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Mr James Downie  
Chief Executive Officer  
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Dear Mr Downie,

I am writing on behalf of Children's Health Queensland Hospital and Health Service (CHQ) in response to the Independent Hospital Pricing Authority (IHPA) Consultation paper on the pricing framework for Australian hospital services 2017-18.

CHQ recognise that individual Queensland Hospital and Health Services and the Department of Health (DoH) may also submit separate responses to the consultation paper.

The response below represents consultation with key stakeholders within CHQ regarding the pricing framework specific for tertiary children's or paediatric hospital services.

Consultation Question	CHQ Response
Scope of Public Hospital Services and General List of Eligible Services - Home ventilation	<p>CHQ supports the notion that home ventilation programs be reviewed in the future once the full scope of the National Disability Insurance Scheme is known. Although low in volume the cost is higher than funding.</p> <p>A request to establish if differential pricing is warranted between the services provided for paediatric and adult patients was submitted to IHPA by Queensland DoH on 01/09/16.</p>

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Consultation Question	CHQ Response
<b>Section 4. Classifications Used By IHPA To Describe Public Hospital Services</b>	
<p>1. What additional areas should IHPA consider in developing version 5 of the Australian National Subacute and Non-Acute Patient classification? (Section 4.4)</p>	<p>CHQ would welcome the opportunity to contribute to a review of the AN-SNAP version 4 data for paediatrics.</p> <p>Consideration of incorporating co-morbidities and a case complexity process is supported. For children there may be a need to look at case complexity measure in both acute and sub acute.</p> <p>Section 4.5 - CHQ offer to contribute to a new Australian Non-Admitted Care classification and pricing of non-admitted services including consideration of differential pricing for paediatrics and the multi healthcare provider adjustment.</p>
<b>Section 6. The National Efficient Price for activity based funded public hospital services</b>	
<p>5. What patient-based factors would provide the basis for these or other adjustments? Please provide supporting evidence, where available. (Section 6.3)</p>	<p>The bundling of NICU costs for neonates is inconsistent with the treatment of other ICUs and requires review. Specialist paediatric hospitals treat neonates that are transferred from the neonatal units of adult tertiary hospitals within the Paediatric Intensive Care Units (often with lengths of stay below the 'lower bound') and are therefore price disadvantaged.</p>
<b>Section 7 Setting The National Efficient Price For Private Patients In Public Hospitals</b>	
<p>6 - Should IHPA phase out the private patient correction factor in 2018-19 if it feasible to do so? (Section 7.3)</p>	<p>Yes, CHQ believes that full compliance with costing standards should ultimately negate the requirement for this correction factor.</p>
<b>Section 11 Pricing and funding for safety and quality</b>	
<p>11 - Is there support for pricing and funding models for safety and quality to be applied broadly across all types of public hospitals, all services, all patients and all care settings? (Section 11.4)</p>	<p>CHQ does not support the application of punitive measures, however CHQ would support the introduction of pro-active measures and incentives that better support improved patient outcomes.</p> <p>CHQ recommend that IHPA consult with Children's Healthcare Australasia to develop a national paediatric perspective for safety and quality initiatives.</p>

Consultation Question	CHQ Response
12. What factors should be considered in risk adjustment for safety and quality in pricing and funding models for hospital care? (Section 11.4.4)	Risk adjustments should consider age and particularly differences in paediatric care compared to adults (e.g. Children are often admitted whereas adults may be treated for the same condition in a non admitted model). Consideration of patient complexity including possible difference in models of care for Paediatrics (e.g. Oncology) should also be included and may require the stratification within 'peer groups' for more equitable risk adjustment.
13. Do you agree with the use of these assessment criteria to evaluate the relative merit of different approaches to pricing and funding for safety and quality? Are there other criteria that should be considered? (Section 11.4.5)	Yes
<b>Section 11.5 Sentinel events</b>	
14. Do you support the proposal to not fund episodes that include a sentinel event? If not, what are the alternatives and how could they be applied consistently? (Section 11.5.4)	Yes
15. Do you support the proposal to include a sentinel events flag to improve the timeliness and consistency of data that is used for funding purposes? (Section 11.5.4)	Yes
16. Do you agree with IHPA's assessment of this option (not funding episodes with a sentinel event)? (Section 11.5.4)	Yes
<b>Section 11.6 Hospital acquired complications</b>	
17. What are the advantages and disadvantages of Option 1 which reduces funding for some acute admitted episodes with a HAC? (Section 11.6.5)	While in principle this option sounds logical, the limited 'proportionality' make it untenable, with only those hospitals providing the 15% of affected DRGs affected.
19. What are the advantages and disadvantages of Option 2 that adjusts funding to hospitals on the basis of differences in their HAC rates? (Section 11.6.6)	An option without risk adjustment is not supported.
23. Do you agree with IHPA's assessment of this option? (Section 11.6.7)	Option 3 with appropriate risk adjustment appears to best fit for the selection criteria.
25. How should IHPA treat hospitals with poor quality COF reporting (Section 11.6.8)	Further information regarding the feasibility of measuring compliance with the national standard and establishing a COF quality threshold is required before a methodology for funding adjustments can be determined.

Consultation Question	CHQ Response
<b>Section 11.8 Implementing a pricing and funding approach</b>	
<p>30. What do you think are the most important considerations for implementation of pricing and funding approaches for safety and quality? (Section 11.8.2 Evaluation)</p>	<p>CHQ advocates a value based healthcare model and agree with the five section criteria identified by IHPA; preventability, equitable risk adjustment, proportionality, transparency, and ease of implementation.</p> <p>It is important that any pricing and funding approach identifies and adjusts where paediatric models of care delivered in both specialist paediatric hospitals and paediatric units differ from care delivered to adult patients.</p>
<p>31. Do you agree that IHPA would need to back-cast the impact of introducing new measures for safety and quality into the pricing and funding models?</p>	<p>Yes.</p>

Thank you for your consideration of these important matters.

Should you have any questions, please do not hesitate to contact Stuart Bowhay, Director Clinical Costing, on (07) 3069 7154.

Yours sincerely



Stuart Cowper  
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