Pharmaceutical Society of Australia

Consultation on the Pricing Framework for Australian Public Hospital Services 2023–24

JUL 2022

Purpose

The Pharmaceutical Society of Australia (PSA) makes this submission to the Independent Hospital Pricing Authority in response to the consultation paper on the Pricing Framework for Australian Public Hospital Services 2023–24.

About PSA

PSA is the only Australian Government-recognised peak national professional pharmacy organisation representing all of Australia's 36,000 pharmacists working in all sectors and across all locations.

PSA is committed to supporting pharmacists in helping Australians to access quality, safe, equitable, efficient and effective health care. PSA believes the expertise of pharmacists can be better utilised to address the health care needs of all Australians.

PSA works to identify, unlock and advance opportunities for pharmacists to realise their full potential, to be appropriately recognised and fairly remunerated.

PSA has a strong and engaged membership base that provides high-quality health care and are the custodians for safe and effective medicine use for the Australian community.

PSA leads and supports innovative and evidence-based healthcare service delivery by pharmacists. PSA provides high-quality practitioner development and practice support to pharmacists and is the custodian of the competency standards, code of ethics, professional practice standards and guidelines to ensure quality and integrity in the practice of pharmacy and health service delivery.

Responses to specific consultation questions

2 Impact of COVID-19

Are there any specific considerations IHPA should take into account for assessing COVID-19 impacts on the 2020–21 data in the development of NEP23?

Although there may have been increased costs associated with the pandemic, there have been reductions in other areas e.g. suspension or postponement of elective surgery. As noted, these surgeries may now be more complex and costly due to the delay so costing for each non-elective surgery is likely to be higher than initially anticipated.

There may also be additional charges associated with personal protective equipment (PPE) and other hospital supplies due to supply chain issues and fuel cost increases.

5.5 Mental health care

Are there any barriers or additional considerations to using AMHCC Version 1.0 to price community mental health care for NEP23?

Using the AMHCC would appear to provide a more accurate view of the actual funding requirements of any community health care organisations, particularly when used in conjunction with data related to service contacts.

6.2 Adjustments to the national efficient price

Are there any adjustments IHPA should prioritise investigating to inform the development of NEP23?

There have been numerous local policy changes made within hospitals since the start of, and due to, the COVID-19 pandemic which have led to significant increases in expenditure. These changes may relate to increased PPE requirements, policies surrounding increased leave payments and additional sick pay. While many of these arrangements have been put in place temporarily, there are still increased costs associated with these policy changes.

What cost input pressures that may have an impact on the national pricing model and are not included in the NHCDC should be considered in the development of NEP23?

While it may be difficult to quantify, there is a probable increase in costs associated with the pause in elective surgery and the subsequent potential increase in complexity of these surgeries upon recommencement.

7.3 Quality assurance of public health expenditure data

What cost pressures for regional or remote hospitals should be considered in the development of NEC23?

There may be increased staff pressures in regional or remote hospitals with the necessity for fewer staff members to cover more shifts. Therefore, there may be more overtime payments required.

Medication costs may also be higher in regional or remote hospitals due to limited patient access to medicines, with the hospital supplying increased quantities to patients to ensure continuation of therapy.

Regional and remote hospitals may also have higher medication costs due to a comparatively limited range or volume of medicines being stocked, and as a consequence, may have higher medication waste or usage. For example, if a particular strength of medicine is not stocked in the hospital, half a tablet of a higher strength may need to be used (potentially increasing wastage) or two tablets of a lower strength (increasing usage).

Medication costs may also be higher due to the increased geographic areas being serviced by each hospital and the necessity for bigger regional and remote hospitals to absorb the more complex patients who may otherwise be serviced by smaller regional and remote hospitals.

What specific areas of the Local Hospital Networks and Public Hospital Establishments National Minimum Data Set would you recommend IHPA focus on when developing its independent quality assurance process?

Emergency department data are important considerations in regard to quality assurance. In many regional and remote hospitals there are extensive waiting times for any emergency department visits, with many people leaving before they are able to be seen.

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8 July 2022