

7 July 2022

Ms Joanne Fitzgerald  
Acting Chief Executive Officer  
Independent Hospital Pricing Authority

By email to: [submissions.ihpa@ihpa.gov.au](mailto:submissions.ihpa@ihpa.gov.au)

Dear Ms Fitzgerald

**Re: Consultation on IHPA Pricing Framework for Australian Public Hospital Services 2023-24**

The Royal Australian and New Zealand College of Psychiatrists (RANZCP) welcomes the opportunity to provide input on the Independent Hospital Pricing Authority (IHPA) Consultation Paper on the Pricing Framework for Australian Public Hospital Services 2023-24 (the draft Framework).

The RANZCP welcomes the IHPA's decision to account for the impact of COVID-19 on the national efficient price (NEP) determinations and acknowledges the IHPA's plan to quantify the ongoing impact of COVID-19 on cost data for NEP 2023-24. The impact of the COVID-19 pandemic is noted to have long-term implications for Australian public hospital services. In particular, the RANZCP acknowledges that increasingly complex patient presentations and workforce shortages will have an impact on the public health sector.

IHPA's investigation of telehealth models of care and services is valuable. Use of telehealth video consultations provides access to care and support for patients in various settings, including residential aged care facilities or regional and remote urgent care centres.

For consultation-liaison psychiatry, challenges remain in implementing Activity Based Funding (ABF) in mental health services based in regional and rural Australia where services are stretched with minimal non-government providers available. Funding of consultation-liaison psychiatry services using the ABF model in these settings is also challenging due to fluctuations in activity.

The inclusion of a new intervention code for consultation-liaison psychiatry within the updated Australian Classification of Health Interventions Twelfth edition will enable identification of consultation-liaison psychiatry services in episodes of care.

The RANZCP supports the decision, as mentioned in the draft Framework, for teaching and training activities to remain block funded until further work can be undertaken with jurisdictions. Medical colleges should be consulted as part of this process to ensure adequate consideration of the likely implications that changes to block funding will have on resources for teaching and training and, therefore, the quality of the future psychiatric mental health workforce.

The RANZCP welcomes IHPA's proposal to investigate current funding models for qualified and unqualified newborns for NEP 2023-24. Newborns that are the first live born infant, whose mother is currently an admitted patient, should be eligible for funding under the ABF model. Additionally, the qualification status of newborns within the pricing model should be expanded to enable a separate costing for mother and infant. Given the level of care provided to infants outside of intensive care settings, qualified and unqualified newborns should be assigned a separate Diagnosis Related Group price that is independent of the mother's admitted episode.

The RANZCP takes this opportunity to request a meeting with IHPA with key stakeholders regarding how pricing may better reflect psychiatry practice and patient needs in Mother Baby Units. It is proposed the meeting include the RANZCP, Women's and Children's Healthcare Australasia, and Dr Tracey Fay-Stammbach of the Perinatal Infant Mental Health Services Program from New South Wales Health.

To discuss any of the issues raised in this letter, please contact Nicola Wright, Senior Manager, Policy and Practice via [nicola.wright@ranzcp.org](mailto:nicola.wright@ranzcp.org) or on (03) 9236 9103.

Yours sincerely



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**President**

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