



# SARRAH

Services for Australian Rural and Remote Allied Health

8 July 2022

Independent Hospital Pricing Authority  
PO Box 483  
Darlinghurst NSW 1300

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

**Services for Australian Rural and Remote Allied Health (SARRAH) submission:  
Consultation Paper on the Pricing Framework for Australian Public Hospital Services 2023–24**

Thank you for the opportunity to comment on consultation paper on the Pricing Framework for Australian Public Hospital Services 2023-24.

Services for Australian Rural and Remote Allied Health (SARRAH) is the peak body representing rural and remote allied health professionals (AHPs) working in the public, private and community sectors, across primary and other health settings, disability, aged care, and other service systems. SARRAH was established in 1995 by and as a network of rurally based allied health professionals and continues to advocate on behalf of rural and remote communities to improve access to allied health services and support equitable and sustainable health and well-being. SARRAH maintains that every Australian should have access to health services wherever they live and that allied health services are fundamental to the well-being of all Australians.

SARRAH strongly supports the work IHPA undertakes in supporting the evolution equitable and effective health care across Australia, including the more than 7 million people living in regional, rural and remote Australia. We also note these developments align with the renewed emphasis coming from First Ministers and other senior Ministers through National Cabinet, most notably the emerging reform emphasis to:

- Deliver better integrated patient care, system quality and effectiveness and efficiency across the entire health system; and
- The opportunities and necessity to clarify and improve service integration and flows between the health, aged care and disability service systems nationally.

IHPA has already been tasked with significant responsibilities under the May 2020 Addendum to the National Health Reform Agreement, notably the interface between the aged care and health systems. These were important and logical developments and the direction of developments described in the consultation paper advance that approach. It underscores why the continuing work of IHPA contributes substantially to our capacity to progress quality and sustainable reform in our health and related service systems.

As an overarching response SARRAH strongly supports the direction of work outlined in the Pricing Framework and the objectives IHPA is seeking to achieve, especially a shift to patient outcomes and community impacts, system flexibility, enabling more equitable access to quality care and outcomes across the whole population (e.g. rural and remote and Aboriginal and Torres Strait Islander health), improved intra- and inter- system coordination and care, and sustainability.

SARRAH also notes our fundamental concern that the maldistribution of allied health professionals in rural and remote Australia impacts all service systems adversely. Without suggesting that workforce supply and attendant service issues are not considered in IHPAs current work, we believe these must be considered and integrated into all efforts to build a more accessible, equitable system nationally.

### **Specific issues/responses**

The following comments are provided in relation to details in the paper. Generally, the italicised text represents are excerpt from the consultation, with SARRAHs comment dot-pointed below it.

**Question:** *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?*

*Therefore, it is important that the impact of COVID-19 on activity and cost data is adequately accounted for in the national pricing model.*

- With regard to the impact of Covid-19, the ACT and also Tasmanian governments (and possibly others) have implemented service arrangements to deal with long-Covid and these include allied health services. AH services are critical throughout patient journeys, prior to (in prevention of) through hospitalisation phase and to aid with a timely rehabilitation and the transition out of hospital (if required) and into community-based care.
- It is important that they are covered adequately in forthcoming work.

*The results of these analyses will improve understanding of the impact of COVID-19 on hospital costs and activity, which will inform the development of NEP23.*

- SARRAH and other allied health representatives would welcome the opportunity to work with IHPA in this respect, noting national allied health peak organisations were raising these issues with senior Government officials as early as February/March 2020.

**Pricing guidelines:** *we note that pricing in-scope public hospital services are evidence-based and use the latest activity and cost data supplied to IHPA by the states and territories.*

- We support pricing that reflects actual circumstances, while encouraging IHPA to ensure a strong emphasis is placed on enabling potential improvements and reconfiguration of systems to increase system cost-efficiency while protecting (and preferably improving) patient impacts and trajectories.

*...commitment to transparency and accountability as it undertakes its work and comprise the overarching, process and system design guidelines within which IHPA makes its policy decisions.*

- IHPA plays an important role in surfacing sensitive issues so they can be dealt with in an objective and constructive way
- The Pricing Guidelines provide a very good basis for continuing work.

**Maintaining agreed roles and responsibilities of governments determined by the National Health Reform Agreement:** *Funding design should recognise the complementary responsibilities of each level of government in funding health services.*

- Noting our previous comment regarding National Cabinet and the potential for substantial further reform, IHPA among others is well placed to help ensure that work proceeds through logical and coherent processes.

Page 16 – re: 5.2.1. AN-SNAP Version 5.0

*The most significant change is a proposal to recognise frailty as a cost driver for subacute care by incorporating the Frailty Related Index of Comorbidities into the classification for geriatric evaluation and management and non-acute episodes of care.*

- We support this development, especially considering population ageing and the developing interface with aged services etc

**Question:** *Are there any barriers or additional considerations to using AN-SNAP Version 5.0 to price admitted subacute and non-acute services for NEP23?*

- SARRAH supports the proposed approach to progress work following a year of shadow pricing.

Re: **Emergency Care:** *...investigations performed in emergency departments, as well as telehealth delivered as part of emergency care. IHPA intends to work with stakeholders to better understand the feasibility of reporting for these items prior to inclusion in national collections for 2023–24.*

- This is another welcome development, noting that a considered and careful approach is required as telehealth provides considerable potential to improve service quality and access but could also enhance the risk of decisions that could reduce access to appropriate forms of care where it is already difficult to access.

**Tier 2 Non-Admitted Services Classification:** *... IHPA has consulted with jurisdictions and stakeholders via its advisory committees on additional refinements that could be made to Tier 2. Proposed refinements include additional Tier 2 classes to better capture violence, abuse and neglect services, exercise physiology services, genetics services and long COVID-19. IHPA will continue to work with stakeholders on the proposed refinements for inclusion in Tier 2 for 2023–24.*

- Noted and supported.

**Re: a new non-admitted care classification**

- Strongly supported – noting this is crucial as a means of reflecting evolving and innovation models of care (continuum) and to avoid hindering positive developments

**Re: Adjustments to the national efficient price:** *Clause A47 of the Addendum require IHPA to determine adjustments to the NEP and have regard to legitimate and unavoidable variations in wage costs and other inputs which affect the costs of service delivery, including:*

- *hospital type and size*
- *hospital location, including regional and*
- *remote status*
- *patient complexity, including Indigenous status.*

- SARRAH reiterates the importance of ensuring IHPAs work recognises chronic (and in some cases worsening) health professional workforce shortages, especially in rural and remote Australia and among allied health professionals. These shortages inevitably impact the service arrangements public hospitals and community-based services are able to provide as well as the pressures they face with respect to presentations that might have been dealt with in other primary or community-based settings were adequate service and workforce capacity available to provide appropriate and timely care.

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

- Issues related to the previous point.

Re: Future Funding Models

SARRAH supports developments that are enabling IHPA to consider broader cost drivers and funding issues, such as extension into aged care funding. We note, *This Consultation Paper will only apply to developing the NEP and NEC Determinations for Australian public hospital services in 2023–24. A separate pricing framework for pricing Australian residential aged care services will be developed and released later in 2022.*

- SARRAH looks forward to contributing to this further work regarding residential aged care facilities and potentially other work, such as the implications of inadequate primary health care provision and disability service system limitations.

SARRAH has no objections to our comments being made public.

If you would like to discuss issues raised in SARRAHs response or require further information, please contact me at [catherine@sarrah.org.au](mailto:catherine@sarrah.org.au) or Allan Groth at [allan@sarrah.org.au](mailto:allan@sarrah.org.au).

Yours Sincerely



Cath Maloney

Chief Executive Officer

**Services for Australian Rural and Remote Allied Health (SARRAH)** exists so that rural and remote Australian communities have allied health services that support equitable and sustainable health and well-being. SARRAH also supports Allied Health Professionals who live and work in rural and remote areas of Australia to carry out their professional duties confidently and competently in providing a variety of health services to people who reside in the bush. SARRAH maintains that every Australian should have access to health services wherever they live and that allied health services are fundamental to the well-being of all Australians. SARRAH is a national, multidisciplinary member association and has been operating for 25 years. SARRAH is the only peak body to be fully focused on rural and remote allied health working across all disciplines. (More information is available at <http://www.sarrah.org.au/>).