

**Independent Health and Aged Care Pricing Authority (IHACPA)
Public Consultation on the Draft IHACPA Work Program 2023-24**

Section	NSW feedback
Overall comments	
Aged care work program	
<ul style="list-style-type: none"> • Health and aged care are inextricably linked. NSW Health recommends that IHACPA are abreast of key interface issues, which will be informed in part by future decisions made by the Commonwealth and State and Territory Governments coming out of the Aged Care Royal Commission. Particular reference is made to Recommendation 69: Clarification of roles and responsibilities for delivery of health care to people receiving aged care. • Jurisdictional data collection requests need to take into account national work on health and aged care interface issues. • The only deliverable for Support at Home (SAH) in the Work Plan is to deliver the <i>“Pricing advice to inform the Commonwealth Government decisions on the SAH program.”</i> It is likely that there should be deliverables in relation to developing aged care activity classification systems, developing costing methodology and determining the data requirements and collection process to inform costing and pricing for SAH. This should be defined, and milestones articulated in the Work Program. If the approach does not involve development of activity classification or data collection to cost and price, the actions that are to be undertaken to reach a price should be articulated. 	
Other overall comments	
<ul style="list-style-type: none"> • NSW suggests deliverables with an ‘ongoing’ timeframe be assigned a specific time for completion. 	
2. Key Activities	
Strategic Objective One: Perform pricing functions	
National Efficient Price and National Efficient Cost Determinations 2024–25	<ul style="list-style-type: none"> • Consistent with feedback on the draft Pricing Framework 2023-24, NSW recommends: <ul style="list-style-type: none"> ○ IHACPA undertake a mid-year review for NEP23. ○ IHACPA explicitly include monitoring and review of updated activity and cost data as it becomes available on the 2023-24 Work Program. • NSW suggests inclusion of a deliverable relating to the analysis of 2021-22 activity data to assess the impact of COVID-19 with a completion date of July 2023. This analysis does not need to wait until the NHCDC dataset for 2021-22 is finalised. • Noting IHACPA’s commitment in the Pricing Framework 2023-24 (p.24), NSW suggests price harmonisation be included in the Work Program for 2023-24. A dependency in this component of the Work Program is defining criteria for the stability of underlying data, as noted in NSW’s response to the Draft NEP23 and NEC23 Determinations. • NSW also suggests inclusion of a review of the private patient methodology on the basis of alternative, evidence-based methodologies proposed by the states and territories. This aligns with commentary in the Pricing Framework 2023-24 (p.25).
Pricing model refinements	<ul style="list-style-type: none"> • NSW notes this version of the draft Work Program includes new content on the request from the Commonwealth Minister to undertake a standalone project to investigate the underlying and enduring drivers of growth in the NEP, and provide options for consideration by Parties to the NHRA for further reforms (p.12). NSW seeks further details about this request and the scope of this standalone project. • NSW supports inclusion on the Work Program of review of the eligibility criteria for specified intensive care units, national efficient price indexation methodology, and funding methodology for unqualified newborns. • NSW strongly suggests the timeframe for the three deliverables relating to intensive care units, price indexation and unqualified neonates be brought forward. The current timeframe is too late as these deliverables will need to be finalised before December 2023 if they are to be incorporated in the draft NEP24, so this work must be completed by July 2023 to ensure their timely inclusion • NSW suggests that investigation of adjustments for genetic services, socioeconomic status and reviewing the Indigenous status adjustment be included in the Work Program for 2023-24, in alignment with IHACPA’s commitment in the Pricing Framework 2023-24 (p.23).

**Independent Health and Aged Care Pricing Authority (IHACPA)
Public Consultation on the Draft IHACPA Work Program 2023-24**

Section	NSW feedback
Development of the Pricing Framework for Australian Residential Aged Care Services 2024–25	<ul style="list-style-type: none"> • In developing the principles, scope, and methodology to be adopted by IHACPA, NSW Health recommends that there is intersection with the interjurisdictional reform group (Aged Care Senior Officials’ Group) that is focusing on the joint Commonwealth – State/Territory recommendations from the Aged Care Royal Commission. There is potential pricing and costing advice will otherwise not take into account relevant national work underway, including agreed roles and responsibilities of health and aged care services, and the review of residential aged care clinical standards. • Data considerations – data being reported by aged care providers to the Commonwealth (through Quarterly Financial Reporting) is still in its infancy and will likely require refining over the first year of reporting. This should be taken into account by IHACPA. • NSW Health recommends the following priority area for the Pricing Framework: <ul style="list-style-type: none"> ○ Greater appreciation in the classification system for older people with behavioural issues and/or cognitive decline who may be actively mobile. ○ Consideration of widening the scope to include accommodation pricing and pricing of hotel services. ○ Ability to price delivery of multi-disciplinary care to residents in aged care facilities. AN-ACC is very much focused on individual specialty care minutes.
Aged Care Pricing Advice 2023-24	<ul style="list-style-type: none"> • NSW Health notes and supports that IHACPA has incorporated the interim Fair Work Commission decision of a 15% increase in wages for direct care workers, and intends to incorporate the outcomes of the final Fair Work Commission wage case decision in the 2023-24 Pricing Advice. • NSW Health supports further work to ensure that pricing advice minimises perverse incentives (i.e., unjustified reductions in care minutes to the minimum required). • The statement “<i>Commonwealth Support at Home provides entry-level support services for older people who requires assistance to live independently at home</i>” (p.13) is not correct. Complex nursing and allied health services may be required for some individuals.
Strategic Objective Two: Refine and develop hospital and aged care activity classification systems	
Admitted acute care	<ul style="list-style-type: none"> • NSW notes and supports two areas for refinement including the ICU eligibility requirements (extend and amend to include variables other than hours of mechanical ventilation) and the newborn qualification status to identify all newborns as individual episodes with their own price weights. • Consistent with NSW feedback on the draft Pricing Framework 2023-24, NSW suggests inclusion on the Work Program a review of the impact of the 28-day age split within the ICU related DRGs, and reviewing the cohort of patients retained in the acute care classification under MDC20.
Subacute and non-acute care	<ul style="list-style-type: none"> • NSW requests an assessment be undertaken of the impact of shadow pricing and that this be included in the Work Program. NSW recommends IHACPA change the first deliverable to “<i>Investigate pricing of admitted subacute and non-acute services using the Australian National Subacute and Non-Acute Patient Classification Version 5.0 for the National Efficient Price Determination 2024–25.</i>” • NSW supports IHACPA’s intent to review and include the Rockwood CFS and the WeeFIM™. • NSW supports a review and analysis of data from the FRIC to determine if it is fit for purpose and to what extent it informs a diagnosis (and proxy) of frailty.
Emergency care	<ul style="list-style-type: none"> • NSW does not support the creation of an additional emergency virtual care data set and recommends amendments to the existing emergency care data collection.

**Independent Health and Aged Care Pricing Authority (IHACPA)
Public Consultation on the Draft IHACPA Work Program 2023-24**

Section	NSW feedback
	<ul style="list-style-type: none"> NSW suggests statements such as “IHACPA will also continue to work with jurisdictions to determine the feasibility of...” (p.16) provides limited insight into the work which will be undertaken and recommends including more detail or deleting.
Non-admitted care	<ul style="list-style-type: none"> NSW supports work to progress the new non-admitted care classification and requests the work program is updated to include clear timeframes for progressing the non-admitted costing study so that jurisdictions are able to prepare for it. NSW seeks clarification on the completion date of the “<i>multi-stage project to support the development of a new patient level non-admitted care classification</i>” (p.16). Will this be completed by June 2024? NSW requests that the following be included in the Work Program: <ul style="list-style-type: none"> investigation of the merits of a new, separate 20 and 40 series Tier 2 class for supervised administration of Opioid Agonist Treatment, and work to ensure virtual care cost drivers are adequately reflected in the Tier 2 classification and price weights. The NSW Centre for Alcohol and other Drugs (CAOD) and the NSW Alcohol and other Drugs (AOD) treatment sector are supportive of IHACPA’s continued work on refining and developing the non-admitted care classification. The AOD treatment sector have consistently raised concerns about the lack of a robust patient level non-admitted care classification, and NSW AOD sector welcomes the opportunity to be included in future development work. The NSW AOD specific data collections have been expanded in the electronic medical records to include some of the data fields that were proposed for the 2019 costing study. This additional data includes the NSW Drug and Treatment Minimum Data Set which captures information about each patients’ drugs of concern, injecting behaviour, pregnancy status, the main AOD service provided, referrals made and the reason for cessation of treatment. Clinical findings are being included to identify the specific substance use, health or social issues identified at each non admitted occasion of service. The NSW electronic medical records also contain a specific AOD patient reported clinical outcomes and assessment tool the Australian Treatment Outcome Profile (ATOP). The ATOP provides detailed data about frequency of substance use, homelessness and housing stress, work and study, caring for children and other risk related questions about violence. There are also patient ratings of psychological wellbeing, physical health and quality of life. It is a point in time measure that is repeated regularly throughout and episode of AOD treatment. NSW CAOD recommends the multi-stage project to support development of a new patient level non-admitted care classification should include research in specialties, such as Addiction Medicine, which are predominantly non-admitted care focused and often include complex case management and indirect patient activity. These types of services have an important role to play in contributing to hospital avoidance and improved patient outcomes.
Mental health care	<ul style="list-style-type: none"> NSW requests an assessment of the impact of shadow pricing for community mental health be included in the Work Program. NSW requests that IHACPA change the deliverable to “<i>Investigate pricing of community mental health care using the Australian Mental Health Care Classification Version 1.0 for the National Efficient Price Determination 2024–25.</i>” NSW supports the AMHCC areas for refinement in 2023 relating to age restrictions in HoNOS and the Life Skills Profile. Per NSW’s response to the draft National Efficient Price and National Efficient Cost Determinations 2023-24, NSW requests IHACPA clarify when it is reviewing legal status and ECT and include these in its Work Program. NSW recommends IHACPA include an item to refine the AMHCC to release v1.1, to address the Taylor Fry recommendations and the refinements that NSW clinicians have proposed.

**Independent Health and Aged Care Pricing Authority (IHACPA)
Public Consultation on the Draft IHACPA Work Program 2023-24**

Section	NSW feedback
	<ul style="list-style-type: none"> NSW supports IHACPA’s development of a mental health ICU definition and future adjustment for this patient cohort and suggests that this be included in the Work Program for 2023-24.
Teaching, training and research	<ul style="list-style-type: none"> NSW suggests the deliverable “<i>Continue to work with jurisdictions to implement the Australian Teaching and Training Classification</i>” (p.17) provides limited insight into what work will be undertaken and recommends including more detail or deleting.
Residential aged care	<ul style="list-style-type: none"> NSW notes that there will be consideration of whether the AN-ACC funding model can be appropriately developed to support its use in Multi-Purpose Services in the medium to long term. This will require significant consultation with stakeholders, including states and territories. NSW reiterates that AN-ACC is a new model that needs refining. NSW is concerned the model does not currently meet the allied health needs of residents and is silent on the ability to deliver multi-disciplinary care to residents (as described above). IHACPA should be mindful of unintended consequences of the new model (e.g., prioritising residents with lower care needs), and consider mitigation strategies. NSW queries why a separate section on activity classification system for Support at Home is not in the workplan and recommends that it is included.
Strategic Objective Three: Refine and improve hospital and aged care costing	
Australian Hospital Patient Costing Standards	<ul style="list-style-type: none"> NSW suggests the deliverable “<i>Promote ongoing improvement and consistency in cost data submissions through refinement of the Australian Hospital Patient Costing Standards</i>” (p.19) be revised to specify what IHACPA intends to refine or how it intends to determine what refinements are necessary, with a timeframe assigned. NSW suggests the release of AHPCS Version 4.2 in May 2023 is too late for implementation in the 2022-23 NHDC submission and that this be changed to 2023-24 NHDC submission.
National Hospital Cost Data Collection for public and private hospitals	<ul style="list-style-type: none"> NSW does not believe the deliverables articulated in this Strategic Objective will produce the required cost information for activity-based funding purposes. NSW suggests the inclusion of specific deliverables that relate to NHDC submissions for 2023-24 and beyond. For example, there is no systematic work underway that identifies variation in cost results that may be a result of inconsistent mapping of cost centres. There is no deliverable regarding the stronger compliance framework mentioned in the text. NSW recommends a review of the Data Quality Reports that are produced by IHACPA for the Round 27 NHDC submission with a completion date of July 2023. This would enable inclusion of such data quality checks in jurisdictional costing submission processes where possible.
National Hospital Cost Data Collection Independent Financial Review	<ul style="list-style-type: none"> NSW queries whether IHACPA will be removing this deliverable for 2021-22 in light of advice provided to the Jurisdictional Advisory Committee meeting on 23 March 2023.
Costing private patients in public hospitals	<ul style="list-style-type: none"> NSW suggests the timeframe for this deliverable is not possible as the 2021-22 NHDC that will inform the NEP 2024-25 was only submitted in February 2023. Changes to the NEP that rely first on changes to the NHDC must incorporate sufficient lead time to implement the changes, noting jurisdictional costing submission timelines.
Australian Aged Care Cost Data Collection	<ul style="list-style-type: none"> A representative sample will require varied demographic and facility data. This includes size of facility, average occupancy, resident complexity, for-profit / not-for-profit status, Indigenous status, and Base Care Tariff eligibility. A further consideration

**Independent Health and Aged Care Pricing Authority (IHACPA)
Public Consultation on the Draft IHACPA Work Program 2023-24**

Section	NSW feedback
	<p>is how, if the costing study is not mandatory, IHACPA will ensure the cost to funding ratio is understood and made transparent for facilities that do not participate.</p> <ul style="list-style-type: none"> • There should also be reference to Support at Home data collection.
Strategic Objective Four: Determine data requirements and collect data	
Revision of the Three-Year Data Plan	<ul style="list-style-type: none"> • NSW suggests IHACPA include that Support at Home data requirements and collection will be developed and added to future plans.
Data specification development and revision	<ul style="list-style-type: none"> • NSW requests inclusion of jurisdictional consultation regarding a posthumous organ procurement national best endeavours data set.
Individual Healthcare Identifier	<ul style="list-style-type: none"> • NSW suggests the deliverable <i>“Improve the coverage and quality of reporting of the Individual Healthcare Identifier in national health data sets”</i> (p.23) be revised to specify the action IHACPA intends to undertake to improve coverage and quality, with a timeframe assigned.
Cluster coding for admitted patient care data	<ul style="list-style-type: none"> • NSW suggests that the Work Program requires more detail on the process and timeframes for cluster coding in ICD 11.
Improvements to data submission, loading and validation processes	<ul style="list-style-type: none"> • NSW seeks further detail on options for the replacement of the Secure Data Management System (SDMS) and what improvements will be made in the interim.
Strategic Objective Six: Conduct independent and transparent decision-making and engage with stakeholders	
Evidence-based activity-based funding related research	<ul style="list-style-type: none"> • NSW recommends terminology in this section is updated from “Innovative funding models” to “Innovative models of care” for consistency with the Addendum and in recognition that although funding is a key enabler, innovative models of care are broader than funding.
Monitor and evaluate the implementation of activity based funding for public hospital services	<ul style="list-style-type: none"> • NSW does not believe the deliverables under this Strategic Objective will demonstrate the required independent and transparent decision making. NSW suggests the deliverables be more specific.
Support activity-based funding education at a national level	<ul style="list-style-type: none"> • NSW suggests the inclusion of planned consultation/education with aged care providers – including Support at Home providers – to better inform costing and pricing approaches.