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Professor Michael Pervan
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Dear Professor Pervan

**Subject: Draft Independent Health and Aged Care Pricing Authority (IHACPA)
Work Program and Corporate Plan 2024-25**

Tasmania welcomes the opportunity to provide feedback into the Public Consultation on IHACPA's draft *IHACPA Work Program and Corporate Plan 2024-25*.

Tasmania is broadly supportive of the draft IHACPA Work Program objectives and deliverables and supports the development and refinement of robust national classification and patient costing standards. As a small jurisdiction, Tasmania continues to have concerns around the amount of ongoing jurisdictional resources required to provide support to progress the IHACPA Work Program each year.

A detailed response to the draft *IHACPA Work Program and Corporate Plan 2023-24* is provided in the attached submission. If you require any further information, please contact Daniel Davies, Manager – Funding, Pricing and Modelling, on (03) 6166 1095 or via email on daniel.davies@health.tas.gov.au

Once again, thank you for the opportunity to provide comments.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Sally Badcock".

Sally Badcock
Acting Deputy Secretary
Policy, Purchasing, Performance and Reform

23 April 2024

Attachment 1. DoH Submission

March 2024

Tasmania's submission in response to the request from the Independent Health and Aged Care Pricing Authority (IHACPA) to provide comments on the Draft IHACPA Work Program and Corporate Plan 2024-25

Prepared by the Tasmanian Department of Health

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Draft Work Program and Corporate Plan 2024-25

Strategic Objective One: Perform pricing functions

(a) Development of the Pricing Framework for Australian Public Hospital Services 2025-26

Deliverables	Timeframes	Comments
Complete the public consultation process for the Pricing Framework for Australian Public Hospital Services 2024-25.	July 2024	Tasmania is supportive of the public consultation process and looks forward to the release of the final Pricing Framework following IHACPA's consideration of the consultation feedback it receives.
Provide the draft Pricing Framework for Australian Public Hospital Services 2024-25 to Health Ministers for a 45-day comment period.	September 2024	Tasmania supports the 45-day ministerial comment period.
Publish the final Pricing Framework for Australian Public Hospital Services 2024-25 on the IHACPA website.	December 2024	Tasmania supports this annual process.

(b) Determination of in-scope public hospital services eligible for Commonwealth funding under the National Health Reform Agreement

Deliverable	Timeframes	Comments
Finalise decisions on the General List of In-Scope Public Hospital Services for additional or altered in-scope services for 2024-25.	December 2024	Tasmania notes the interpretive guidelines and application process for changes to the General List.

(c) National Efficient Price and National Efficient Cost Determinations 2024-25

Deliverables	Timeframes	Comments
Finalise decisions on jurisdictional submissions for legitimate and unavoidable cost variations to determine whether adjustments are required for the National Efficient Price Determination 2025-26.	December 2024	Tasmania notes the current work being undertaken by IHACPA in regard to pricing for small jurisdictions.
Provide the draft National Efficient Price and National Efficient Cost Determinations 2025-26 to Health Ministers for a 45-day comment period.	December 2024	Tasmania supports the 45-day ministerial comment process.

Deliverables	Timeframes	Comments
Publish the National Efficient Price and National Efficient Cost Determinations 2025-26 on the IHACPA website.	March 2025	Tasmania supports this annual process.

(d) Pricing and funding for safety and quality in the delivery of public hospital services

Deliverable	Timeframes	Comments
Incorporate safety and quality reforms into the pricing and funding of public hospital services.	Ongoing	<p>Tasmania supports the work undertaken to date by both IHACPA and the Australian Commission on Safety and Quality in Health Care (the Commission) on sentinel events, hospital acquired complications, and avoidable hospital readmissions.</p> <p>Tasmania looks forward to working with IHACPA, the Commission, other jurisdictions, and broader stakeholders, to explore further options for safety and quality reforms.</p>

(e) Forecast of the National Efficient Price for future years

Deliverable	Timeframes	Comments
Provide confidential National Efficient Price forecast for future years to jurisdictions.	March 2025	Tasmania is appreciative of the continued annual development and confidential release of the NEP forecast.

(f) National Efficient Cost Supplementary Determination

Deliverable	Timeframes	Comments
Publish the National Efficient Cost Supplementary Determination 2024-25.	June 2025	<p>Tasmania is concerned about delays with publishing the NEC Supplementary Determination.</p> <p>Due to the timing of the State Budget, any new Tasmanian Government initiatives affecting NEC24 will not be published by IHACPA until the NEC24 supplementary submission in June 2025. Effectively this would mean that Tasmania would not receive the Commonwealth component of any service change/expansion funding for a period of 11-12 months. This could</p>

		have a major effect on Tasmania regarding its ability to sustain new services. Accordingly, Tasmania would like to work with IHACPA to resolve this issue in a manner acceptable to both parties.
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(g) Pricing model refinements

Deliverables	Timeframes	Comments
Develop and commence a work plan for the review of all adjustments to the national pricing model.	June 2025	Tasmania supports this review.
Review recommendations from the Indexation Review.	March 2025	Tasmania supports this review.
Continue review of the funding methodology for unqualified newborns.	December 2024	Tasmania supports this review.
Review the appropriateness of price harmonisation of admitted and non-admitted chemotherapy and dialysis.	Ongoing	Tasmania supports this review, however, notes the additional cost of patient administration relating to an admission created by the patient election process, clinical coding and health information management which are associated to an admitted episode but do not apply to a non-admitted episode.

(h) Development of the Pricing Framework for Australian Residential Aged Care 2024-25

Deliverables	Timeframes	Comments
Complete the public consultation process for the Pricing Framework for Australian Residential Aged Care Services 2025–26.	September 2024	Tasmania is supportive of the public consultation process and looks forward to the release of the draft Pricing Framework for Residential Aged Care Services, following IHACPA's consideration of the consultation feedback it receives.
Provide the draft Pricing Framework for Australian Residential Aged Care Services 2025–26 to Commonwealth Minister.	March 2025	Tasmania notes the absence of a confirmed timeframe for the public consultation and development of pricing.
Publish the final Pricing Framework for Australian Residential Aged Care Services 2025–26 on the IHACPA website.	August 2025	Tasmania supports this annual process.

(i) Aged Care Pricing Advice 2025-26

Deliverables	Timeframes	Comments
Provide pricing advice to inform Commonwealth Government decisions on residential aged care and respite care funding for 2025-26.	April 2025	Tasmania supports this process and welcomes opportunity for jurisdictional representation and input into the development of aged care pricing advice.

(j) Aged care accommodation pricing functions under the Aged Care Act 1997

Deliverables	Timeframes	Comments
Assess applications for increases to extra service fees under section 35-1(2) of the Aged Care Act 1997	Ongoing	Tasmania notes IHACPA's role with regard to assessment of applications.
Assess applications for refundable accommodation deposit amounts above the Australian Government Minister for Health and Aged Care's maximum under section 52G-4(5) of the Aged Care Act 1997.	Ongoing	As noted above.

(k) Prostheses List reform

Deliverable	Timeframes	Comments
Provide advice, as requested, to the Commonwealth Department of Health and Aged Care to support the Prostheses List reforms.	Ongoing	Tasmania will continue to work with IHACPA, as requested, on these reforms.

Strategic Objective Two: Refine and develop hospital and aged care activity classification systems

(a) Admitted acute care

Deliverables	Timeframes	Comments
Implement the International Statistical Classification of Diseases and Related Health Problems, Tenth Revision, Australian Modification, Australian Classification of Health Interventions and Australian Coding Standards Thirteenth Edition.	June 2025	Tasmania supports the implementation of ICD 10 and ACHI 13.
Release the Australian Refined Diagnosis Related Groups Version 12.0.	June 2025	Tasmania supports the implementation.

(b) Subacute and non-acute care

Deliverables	Timeframes	Comments
Refine the Australian National Subacute and Non-acute Patient Classification Version 5.0	Ongoing	Tasmania supports the continued investigation of other drivers of cost for classification purposes and will support IHACPA in this work through the Subacute Care Working Group.

(c) Emergency Care

Deliverables	Timeframes	Comments
Release the Australian Emergency Care Classification (AECC) Version 1.1.	September 2024	Tasmania supports the refinements to AECC 1.1 that have been highlighted by IHACPA in the draft Work Program. Tasmania will continue to work with IHACPA, via the Emergency Care Working Group, to improve data collection and the reporting of variables that affect the classification. Tasmania is also mindful of the range of data collection and classification issues across our major hospital emergency departments and across the emergency services provided by our small rural hospitals.
Implement the Emergency Care ICD-10-AM Principal Diagnosis (EPD Short List) Thirteenth Edition	July 2025	Tasmania supports the implementation of the EPD short list and will work with IHAPCA to identify any issues with the list and its application.
Develop a draft Data Request Specification for emergency virtual care consultation	Ongoing	Tasmania supports this process, particularly with the expanded use of virtual care in Emergency Departments. Tasmania notes that it does not provide any of these services at the current time.

(d) Non-Admitted care

Deliverables	Timeframes	Comments
Continue to refine the Tier 2 Non-Admitted Services Classification.	Ongoing	Tasmania supports IHACPA ensuring that the Tier 2 Classification system and price weights remain clinically relevant while building the new

Deliverables	Timeframes	Comments
		Australian Non-Admitted Care Classification (ANACC).
Undertake a multi-stage project to support the development of a new patient level non-admitted care classification.	June 2025	<p>Tasmania believes that the proposed timeframe for this work is ambitious, depending on the measurable project outcomes required in that timeframe and therefore does support the project.</p> <p>Tasmania notes that this is a very complex project and that the results may not be able to be replicated by jurisdictions. Given the method of determining the classification it may not be possible for jurisdictions to group non-admitted patient data to the new classification.</p>

(e) Mental health care

Deliverables	Timeframes	Comments
Commence development of the Australian Mental Health Care Classification Version 2.0	July 2025	Tasmania supports the development of AMHCC Version 2 and will provide feedback on its development through the IHACPA Mental Health work group.

(f) Teaching, training, and research

Deliverable	Timeframes	Comments
Continue to work with jurisdictions to implement the Australian Teaching and Training Classification (ATTC).	Ongoing	Tasmania is broadly supportive of this process. However, as with other jurisdictions, Tasmania is unable to provide accurate and meaningful data at this time, across the range of data elements required under the ATTC, as it awaits computer system upgrades.

(g) Sales of the admitted acute care classification system

Deliverable	Timeframes	Comments
Manage the international sales of the International Statistical Classification of Diseases and Related Health Problems,	Ongoing	Tasmania supports IHACPA's management of the international

Deliverable	Timeframes	Comments
Tenth Revision, Australian Modification, Australian Classification of Health Interventions, Australian Coding Standards (ICD-10-AM/ACHI/ACS) and the Australian Refined Diagnosis Related Groups (AR-DRG) Classification Systems.		sales of the ICD-10-AM/ACHI/ACS and AR-DRG classification system.
Certify AR-DRG groupers of licensed software vendors.		As noted above

(h) Assessment of new health technologies

Deliverable	Timeframes	Comments
Assess submissions for new health technologies to ensure they are adequately accounted for in the pricing of public hospital services.	Ongoing	Tasmania supports the extensive changes that were made under the 2021-22 review of the <i>New Health Technology Policy</i> , and which have successfully streamlined and expedited the assessment process.

(i) Residential aged care

Deliverable	Timeframes	Comments
Refine the Australian National Aged Care Classification.	Ongoing	Tasmania supports the refinement of Australian National Aged Care Classification and will continue to work closely with IHACPA to achieve this.

Strategic Objective Three: Refine and improve hospital and aged care costing

(a) Australian Hospital Patient Costing Standards

Deliverables	Timeframes	Comments
Promote ongoing improvement and consistency in cost data submissions through refinement of the Australian Hospital Patient Costing Standards.	Ongoing	Tasmania continues to support the ongoing improvement and consistency in cost data submissions.

(b) National Hospital Cost Data Collection (NHCDC) for public and private hospitals

Deliverables	Timeframes	Comments
Release the 2022-23 NHCDC public sector report.	January 2025	Tasmania supports the release of the 2022-23 NHCDC public sector report.
Release the 2022-23 NHCDC private sector report.	January 2025	Tasmania supports the release of the 2022-23 NHCDC private sector report.
Collect the 2023-24 NHCDC for public and private hospitals.	June 2025	Tasmania will continue to provide its NHCDC public sector data to IHACPA.

(c) National Hospital Cost Data Collection quality

Deliverable	Timeframe	Comments
Release an assessment of the 2022–23 National Hospital Cost Data Collection.	January 2025	Tasmania supports the release of the NHCDC assessment.
Develop a data quality framework to support National Hospital Cost Data Collection submissions.	June 2025	Tasmania supports the development of a data quality framework relating to the NHCDC.

(d) Costing private patients in public hospitals

Deliverable	Timeframe	Comments
Investigate phasing out the private patient correction factor.	June 2025	<p>Tasmanian notes that, as required, it is working towards phasing out the private patient correction factor. However, Tasmania remains concerned that the identification of the cost of medical treatments to both public, compensable, and private patients is limited:</p> <ul style="list-style-type: none"> by the various Rights of Private Practice (ROPP) arrangements and associated revenue arrangements (e.g., variations in facility fee rates). as to whether all the revenue is in lieu of expenditure. For example, a clinician that has a high proportion of private patients compared to another clinician and whether all revenue should be

		<p>considered in reducing the costs to Tasmania Health.</p> <ul style="list-style-type: none"> Understanding the medical practitioner's revenue and expenditure for treating privately referred non-inpatient activity. <p>In Tasmania, identified costs of salaried medical staff and VMOs are included into public, compensable and private patients. However, Tasmania notes there is no differentiation between public, compensable, and private patients in the allocation which will average the cost across all election statuses.</p> <p>Third-party contract arrangements for the purchase of pathology, imaging and patients privately purchased pharmaceuticals and prosthetics may be unknown and therefore not included in the costs of private patients.</p>
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(e) Australian Aged Care Cost Data Collection

Deliverables	Timeframe	Comments
Collect Residential Aged Care Cost Collection 2024 data.	December 2024	Tasmania welcome an invitation to participate in the Residential Aged Care Costing Study.
Undertake the Residential Aged Care Specialised Services Costing Study	December 2024	Tasmania will collaborate on the development of the Aged Care Costing Standards.
Release the Residential Aged Care Cost Collection 2024 Report.	February 2025	Tasmania supports the release of the Residential Aged Care Cost Collection 2024 Report.
Release the Residential Aged Care Specialised Services Costing Study Report.	February 2025	Tasmania supports the release of the Residential Aged Care Specialised Services Costing Study Report.
Collect Support at Home Aged Care Costing Study data.	December 2024	Noted
Release the Support at Home Aged Care Cost Data 2024 Report.	February 2025	Noted

Continue the development of the Australian Aged Care Costing Standards.	June 2025	Noted
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(f) Costing studies for public hospital services

Deliverable	Timeframe	Comments
Continue the investigation of organ donation, retrieval, and transplantation costs.	Ongoing	Tasmania supports the review of organ donation, retrieval costs, but is concerned that not all expenditure is visible in hospital general ledgers. Transplantation costs are not incurred in Tasmania.

Strategic Objective Four: Determine data requirements and collect data

(a) Revision of the Three-Year Data Plan

Deliverable	Timeframe	Comments
Publish the Three-Year Data Plan 2025-26 to 2026-27.	June 2025	Tasmania supports the publication of the 2025-26 to 2026-27 Data Plan.

(b) Data specification development and revision

Deliverables	Timeframe	Comments
Complete the annual review of ABF National Best Endeavours Data Sets and National Minimum Data Sets.	December 2024	Tasmania supports this process. However, Tasmania has concerns about the increasing data burden that the collection of mandatory data elements in National Minimum Data Sets has on smaller jurisdictions. Tasmania is concerned about the additional resourcing impost from shortening of data submission periods.
Investigate development of a Data Request Specification for collection of organ procurement activity data	June 2025	Tasmania supports this process.

(c) Cluster coding for admitted patient care data

Deliverable	Timeframe	Comments
Implement cluster coding into admitted patient care data sets.	July 2025	Tasmania supports the implementation of cluster coding.

(d) Improvements to data submission, loading and validation processes

Deliverable	Timeframe	Comments
Further develop the Secure Data Management System functionality.	Ongoing	Noted
Maintain the security of the Secure Data Management System.	Ongoing	Noted

(e) Collection of ABF activity data for public hospitals

Deliverables	Timeframes	Comments
Collect jurisdictional submissions for March quarter 2024 activity based funding activity data.	June 2023	Tasmania advises that quality processes are conducted during each quarter. However, due to time and resource constraints, quarters prior to the final quarter may be subject to change as the year progresses.
Collect jurisdictional submissions for June quarter 2024 activity based funding activity data.	September 2023	As above.
Collect jurisdictional submissions for September quarter 2024 activity based funding activity data.	December 2023	As above.
Collect jurisdictional submissions for December quarter 2024 activity based funding activity data.	March 2024	As above.

(f) Data Compliance

Deliverables	Timeframes	Comments
Publish data compliance report for March quarter 2024.	September 2024	Tasmania supports the data compliance schedule. However, Tasmania has concerns about the increasing data burden that the collection of mandatory and non-mandatory data elements has on smaller jurisdictions.
Publish data compliance report for June quarter 2024.	December 2024	As above.
Publish data compliance report for September quarter 2024.	March 2025	As above.
Publish data compliance report for December quarter 2024.	June 2025	As above.

(g) Promoting access to public hospital data

Deliverable	Timeframe	Comments
Continue to expand access to data through the National Benchmarking Portal (NBP).	Ongoing	Tasmania supports the work being undertaken by IHACPA to enhance the functionality of, and data sets available through, the NBP.

Strategic Objective Five: Investigate and make recommendations concerning cost-shifting and cross-border disputes

(a) Review of the Cost-Shifting and Cross-Border issues

Deliverable	Timeframes	Comments
Investigate and make recommendations on cross-border disputes.	Ongoing	Tasmania supports this process.
Investigate and make an assessment on cost-shifting disputes.	Ongoing	Tasmania supports this process.

Strategic Objective Six: Conduct independent and transparent decision-making and engage with stakeholders

(a) Monitor and evaluate the implementation of ABF for public hospital services

Deliverable	Timeframe	Comments
Provide quarterly ABF activity data reports to the Pricing Authority and Jurisdictional Advisory Committee.	Ongoing	Tasmania supports the quarterly ABF activity data reports.

(b) Evidence-based ABF-related research

Deliverables	Timeframe	Comments
Publish evidence-based ABF related research and analysis.	Ongoing	Tasmania supports this process.
Provide advice to states and territories on proposals for the trial of innovative funding models and models of care.	Ongoing	<p>Tasmania supports IHACPA exploring alternative funding models that support value, outcomes, and long-term reform.</p> <p>Tasmania supports IHACPA in moving the health system from the funding of episodic activity towards a more holistic view of a patient's journey of healthcare.</p>

Undertake a horizon scan of Australian and international virtual models of service delivery and care, and associated funding arrangements.	September 2024	Tasmania supports IHACPA exploring alternative funding models that support value, outcomes, and long-term reform.
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(c) Support ABF education at a national level

Deliverables	Timeframe	Comments
Implement strategies, tools and working papers to ensure that IHACPA is providing information that will inform its stakeholders.	Ongoing	Tasmania supports IHACPA providing information at national forums and through other opportunities for education. Tasmania notes that IHACPA will work closely with the jurisdictions to ensure that its ABF education respects jurisdictional local ABF and ABM environments.
Deliver the IHACPA Annual Conference 2024.	July 2024	Tasmania fully supports the IHACPA Annual Conference, as a vitally important part of the ongoing relationship between IHACPA and the jurisdictions.
Develop and promote educational materials and resources to educate, inform and engage stakeholders about IHACPA's work program and the health care system.	Ongoing	Tasmania is very appreciative of IHACPA's continued provision of national educational resources on activity-based funding concepts to both the health sector and the public.