



Australian Government

Australian Institute of
Health and Welfare

*Authoritative information and statistics
to promote better health and wellbeing*

Ms Christine McDonald

Secretary

Senate Standing Committee on Finance and Public Administration

PO Box 6100, Parliament House

Canberra ACT 2600

Dear Ms McDonald

I am writing in response to the invitation of the Senate Standing Committee on Finance and Public Administration to make a written submission for the Committee's inquiry into the National Health Reform Amendment (Independent Hospital Pricing Authority) Bill 2011.

The Bill proposes that the object of the Pricing Authority will include developing and implementing robust systems to support activity based funding for public hospital services. Related functions are proposed to include determining the national efficient price for relevant public hospital services, developing and specifying classification systems for the services, and determining data requirements and data standards relevant to classifying, costing and paying for public hospital functions.

Australia's national collections of hospital data (maintained by the Institute) are of high quality, developed through cooperative arrangements involving the jurisdictions and the Institute over many years. Nevertheless, the quality and comprehensiveness of the data could be improved.

In that context, the Institute views the proposed data-related functions of the Pricing Authority as providing a valuable opportunity to improve the quality of statistical information on Australia's hospitals. It is anticipated that the Authority's work will result in better information becoming available over time on the nature of public hospital services, the costs of the services, and the efficiency with which they are provided. The information is not only likely to be more comprehensive and accurate than is currently available, it is also likely to allow better comparability between the states and territories and over time than is currently the case.

The Institute's national collections of hospital data are based on nationally agreed data definitions, housed in METeOR, the Institute's internet-based national repository of data definitions for health, housing and community services data collections. The definitions ensure that the data are as comparable as possible for each hospital and jurisdiction, and that the data relating to one aspect of hospital activity (such as admitted patient care) is relatable to other aspects (such as waiting times for elective surgery), and more broadly to data on other health, housing and community services.

The data definitions and standards for the national hospitals collections have been developed and agreed by the jurisdictions and the AIHW through multijurisdictional processes auspiced by Health Ministers through the National Health Information Agreement. It would be greatly advantageous to the national hospitals information resource

if the Pricing Authority were to draw upon the current sets of data definitions and, where necessary, seek to enhance national standards in a robust manner using multi-jurisdictional processes that have delivered improvements in the national data collections over time. This would ensure that the definitions, classifications and data collections used by the Authority were consistent with those in the current national collections, allowing the total national hospital information resource to expand in a way that would be most useful for a wide range of data users.

It would also contribute to greater efficiencies in the national processes to collect and report data, with the objective to collect one consistent set of data on each aspect of hospital activity. This should be suitable for multiple uses, including those of the Authority (and others involved in the establishment of activity based funding) and the wider purposes for which national hospitals data are required.

Yours sincerely

David Kalisch

Director

2 September 2011