



Ms Christine McDonald  
Secretary  
Standing Committee on Finance and Public Administration  
PO Box 6100  
Parliament House  
Canberra ACT 2600

Dear Ms McDonald

**Re: Inquiry into the Council of Australian Governments reforms relating to health and hospitals**

### **Purpose**

This submission addresses item (e) of the Inquiry's Terms of Reference, and pertains particularly to the establishment of the National Performance Authority (NPA). It identifies areas where the proposed functions of the NPA, as outlined in the National Health and Hospitals Network Agreement, are currently being undertaken by the Australian Institute of Health and Welfare (AIHW). It also seeks to ensure that national health performance reporting in Australia recognises and builds on the strong capabilities in place in the AIHW and its associated systems of national co-operation to achieve consistent, high quality data.

### **Role and Capabilities of AIHW**

The AIHW was established as a statutory authority within the health portfolio over 23 years ago. The AIHW is governed by a representative Board that includes members nominated by AHMAC, the Commonwealth Minister for Health and Ageing, and the States. A core function of the AIHW, specified in legislation, is to collect and produce health-related information and statistics. The AIHW has been compiling and reporting on data relating to the performance of Australian hospitals since its establishment.

The AIHW has built a strong reputation as a professional and independent agency working with all governments in Australia to produce high quality, consistent information and to develop the process of authorised national standards that ensure that data is consistent and authoritative.

The AIHW collects and collates national health performance data, which is provided to it by state and territory health jurisdictions under the terms of the National Health Information Agreement (NHIA). This data is published through a variety of mechanisms, including the AIHW's annual *Australian Hospital Statistics* and *Australia's Health* publication series, and is provided to such bodies as the COAG Reform Council, the Report on Government Services, the Australian Government Department of Health and Ageing and the Australian

Commission on Safety and Quality in Health Care. This mechanism of collection, collation, cleaning and on-passing of the data avoids the need for such bodies to duplicate the work undertaken by the AIHW in collation and management of the data. This efficient and streamlined approach could also be used for the provision of data to the National Performance Authority.

Appropriation funding for the AIHW to carry out its health-related functions did not increase for many years and remained in the order of \$5 million a year until recently. In the 2009-10 budget, the AIHW received a budget increase of about \$11 million over four years to allow it to develop and analyse the data required for the COAG national performance indicator reporting on health. Development of the new data items (as well as improvements to a number of data items) is well underway in the AIHW, in strong co-operation and partnership with the national governance process under the Australian Health Ministers Council (the National Health Information Standards and Statistics Committee). The AIHW's total appropriation funding is budgeted to be \$16.5 million in 2011-12, just over half of which will fund health-related functions (the remainder being for welfare-related functions).

Recently, as a result of the agreement of governments in the context of the health care reforms, the AIHW has been given permission to publish its data at the individual hospital level. As a result, the AIHW has been able to rapidly develop a public website for individual hospital performance indicator reporting, which will be launched in the near future. This is the first time the AIHW has been funded to publish individual hospital level data. The AIHW is currently working with the private hospital sector towards preparing individual private hospital performance data, improving on the currently available aggregated information.

The AIHW has also been working closely with all governments and with the National e-Health Transition Authority (NeHTA) to help create the foundations for primary care data collection into the future. The primary care data development unit at the AIHW is developing a National Minimum Data Set for primary care data, and works in collaboration with the current primary care data expertise in Australia, located at the University of Sydney (the Family Medicine Research Centre). In our view, investing effort in enhancing the underlying data and metadata to further build the AIHW primary care data collections would make a major contribution to valid, comprehensive understanding of performance in the primary care sector. We hope that resources now being made available will support this.

The AIHW also has a strong program of data development in Indigenous data, to meet the requirements of improved data under the Government's Closing the Gap reforms. This includes programs to better identify Aboriginal and Torres Strait Islander Peoples in the hospitals and other collections. The AIHW has also developed and manages the collection of primary care data from individual Indigenous primary care organisations, through the Healthy for Life program.

One of the strengths of the AIHW is that it applies its expertise in the development and collection of administrative data to a range of other national health and welfare-related collections, such as mental health services, disability services, child protection, juvenile justice and housing and homelessness data. The addition of the "welfare"-related functions to the original health functions has created a strong skill base and an effective transfer of methodologies and learnings across the broad social policy information arena.

The broad mix of social policy related data at the AIHW is especially relevant to a key issue that lies behind the further development of performance data, namely the interactions between health and welfare services in jointly improving the wellbeing of Australians. The AIHW's work program across the sectors (including data linkage studies that analyse the pathways of Australians through multiple services) supports a comprehensive and sophisticated understanding of system performance.

The combination of data collation and analysis functions at the AIHW also ensures that the expertise which staff develop in understanding the strengths and weaknesses of the data is able to be applied effectively to the analysis of the data.

The development and maintenance of policy-relevant evidence such as the information on Indigenous health expenditure and information on the costs of various diseases has been possible as a result of the co-location of national health data bases at the AIHW. The hospitals datasets (in particular the National Hospital Morbidity Database) is also used extensively in other areas of the AIHW, for example the National Centres for Cancer, CVD and Diabetes, and in other work program areas such as injury surveillance, musculo-skeletal conditions, asthma and chronic kidney disease.

### **Criteria for high quality national performance reporting in health**

Based on its experience in providing national performance reporting over the last 23 years, the AIHW submits that the following criteria will need to be satisfied in any future national performance reporting arrangements:

1. There should be a single flow of data, from hospitals or other health care providers, through their governing bodies, to a single national repository, with data being validated before it is reported. This data can then be available to a variety of bodies for a variety of purposes. Duplication of data flows will lead to confusion and a dissipation of standards.
  - Data currently flows from hospitals to jurisdictions and on to AIHW.
2. A nationally-agreed governance process for the development and authorisation of data standards needs to be in place and adhered to by all parties.
  - A nationally-agreed and effective process is in place under the Australian Health Ministers Council (NHISSC).
3. Existing expertise, relationships and infrastructure in health data standards and data management should be built on.
  - The AIHW has skilled and experienced staff and has made significant investments over the years in infrastructure that supports a robust process of data collection and collation.
  - The AIHW both administers and contributes to the sturdy national governance arrangements that oversee the development of core data and metadata, including those that underpin health and hospitals performance measurement and reporting.
  - The AIHW has an authoritative and trusted reputation developed from 23 years experience with national health reporting.
4. The benefits for national health information of the co-location of national health and related data bases, as currently exists in the AIHW, should not be lost.

I would be pleased to provide additional information if required.

Yours sincerely

Ken Tallis  
Acting Director  
28 May 2010

## **Attachment**

### **Background information in support of the AIHW Submission to the Standing Committee Inquiry into the Council of Australian Governments reforms relating to health and hospitals**

#### **Governance**

The AIHW is an Australian Government statutory authority, operating under the provisions of the *Australian Institute of Health and Welfare Act 1987*, and responsible for the provision of information on Australia's health and welfare, through statistics and data development that inform discussion and decisions on policy and services.

The AIHW is an authority under the CAC Act, and has an Independent Board which contains a mix of Ministerially-appointed members and representatives of all Australian governments.

The AIHW works closely with all State, Territory and Australian Government health agencies in collecting, analysing and disseminating health and hospitals data. It provides the Secretariat for the National Health Information Standards and Statistics Committee (NHISSC), a sub-committee of the National E-Health and Information Principal Committee (NEHIPC) which reports to the Australian Health Ministers' Advisory Council (AHMAC) and through it, to the Australian Health Ministers' Conference (AHMC).

The *AIHW Act* provides significant protection for confidential data, such as unit record hospital data collections. Twenty-four years of experience in working closely with all levels of government to develop, collect and report administrative data, including hospitals performance data, supported by robust metadata arrangements, has enabled the AIHW to build significant expertise in national hospitals data collation, management and performance reporting.

#### **AIHW contributions to national performance reporting on hospitals**

The AIHW is the primary contributor of national hospitals data to the Report on Government Services, and plays a lead role in developing the specifications for, and reporting on health and hospitals performance under the COAG National Health Agreement. It reports on hospital performance through its biennial report to Parliament, *Australia's Health*, with the next report to be tabled on 23 June 2010. In addition, the AIHW regularly provides hospital performance data, at both individual and aggregate level, to government agencies, such as the Department of Health and Ageing.

#### **AIHW hospitals statistics reports**

The AIHW publishes an annual comprehensive statistical report on Australia's hospitals, *Australian Hospital Statistics*, the 13<sup>th</sup> edition of which is to be published shortly. Hospitals included in this report include public acute care and psychiatric hospitals, private free-standing day hospital facilities and other private hospitals (including psychiatric hospitals).

The report includes comprehensive data on:

- Hospital performance indicators
- Admitted patient separations and patient days
- Length of stay
- International comparisons

- Age group and sex
- Persons identifying as Indigenous
- Remoteness areas
- Conditions treated
- Selected potentially preventable hospitalisations
- Procedures undertaken
- Waiting times for elective surgery in public hospitals
- Emergency department care in public hospitals
- Non-admitted patient care in public hospitals
- Available beds
- Staff in Australian public hospitals
- Recurrent expenditure on public hospitals

In addition to the comprehensive report, the AIHW also publishes a summary version of the report and online data which is publicly accessible free of charge via the AIHW website.

### **Performance reporting on individual hospitals**

The unit record nature of the AIHW hospitals data collections allows for individual hospital performance reporting. The AIHW is currently preparing and analysing individual hospital data for publication on a public website, in accordance with Clause D9 of the National Health and Hospitals Network Agreement. It is also preparing hospital-level performance indicator information for the Australian Commission on Safety and Quality in Health Care.

### **AIHW hospitals data collections**

The AIHW holds a number of national hospitals data collections drawing together administrative data from the states and territories relating to public hospitals, provided under the National Health Information Agreement (NHIA). The Agreement ensures efficient collection, compilation and interpretation of appropriate national information, by agreeing upon definitions, standards and rules for information collection and guidelines.

The AIHW hospitals data collections are underpinned by a rigorous approach to metadata management through the National Health Data Dictionary and a number of national minimum data sets, each of which have national endorsement through the NHISSC and its parent committees.

### **National public hospital establishments database (NPHEd)**

The NPHEd is compiled from data supplied by the state and territory health authorities. It is a collection of electronic records for public hospitals within Australia. All records are based on information collected for financial years. Data are held for the years 1993-94 to 2008-09. Almost all public acute and public psychiatric hospitals in Australia are included. The *National health data dictionary* definitions form the basis of the database, ensuring a high standard of data comparability.

### **National non-admitted patient emergency department care database (NAPEDCD)**

The NAPEDCD is compiled from data supplied by the state and territory health authorities. It is a collection of electronic confidentialised summary records for non-admitted patients treated in public hospital emergency departments. The scope of the collection is public hospitals that were categorised for the previous financial year as peer groups A (Principal referral and Specialist Women's and Children's hospitals) and B (Large hospitals). Some states and territories provided additional episode-level emergency department care data for hospitals classified to peer groups other than A and B. Information is included on patient demographics, waiting times, triage categories and length of stay. The *National health data*

*dictionary* definitions form the basis of the database, ensuring a high standard of data comparability.

### **National Hospital Morbidity Database**

The NHMD is compiled from data supplied by the state and territory health authorities. It is a collection of electronic confidentialised summary records for separations (that is, episodes of admitted patient care) in essentially all public and private hospitals in Australia. Data are held for the years 1993-94 to 2008-09. The data include demographic, administrative and clinical information, including patient diagnoses and surgical procedures. Data are also included on care provided in specialised mental health units. The National health data dictionary definitions form the basis of the database, ensuring a high standard of data comparability. The total number of records for 2007-08 was 7.9 million.

### **National Elective Surgery Waiting Times Data Collection**

The NESWTDC is compiled by the AIHW from data supplied by the state and territory health authorities. It is a collection of electronic confidentialised summary records for patients on elective surgery waiting lists and patients removed from waiting lists (for admission or another reason). Data is held for the years 1995-96 to 2008-09. The collection is based on public acute care hospitals, with all hospitals included, except some smaller ones. Private hospitals are generally not included. The total number of admissions from elective surgery waiting lists reported to the NESWTDC for 2007-08 was more than 565,000. Information is included on waiting times for specific surgical specialties and indicator procedures. The National health data dictionary definitions form the basis of the data collection, ensuring a high standard of data comparability.

### **National Outpatient Care Database**

The National Outpatient Care Database is a collation of data on outpatient clinic care provided by public hospitals in all states and territories. All larger hospitals are included, and some smaller hospitals. Information is included on the type of clinic, and on numbers of occasions of service for individual patients and groups. The National health data dictionary definitions form the basis of the data collection, ensuring a high standard of data comparability.

### **National Community Mental Health Care Database**

The National Community Mental Health Care Database is a collection of data provided by states and territories on specialised community health services, including those provided through hospital outpatient clinics. Unit records are included for the 6 million service contacts each year, and include information on patient demographics, diagnoses, duration and mode of delivery. The National health data dictionary definitions form the basis of the data collection, ensuring a high standard of data comparability.

