

Performance reporting by the states and territories

The Commonwealth [and the states] agree that the publication of performance information against agreed indicators should occur to improve the transparency of the performance of the public hospital system.¹

Compliance assessment requirements

- 5.1 In order to qualify for the full level of funding under the AHCAs, the states are obliged by clause 25 to meet three compliance assessment requirements. As discussed in earlier chapters, the first two are that the states adhere to the principles set out in clause 6 and that they match the Commonwealth's funding growth rate. The third compliance assessment requirement is that the states meet the performance reporting requirements as set out in the AHCAs.
- 5.2 Schedule C of the AHCAs specifies what performance related data items the states are to provide the Commonwealth and when. Performance data is required on, among other things, the national minimum data sets (NMDS) for elective surgery waiting times, emergency department waiting times and community mental health care outcomes.² Schedule C also commits the states to work with the

1 AHCAs, Schedule C, clause 1.

2 A national minimum data set (NMDS) is a minimum set of data elements agreed for mandatory collection and reporting at a national level. It may include data elements that are also included in other NMDS. An NMDS is contingent upon a national agreement to collect uniform data and to supply it as part of the national collection, but does not

Commonwealth to develop and refine additional nominated performance indicators – such as measures of rural and remote access to public hospital services; indicators of effort in medical training and medical research; and indicators of access to and quality of palliative care services.³ As a result of that work, the states now provide data to Health on 18 new performance indicators in addition to those originally specified.⁴

- 5.3 Health developed a *Compliance Monitoring and Assessment Framework* ('the Framework') to advise the states on the required format for the NMDS and when it would be expected.⁵ From Health's perspective:
- ...one of the challenges is really that we are monitoring eight different health care systems.⁶
- 5.4 However, state representatives reported to the ANAO that they were not being provided with sufficient detail from Health about all the performance data that it wanted from them.⁷ Indeed, the ANAO recommended that Health provide the states with more detailed guidance of its procedures and assessment principles in order to assist them clearly understand Health's processes and expectations for assessing AHCA compliance by the states.⁸ Health agreed to this recommendation and undertook to prepare a high level principles document based on the Framework and distribute it to the states.
- 5.5 Health advised the committee in March 2007 that the high levels principles document would be distributed to the states 'certainly before the end of June [2007]'.⁹ The committee understands that this timetable has been met.¹⁰ Certainly, such comprehensive information on Health's compliance assessment processes should be available for the states at the commencement of the 2008-2013 AHCA's.

preclude agencies and service providers from collecting additional data to meet their own specific needs.

3 AHCA's, Schedule C, clause 12.

4 Gibson B, transcript, p 9.

5 AHCA's, Schedule C, clause 11.

6 Kalisch D, transcript, p 2.

7 ANAO, Audit Report, pp 34-35.

8 ANAO, Audit Report, recommendation 1, p 20.

9 Yapp G, transcript, p 14.

10 Telephone advice, 2 July 2007.

Public accountability

- 5.6 The parties to the AHCAs agree that:
- ...provision of data to enable timely publication of performance information is an important element of its accountability to the Commonwealth and the public in relation to the funding received through this Agreement.¹¹
- 5.7 To meet this goal for its part, the Commonwealth has committed to publish an annual report *The state of our public hospitals* which is a compilation of the performance data provided by the states.¹² The report aims to 'demonstrate that all governments are accountable for expenditure on public hospitals' and provide each year a state by state analysis by the Commonwealth of public hospital performance.¹³ These reports have been published every year since 2004 and analyse performance in the previous financial year.
- 5.8 When the June 2007 report was released, the Minister advised that several states were reporting beyond that required by the AHCAs:
- ...Victoria's *Your Hospitals* report and Queensland's *Public Hospitals Performance Report* publish similar performance measures to those used in this report, but at an individual hospital level.¹⁴
- 5.9 Thus, other states are to be encouraged to follow this lead by providing reports on individual performance of their public hospitals.
- 5.10 The committee strongly supports the publication of public hospital performance information and urges the Government to include a similar publication requirement in the 2008-2013 AHCAs, and to encourage states to go further, as shown by Victoria and Queensland, by publishing additional information on the performance of individual hospitals.
- 5.11 In its report *The Blame Game*, the committee made two relevant recommendations to improve the quality of public information on public hospital performance. The first was that future AHCAs (or substitute arrangements) include a requirement that all public hospitals gain accreditation by the Australian Council on Healthcare

11 AHCAs, Schedule C, clause 3.

12 AHCAs, Part 3, clause 9(c); See also: www.health.gov.au/internet/wcms/publishing.nsf/content/health-ahca-sooph-index06.htm, viewed on 26 June 2007.

13 Health, *The state of our public hospitals, June 2007 report*, pp 5-7.

14 Hon Tony Abbott MP, Minister for Health and Ageing, Media Release ABB80/07, *State of our public hospitals*, 29 June 2007.

Standards (or equivalent accreditation agency) and that the accreditation reports be published within three months of completion.¹⁵ The second relevant recommendation was that all state and territory governments regularly publish reports on sentinel events occurring in their public hospitals.¹⁶ Sentinel events are adverse events that occur because hospital failures result in death or serious injury.

- 5.12 The committee is pleased that *The state of our public hospitals* reports at least the number and proportion of hospitals that are accredited in each state, even if not which hospitals, and hopes that future editions can also include statistics on sentinel events.

Burden of data collection on the states

- 5.13 State governments complained to the ANAO that the Australian Institute of Health and Welfare (AIHW), the Productivity Commission and Health all report on public hospital performance and that each agency requires slightly different data sets despite them being based largely on the NMDS specified in the National Health Data Dictionary.¹⁷ This places an unnecessary administrative burden on the states, but has also led to differences in the data provided in the different Commonwealth publication series.¹⁸
- 5.14 The committee appreciates that the reports of the different agencies serve different purposes and have different audiences. The AIHW and Productivity Commission are collecting data for reporting purposes while Health is seeking fiscal and performance accountability. However, the committee urges the various Commonwealth agencies to agree on consolidated data sets which each agency could then use for its own purposes.

15 HAA, *The Blame Game*, pp 213-16.

16 HAA, *The Blame Game*, pp 216-19.

17 ANAO, *Audit Report*, p 67. The National Health Data Dictionary contains the Australian National standard of data definitions recommended for use in Australian health data collections and the NMDS.

18 Health, *The state of our public hospitals*; Productivity Commission, *Report on Government Services*; Australian Institute of Health and Welfare, *Australian Hospital Statistics*.