



Committee Secretary
Standing Committee on Health and Ageing
House of Representatives
PO Box 6021
Parliament House
CANBERRA ACT 2600

Submission No. 1
A.O.C. (NHPA Bill)
Date: 11/03/2011

Dear Sir/Madam

On behalf of the Australian Private Hospitals Association (APHA), I attach a submission to the Committee's Inquiry into the *National Health Reform Amendment (National Health Performance Authority) Bill 2011* (the Bill).

APHA is the peak national body representing the interests of the private hospital sector, with a diverse membership that includes large and small hospitals and day surgeries, for profit and not for profit hospitals, groups as well as independent facilities, located in both metropolitan and rural areas throughout Australia. The range of facilities represented by APHA includes acute medical surgical hospitals, specialist psychiatric and rehabilitation hospitals and also free-standing day hospital facilities.

Private hospitals perform 64% of all elective surgery in Australia each year. Of the top ten treatments in public and private hospitals five are identical procedures – with private hospitals performing the majority in four out of the five. Private hospitals now do the majority of the work in a range of complex procedures, such as joint replacements, coronary angiography, cardiovascular procedures, musculoskeletal procedures and complex prostate surgery. In 2009, more than 500 000 people were treated in private hospital emergency departments.

Please contact Dr Barbara Carney, APHA Director Policy and Research on barbara.carney@apha.org.au with any queries on this submission.

Yours sincerely

Michael Roff
CHIEF EXECUTIVE OFFICER
11 March 2011

AUSTRALIAN PRIVATE HOSPITALS ASSOCIATION
**SUBMISSION TO THE HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON HEALTH
AND AGEING**
**INQUIRY INTO THE *NATIONAL HEALTH REFORM AMENDMENT (NATIONAL HEALTH
PERFORMANCE AUTHORITY) BILL 2011***

APHA has long been a vigorous advocate of a robust national data collection for hospitals. In our submission to the National Health and Hospital Reform Commission (NHHRC) in 2008, APHA said:

“1. Robust data is the foundation of sound policy-making. The Australian Institute of Health and Welfare should be tasked with developing a data collection that will enable the relative efficiency of different elements of the health care system to be evaluated and reported annually.

2. The starting point for reform is to rationalise the existing plethora of regulation and reporting requirements imposed on private hospitals. The NHHRC should establish what information and data is important for private hospitals to report and require that this information and data be reported once, nationally.”

APHA believes that the interests of neither patients, funders nor the broader community are well served by the current complex arrangements.

APHA believes that reform would save the taxpayer significant dollars and free up hospital resources in both public and private sectors. It is a necessary pre-condition for true reform, for how else can the public actually know how its money is being spent?

The Productivity Commission’s Research Study into the Performance of Public and Private Hospitals (2009) found gaps, inconsistencies and a lack of transparency in hospital performance data. The current situation can be summarised as follows:

- ◆ There is a wide range of indicators that can be used to monitor aspects of hospital performance and the patient experience with the treatments they receive;
- ◆ There is a general lack of data that is either complete in its coverage or able to be validly compared between the public and private sector in the form that is collected;
- ◆ While there is considerable data collected by hospitals, it is often not easily available or in the form that lends itself to comparative performance assessment.

APHA has consistently argued that it is not beyond the capacities of the Commonwealth and State and Territory Governments, acting in concert with the private sector, to overcome the problems posed by this lack of meaningful information, as opposed to data. For this reason, we are pleased to see this Bill introduced, as it signals an intention by the Commonwealth to address the problem. However, APHA believes that there are many hurdles to overcome before Australia can achieve a robust and useful national performance information regime.

Private hospitals currently face a significant regulatory compliance burden imposed by the multiple reporting regimes operating at present. Private hospitals currently report data to State Governments - usually to several government agencies - the Commonwealth government, and health insurers.

Hospitals are asked for the same data in different ways by different arms of government, and rarely receive any feedback or follow-up on this data. This is a heavy impost on private hospitals. But this is not the only reason for our advocacy of reform in the area of data and reporting.

In practical terms, it is next to impossible to get a clear picture of how Australia's hospital sector performs. The Productivity Commission commented that it faced significant barriers in trying to get information from the States, even to the extent of being denied access to data.

Access is not the only problem. Every jurisdiction collects different safety and quality data. Safety and quality information is one of the most important areas on which to inform the public.

APHA believes that it is not only possible, but highly desirable, for Australia to have a single national collection of information on how hospitals perform against a single national set of indicators. We are a strong supporter of the Australian Safety and Quality Commission, and we urge that the National Accreditation Standards they are developing for use by all hospitals, public and private, replace the current complex State and Territory regimes. This would provide much greater clarity and transparency and would also free up significant resources at the State level.

APHA believes that once Australia has a single national collection of information then the public should have access to that information.

However, there are some important conditions that must be met.

Firstly, there must be genuine engagement and consultation with the private sector about what data is to be reported, in what form, and how it will be collected. APHA notes that the Commonwealth Department of Health and Ageing has recently indicated a willingness to engage with the private hospital sector around this issue, and we hope that this consultation will be both detailed and on-going.

Secondly, any national data collection must replace the current system of multiple reports at jurisdictional level, rather than simply adding yet another layer of compliance burden for both the public and private hospital sectors. In other words, hospitals should report against a nationally agreed set of data that can be used by the Commonwealth, by the States and

Territories for licensing purposes, for example, and be reported on to the public. Data should be collected on the basis of its utility to the end user, which includes the hospitals themselves.

The National Performance Authority should not be merely an “add-on” to existing State and Territory arrangements. It should be the single, truly national, body in this arena.

APHA is strongly of the view that there should be a high level of scrutiny of the data that hospitals are required to provide before the collection commences. For this reason we urge that, after the Commonwealth has developed, in conjunction with the States and Territories and the private hospital sector, the national data indicator set, the data set should be presented to the Parliament as a Regulation, so that it may be properly and publicly considered.