

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH AND AGEING PORTFOLIO

Supplementary Budget Estimates 2013-2013, 17 October 2012

Question: E12-263

OUTCOME 13: Acute Care

Topic: NATIONAL EFFICIENT PRICE

Type of Question: Written Question on Notice

Number of pages: 1

Senator: Senator Fierravanti-Wells

Question:

The Consultation Paper for the 2013-2014 Pricing Framework states that the National Efficient Price will be established from year to year by indexing previous cost data – why isn't a more detailed analysis of actual cost data performed to ensure a more accurate Price?

Answer:

Indexation is applied only to escalate the latest available hospital cost data to set the price to be paid in 2013-14. The latest available cost data available for the purposes of determining the 2013-14 National Efficient Price is 2010-11 cost data.

The Independent Hospital Pricing Authority (IHPA) carries out a rigorous analysis of the latest available cost data each year to determine the parameters of the national pricing model on which the National Efficient Price is based.

IHPA also applies the efficiency principles detailed in its annual Pricing Framework for Australian Public Hospital Services, which underpins the determination of the National Efficient Price.