

Independent Hospital Pricing Authority

National Efficient Cost Supplementary Determination 2020–21

May 2021



IHPA

National Efficient Cost Supplementary Determination 2020–21

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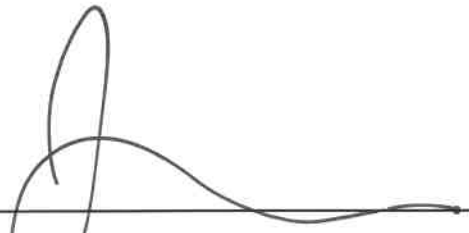
This determination is made by the Independent Hospital Pricing Authority under subsection 131(1) of the *National Health Reform Act 2011* (Cwlth).

Dated *fifth* May 2021



Shane Solomon

Mr Shane Solomon
Chair



Mr James Downie
Chief Executive Officer

SEAL OF INDEPENDENT HOSPITAL
PRICING AUTHORITY

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1. Overview

The *National Efficient Cost Supplementary Determination 2020-21* supplements the *National Efficient Cost Determination 2020-21* issued by the Pricing Authority on 26 February 2020.

This Determination includes additional block funded services information regarding the efficient cost of these services following the receipt of updated advice from states and territories after the finalisation of state and territory government budgets.

2. Block funded services

Table 1 in this Determination replaces Table 1 on page 12 in Chapter 6 of the *National Efficient Cost Determination 2020-21* issued on 26 February 2020.

Table 1: Block funded services

State / territory	Teaching, training and research	Non-admitted mental health (excl. CAMHS)	Non-admitted CAMHS	Non-admitted home ventilation	A17 List ¹	Other public hospital programs ²
NSW	\$675,276,073	\$619,158,800	N/A	\$20,734,086	N/A	N/A
Vic	\$342,943,002	\$826,092,425	\$100,514,972	\$11,035,963	\$21,577	\$268,700,000
Qld	\$372,629,249	\$594,744,669	\$186,082,494	\$17,568,827	\$7,602,331	N/A
SA	\$115,607,554	\$132,370,344	\$34,451,480	\$2,542,000	\$6,930,318	N/A
WA	\$289,401,616	\$292,844,964	\$64,676,412	\$13,328,360	N/A	N/A
Tas	\$46,228,755	\$53,339,000	\$12,634,749	\$2,702,733	N/A	N/A
NT	\$33,400,000	\$30,000,000	\$4,400,000	\$84,000	N/A	N/A
ACT	\$56,131,578	\$47,871,955	\$10,312,253	\$1,392,894	N/A	N/A

¹ Under Clause A17 of the National Health Reform Agreement, IHPA has determined a list of services (the 'A17 List') which IHPA is satisfied were provided by a particular hospital in 2010. These services are eligible for Commonwealth funding at the local hospital network indicated in the list at Appendix A of the *National Efficient Price Determination 2020-21*.

² Programs as approved by the Pricing Authority for inclusion on the *General List of In-Scope Public Hospital Services 2020-21*.

2.1 High cost, highly specialised therapies

Clauses C11–C12 of the National Health Reform Agreement Addendum 2020–25 (the Addendum) outlines specific arrangements for new high cost, highly specialised therapies recommended for delivery in public hospitals by the Medical Services Advisory Committee (MSAC). These arrangements include:

- The Commonwealth will provide a contribution of 50 per cent of the growth in the efficient price or cost (including ancillary services), instead of 45 per cent
- They will be exempt from the national funding cap for a period of two years from the commencement of service delivery of the new treatment.

In 2020–21, the following high cost, highly specialised therapies are recommended for delivery in public hospitals:

- Kymriah[®] – for the treatment of acute lymphoblastic leukaemia in children and young adults.
- Kymriah[®] or Yescarta[®] – for the treatment of diffuse large B-cell lymphoma, primary mediastinal large B-cell lymphoma and transformed follicular lymphoma.
- Qarziba[®] – for the treatment of high risk neuroblastoma.
- Luxturna[™] – for the treatment of inherited retinal disease.

The actual number of patients treated and associated costs are reconciled by the Administrator of the National Health Funding Pool at the end of each financial year.

The indicative costs for the delivery of these high cost, highly specialised therapies have been determined for 2020–21 on the advice of states and territories. These are detailed in **Table 2**.

Table 2: High cost, highly specialised therapies

State/ territory	Amounts
NSW	\$42,880,642
Vic	\$30,225,000
Qld	\$19,103,023
SA	N/A
WA	N/A
Tas	N/A
NT	N/A
ACT	N/A

3. Back-casting

Table 3 in this Determination replaces Table 3 on page 14 in Chapter 7 of the *National Efficient Cost Determination 2020–21* issued on 26 February 2020.

Table 3: Block funded back-casting multiplier by jurisdictions in 2020–21

State/ territory	Small rural hospital	Teaching, training and research	Non-admitted mental health (excl. CAMHS)	Non- admitted CAMHS	Non- admitted home ventilation	A17 List ³	Other public hospital programs ⁴
NSW	1.0190	1.0000	1.0000	N/A	1.0000	N/A	N/A
Vic	1.0105	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Qld	1.0372	1.0000	1.1046	1.0481	1.0000	1.0000	N/A
SA	1.0195	1.0000	1.0000	1.0000	1.0000	1.0000	N/A
WA	1.1166	1.0000	1.0000	1.0000	1.0000	N/A	N/A
Tas	1.1457	1.0000	1.0000	1.0000	1.0000	N/A	N/A
NT	N/A	1.0000	1.0000	1.0000	1.0000	N/A	N/A
ACT	N/A	1.0000	1.0000	1.0000	1.0000	N/A	N/A

³ Under Clause A17 of the National Health Reform Agreement, IHPA has determined a list of services (the 'A17 List') which IHPA is satisfied were provided by a particular hospital in 2010. These services are eligible for Commonwealth funding at the local hospital network indicated in the list at Appendix A of the *National Efficient Price Determination 2020–21*.

⁴ Programs as approved by the Pricing Authority for inclusion on the *General List of In-Scope Public Hospital Services 2020–21*.

4. Standalone hospitals

Table 4 in this Determination replaces Table 5 on page 36 in Appendix B of the *National Efficient Cost Determination 2020–21* issued on 26 February 2020.

Table 4: Standalone hospitals providing specialist mental health services in 2020–21

State/ territory	Hospital name	Australian Statistical Geography Standard region
NSW	Coral Tree Family Centre	Major City
NSW	Cumberland Hospital	Major City
NSW	Illawarra Mental Health Services	Major City
NSW	Kenmore Hospital	Inner Regional
NSW	Macquarie Hospital	Major City
NSW	Morisset Hospital	Major City
NSW	Nolan House at Albury Base Hospital	Inner Regional
NSW	Orange Base Hospital (mental health wards only)	Inner Regional
NSW	The Forensic Hospital	Major City
NSW	Thomas Walker	Major City
NSW	Wentworth Psychiatric Services	Major City
Qld	Baillie Henderson Hospital	Inner Regional
Qld	Charters Towers Rehabilitation Unit	Outer Regional
Qld	Jacaranda Place - Queensland Adolescent Extended Treatment Centre	Major City
Qld	Kirwan Rehabilitation Unit	Outer Regional
Qld	The Park - Centre for Mental Health	Major City
Tas	Alcohol and Drug Services Detoxification Unit (SMHS)	Inner Regional
Tas	Millbrook Rise (SMHS)	Inner Regional
Tas	Mistral Place	Inner Regional
Tas	Roy Fagan Centre (SMHS)	Inner Regional
Tas	Tolosa Street	Inner Regional
Tas	Wilfred Lopes Centre	Inner Regional

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