

## **Northern Territory Government Response to the Independent Hospital Pricing Authority's Pricing Framework 2016-17**

### **Posthumous Organ Procurement**

While representing the highest per capita rate of organ donation in Australia, the actual numbers of patients coded as Care Type 9 are relatively low. The NT supports the inclusion of posthumous organ procurement activities as inscope for pricing under the National Health Reform Agreement and adequately captures data and costs as part of their costing processes.

### **Teaching, training and research**

The NT acknowledges the important role of teaching, training and research (TTR) activities in the public hospital system alongside the provision of care to patients. While noting that the development of systems which underpin ABF for TTR may be feasible, it is not the view of all jurisdictions that the collection of data is a cost effective use of resources particularly for smaller jurisdictions where the administrative overhead associated with the development and implementation of the data systems cannot be justified given the relatively small amount of funding associated with TTR for those jurisdictions.

### **Alternative geographical classification systems**

The NT does not support any further analysis of the benefits of the Modified Monash Model (MMM) by IHPA. The system was developed by the School of Rural Health at Monash University to improve the assessment of relative rurality for distribution of **general practitioners** in rural areas. The MMM is similar to the Australian Statistical Geography Standard (ASGC) 5-scale model with the variation that ASGC levels 2 and 3 are first combined and then redistributed into 4 groups based on population. This means the 5-level remote area (RA) system is expanded to a 7-level system with greater definition in rural areas but with no gradations of the MMM in relation to remote and very remote areas resulting in the model having no allowance for the relativities of remote locations.

Any shift from the RA to MMM would have substantial impact for the Northern Territory as up to 257 of the total of 537 statistical areas in the NT would shift from RA level 3 to MMM level 2. The impact is compounded at a population level because the NT RA level 3 SA1's are the most highly populated.

The NT would welcome any involvement in analysis of other relevant geographical classifications systems into the future.

### **Bundled pricing**

The NT supports IHPA's expanded policy intention for bundled pricing in future years and would advocate for an approach that explores benefits from bundled pricing for patients at risk of or in the early stages of chronic disease.

**The Evaluation of the Impact of the Implementation of National Activity Based Funding for Public Hospital Services**

The NT supports the commencement of Phase 2 of the evaluation of the impact of the implementation of national Activity Based Funding for public hospital services and believes the combined results from both evaluation phases should form part of an evidence based discussion with the Australian Government on public hospital funding beyond the existing NHRA budget.