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Health

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Reference No: CE21-0299

Mr James Downie
Chief Executive Officer
Independent Hospital Pricing Authority
PO Box 483
DARLINGHURST NSW 1300

Dear Mr Downie 

RE: DATA QUALITY STATEMENT FOR THE ROUND 24 NATIONAL HOSPITAL COST DATA COLLECTION

Thank you for your letter of 26 March detailing the requirement for South Australia to submit a data quality statement for the Round 24 National Hospital Cost Data Collection to support the production of the Round 24 (2019-20) National Hospital Cost Data Collection Cost Report.

As requested, South Australia's Data Quality Statement is attached.

Should you require any further information, your officers are welcome to contact Krystyna Parrott, A\Director Funding and Costing on 08 8226 7623.

Yours sincerely


DR CHRISTOPHER MCGOWAN
Chief Executive

1217121

Att: Round 24 (2019-20) Data Quality Statement

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Data Quality Statement for *South Australia*

1. Overview of costing environment

- 1.1 A dedicated team within Department of Health and Wellbeing (DHW) processes, coordinates, and supports the costing on behalf of the Local Health Networks (LHNs). The inputs and final results are the responsibility of the LHNs. The DHW works with the LHNs to ensure all costs and activities are accounted for and processed in accordance with AHPCS Version 4.
- 1.2 Costing is undertaken for the 6 months YTD December, 9 months YTD March, and the full year to June. In addition pre-Covid (July- February) and post-Covid (March-June) periods were costed.
- 1.3 SA Health uses Power Performance Manager from PowerHealth Solutions as its costing system.
- 1.4 Support for costing practitioners is provided at a local level by arrangement rather than at a regular jurisdiction wide basis.
- 1.5 Processes and methodology are consistent with the prior year.

2. Submitted cost data

Address the following:

- 2.1 Data was submitted for 20 Hospitals: 10 Metropolitan and 10 Regional. The Regional hospitals had previously belonged to one LHN. Starting 2019-20, the single LHN was disaggregated to six separate regional LHNs.
- 2.2 Activity increased (7.1%) at a greater rate than overall costs (2.9%). Much of the movement is explained by the occurrence of low complexity Covid activity.

	Costs (\$m)			Activity		
	2018-19	2019-20	Movement	2018-19	2019-20	Movement
SA Health	4,089	4,206	2.9%	2,468,647	2,644,842	7.1%

2.3 The COVID-19 pandemic played a factor in the last four months of the financial year.

2.4 Patient level costing was conducted with the best knowledge and resources at the time. It was a difficult exercise that, for the first time, necessitated combining multiple data sets. While we believe that the information in the submission is fit for purpose, we commit to working with IHPA to understand any differences that may become apparent.

2.5 Each costing run is subject to a number of reconciliations to ensure completeness and reasonableness of the costed data. Each year we hold a State-wide review of costed results at site and DRG level. All results are reviewed and any significant variances investigated and resolved before submission.

3. Adherence to the Australian Hospital Patient Costing Standards

3.1 SA Health adheres to the AHPCS and costs in accordance with its guidelines and principles

SA Health does not cost blood products or private pathology at patient level as data matching is not accurate enough to provide robust costings. .

3.2 There are no specific areas of deviation from the AHPCS apart from blood products and private pathology.

4. Governance and use of cost data

4.1 Public Hospital data is used for benchmarking against the NEP, other hospitals in South Australia, monitoring improvement initiatives and forecasting the costs/funding required for future programs.

4.2 LHNs submit data annually to the Health Round Table. This submission is compiled from data within the SA Health costing system, Power Performance Manager.

4.3 Costing data from the LHNs is all processed by the central Patient Costing Team in DHW. This team works closely with each other and seeks to apply standardised methodologies and processes. The LHNs use the same guidelines for costing patient level data. While LHNs may choose different cost drivers in particular instances, the methodology is consistent. DHW and the LHNs hold a monthly working group to collaborate, resolve issues and keep informed.

4.4 Every year, the DHW Patient Costing Team meets with the LHNs for a thorough review of all costings; internally this is referred to as the DRG review though it now encompasses other classification as well. Any discrepancies are addressed and costing continued until the LHNs are satisfied that their data is fit for purpose. Once

the LHN has signed off on their costings, the DHW Patient Costing Team builds the necessary data for submission to the NHCDC.

Declaration


All data provided by *South Australia* to Round 24 (2019-20) of the National Hospital Cost Data Collection (NHCDC) submitted to the Independent Hospital Pricing Authority has been prepared in adherence with the Australian Hospital Patient Costing Standards (AHPCS) Version 4.0 as described in Section 3 of this statement.

Data provided to this submission has been reviewed for adherence to the AHPCS Version 4.0 and is complete and free of known material errors.

Section 3 provides details of any qualifications to our adherence to the AHPCS Version 4.0.

Assurance is given that to the best of my knowledge the data provided are suitable to be used for the primary purpose of the NHCDC, which includes development of the National Efficient Price.

Signed:



Dr Christopher McGowan
Chief Executive
Department for Health and Wellbeing
SA Health

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