

Independent Hospital Pricing Authority
PO Box 483
Darlinghurst NSW 1300

By Email: submissions.ihpa@ihpa.gov.au

Re: Feedback on the Pricing Framework for Australian Public Hospital Services 2023–24

The Australian College of Nursing (ACN) thanks the Independent Pricing Authority (IHPA) for the opportunity to provide feedback on the **Consultation Paper on the Pricing Framework for Australian Public Hospital Services 2023–24**.

As a national leader of the nursing profession, ACN supports all measures that will improve the health and wellbeing of all members of the Australian community. We view the opportunity to respond to IHPA's Pricing Framework to shape the provision of health care for the good of all Australians.

We have distributed the consultation to ACN members, and the responses are presented on the following pages.

If you require further information, please don't hesitate to contact me, Director of Policy and Advocacy, at Carolyn.Stapleton@acn.edu.au.

Yours sincerely



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IHPA Pricing Framework for Australian Public Hospital Services 2023–24

ACN Responses to the Consultation Questions

Are there any specific considerations IHPA should take into account for assessing COVID-19 impacts on the 2020–21 data in the development of NEP23?

As noted by ACN in last year's review, COVID-19 has impacted how we might plan for funding in the following years. Lockdowns and unexpected impacts on health care services across the board have disrupted routines in planning future funding. ACN's report suggested that services would be back to normal by now, and COVID-19 would no longer be the concern it was back in 2020. Sadly, we continue to be impacted by COVID-19.

As a result, we agree that NEP needs to consider the continuing impacts of COVID-19 on the health care system and allow leeway for continued unexpected impacts on services. Thought should also be given to funding for mobile pandemic teams, which might be attached to hospitals and hybrid working environments for primary healthcare—for example, Respiratory Clinics for people experiencing long COVID.

The expansion and renaming of IHPA to incorporate Aged Care will also mean that NEP must generally be responsive to reforms in the sector and innovative ways of managing aged care in the community.

ACN members strongly support telehealth models. Extending the NEP to allow expansion of the telehealth services list would help reduce the patient wait times exacerbated by the pandemic.

ACN recommends changing how the NEC is determined. Moving away from an activity-based funding system to value-based health care (VBHC) approach would ensure that patient outcomes are at the heart of an efficient and effective health care system¹.

Are there any barriers or additional considerations to using AR-DRG Version 11.0 to price admitted acute services for NEP23?

The Australian National Subacute and Non-Acute Patient Classification NEP22 (AN-SNAP) is used to price admitted subacute and non-acute services. A concern with the pricing framework is the inability to break down costs associated with each classification. Enabling an in-depth breakdown would differentiate between costs such as joint replacements or rehabilitation and relocate funding to under-resourced areas. ACN members believe further subdivision of sub-acute and non-acute services is essential to identify where funds could be saved and better utilised.

Reviewing the 'sex edits' in anticipation of the changes in reporting gender is viewed as timely.

¹ Australian College of Nursing (ACN). 2022, 'Value-Based Health Care through Nursing Leadership (Abridged) — A White Paper by ACN 2022', ACN, Canberra. ©ACN 2022

Do you support IHPA's proposal to refocus some resources on projects that prepare for ICD-11 implementation? Please provide suggestions for any specific 'readiness' projects you would like to see progressed.

ICD-11 is the national and international standard for recording and reporting causes of illness and disease that result in death. ACN members support IHPA's intention to work with stakeholders to determine the feasibility of implementing reporting mechanisms for these items before including them in national collections for 2023–24. ACN members fully support the ICD-11 proposal, which is fundamental to improving telehealth and in-home services and collaboration with external organisations.

ACN Members would like to propose introducing the ethos of climate action in health care to address the growing costs of non-renewable/non-recyclable resources such as personal protective clothing used throughout the pandemic. In addition, the increased energy costs of hospitals incurred during the pandemic should also be taken into account, such as airflow management from airborne diseases.

Are there any barriers or additional considerations to using AN-SNAP Version 5.0 to price admitted subacute and non-acute services for NEP23?

The most significant aspect of using version 5.0 is the proposal to recognise frailty as a cost driver for subacute care. The frailty index identifies existing patient comorbidities in subacute care and should be an essential addition to the new remit of IHPA – incorporating Aged Care.

ACN members support the AN-SNAP version 5.0 pricing model.

Are there any barriers or additional considerations to using AMHCC Version 1.0 to price community mental health care for NEP23?

Community healthcare is available nationwide and receives block funding as a national efficiency cost (NEC). Our members mention that current mental health services in the community are unreliable and inconsistent. New pricing models that acknowledge that different centres provide different levels of care and cater to clients with different needs will enable those centres that require higher funding levels to receive it; this would ensure better and more reliable care for clients across the country.

New pricing models should enable all community mental health care centres to provide the level of care required to meet client needs.

Are there any adjustments IHPA should prioritise investigating to inform the development of NEP23?

COVID-19 continues to impact the community in multiple ways, but in particular, there are lasting impacts on healthcare services and the health and resilience of the nurses and all healthcare workers. Ongoing investigations should proceed but should consider the uncertainty imposed on healthcare centres and healthcare personnel as we progress through the pandemic.

What cost input pressures that may have an impact on the national pricing model and are not included in the NHCDC should be considered in the development of NEP23?

The pandemic has impacted the health and wellbeing of health care workers. Nurses are suffering from burnout, fatigue and stress, and there are reports of nurses experiencing mental health issues globally.² Measures to fund mental health support services for all health care workers during these difficult times would be beneficial. How this might work and where the funds are allocated will take some consideration.

Additionally, emerging data suggest that people within the community and the health sector suffer from long-COVID, experiencing chronic fatigue and other symptoms related to post-viral type conditions. Currently, there is insufficient research on this condition to enable the development of effective treatments. Furthermore, those within the nursing community with long-Covid, unable to work are experiencing the stigma of a post-viral syndrome. Funding needs to ensure that these health care workers are not under undue pressure to return to work while still ill. This also means contingency funding should be in place for those who cannot return to work post-COVID.

Opening up Medicare Item numbers to Nurse Practitioners may enable better services to be delivered across all of Australia, specifically in remote and rural Australia. Although allowing access to Medicare numbers may initially appear to be an extra cost, the longer-term benefits would be substantial.³

As noted in response to the first question, ACN recommends changing how the NEC is determined. Moving away from an activity-based funding system to value-based health care (VBHC) approach would ensure that patient outcomes are at the heart of an efficient and effective health care system⁴.

Which initiatives to refine the national pricing model should IHPA prioritise? What are additional data sources available to support the refinement of the national pricing model about adjustments, price harmonisation, unqualified newborns, private patients or organ donation?

Price harmonisation makes sense, but through COVID-19, it has become increasingly difficult to visit General Practitioners (GPs), and trips to Emergency Departments have increased drastically. Although the aim would be to reduce the number of patients accessing Emergency, accessing GPs may remain problematic. Continuing funding for Medicare rebates for telehealth would help mitigate some of the stress placed on Emergency Departments. This would mean rethinking how funds should be distributed.

ACN members support a review of the pricing model for unqualified newborns. Unqualified

² Australian College of Nursing (ACN) & Health Professionals Bank (HBP), 2022. 'Nurse leadership during disruptive events – A report by the Australian College of Nursing and Health Professionals Bank 2022', ACN, Canberra. ©ACN 2022

³ Australian College of Nursing (ACN). 2022, 'Value-Based Health Care through Nursing Leadership (abridged) — A White Paper by ACN 2022', ACN, Canberra. ©ACN 2022

⁴ Ibid

newborns will exist through and beyond the pandemic, so investigation should not be put on hold in this instance.

ACN members have identified components of telehealth services as the most accessed during the pandemic, particularly in regional and remote Australia. Harmonisation would benefit telehealth services by managing to fund unused services and reassigning funding to services in high demand in the community.

Costs for all steps of organ donation, retrieval and transplantation system are sensible. However, there remain issues with the collection of organs where the COVID status of the donor is unknown. This may have altered the number of retrievals during the pandemic over the past several years. Therefore, numbers and associated costs will not accurately predict non-COVID years to come.

What cost pressures for regional or remote hospitals should be considered in the development of NEC23?

Unadjusted block funding of delivery services in regional and remote locations cannot cater to extra costs associated with specialisation services in these areas. Specialised services include the cost of cancer treatment, surgical procedures, radiology, imaging and mental health services. These services are commonly available to metropolitan counterparts. When these services are unavailable in regional locations, treatments require patients to travel often long distances and can involve a long wait on lists for treatment in a metropolitan centre.

ACN stresses that healthcare should be equitable and accessible for all, and healthcare providers should be provided with the means to allow them to move towards closing the gap for an accessible service regardless of location.

What specific areas of the Local Hospital Networks and Public Hospital Establishments National Minimum Data Set would you recommend IHPA focus on when developing its independent quality assurance process?

ACN members believe specialised therapies and services should be accessible regardless of geographical location. Gathering data that will inform IHPA of the demands for local services such as cancer treatment, surgical procedures, radiology, imaging and mental health services in all rural and remote locations will better highlight the gaps in service across the country. In turn, this will enable more equitable care across the country. Again, ACN stresses the importance of VBHC as applied to procedures. Introducing patient-reported outcomes (PROMS) and Patient-reported experience measures (PREMS) would support funding determinations ⁵.

⁵ Australian College of Nursing (ACN). 2022, 'Value-Based Health Care through Nursing Leadership (Abridged) — A White Paper by ACN 2022', ACN, Canberra. ©ACN 2022

The cost of new technology and care frameworks should be included in hospital pricing, including those in regional and remote areas. Costing should be assessed based on community needs, not state or territory groupings.

What should IHPA consider when transitioning standalone hospitals providing specialist mental health services to ABF?

ACN members support the delivery of quality mental health services across all jurisdictions. Allocating funding is the first step toward building capacity in mental health services.

How is virtual care delivery captured in information systems and data collections?

ACN members strongly support collecting comprehensive data that will help fund virtual and telehealth innovations and establish virtual care and telehealth services as fundamental components of care.

IHPA proposes to investigate the inclusion of emergency department telehealth video consultations in the NAPEDC NMDS and Emergency service care National Best Endeavours Data Set for 2023–24. Are there any other examples of innovative models of care and services related to virtual care that IHPA should also consider investigating?

Western Australian ACN members referred to an existing virtual monitoring system that allows concurrently monitoring multiple post-operative patients. The Government of Western Australia East Metropolitan Health Service is currently trialling the health in a Virtual Environment (HIVE) system. The system has been proved to reduce code blue medical alerts by 40% simply by recognising early patient deterioration and implementing early interventions. IHPA is urged to investigate HIVE and consider future NAPEDC NMDS pricing.

What changes to the national pricing model should IHPA consider to account for innovative models of care and services related to virtual care?

ACN members note that lack of access to and training in virtual care technologies are the main barriers to virtual care. Training in virtual care should be considered an activity required for future pricing models to ensure access to innovative care services.