



Health

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

Your ref N/A
Our ref H18/41399

Dear Mr Downie

In response to the Independent Hospital Pricing Authority's public consultation on the draft *IHPA Work Program 2018-19*, NSW Health offers the following comments.

NSW Health notes that the IHPA intends to issue a request for tender for an IT provider to develop a software tool that will identify acute care hospital readmissions that are potentially preventable.

NSW Health's view is that development of this tool should be clinically driven to ensure the clinical relevance of the identified readmissions. NSW Health has concerns that without clinical input, the algorithm will detect readmissions that the health care system cannot prevent. This will seriously undermine the value of the tool in sending an actionable price signal to services.

NSW Health also queries whether the IHPA has considered a governance process for the tool, including determining who will maintain quality assurance of the tool once it is developed. It is critical that the outputs of the tool be continuously reviewed to ensure the appropriateness of the identified readmissions.

If you would like to discuss the NSW position further, please contact Ms Jacqueline Ball, Executive Director, Government Relations Branch, NSW Ministry of Health on 9391 9469 or at jball@doh.health.nsw.gov.au.

Yours sincerely

5.6.18

Dr Nigel Lyons
Deputy Secretary, Strategy and Resources