

Independent Hospital Pricing Authority

National Efficient Cost Supplementary Determination 2021–22

December 2021



IHPA

National Efficient Cost Supplementary Determination 2021–22

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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 24 November 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 2021–22* (this Determination) supplements the *National Efficient Cost Determination 2021–22* issued by the Pricing Authority on 24 February 2021.

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 11 in Chapter 6 of the *National Efficient Cost Determination 2021–22* issued on 24 February 2021.

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	\$740,261,288	\$602,067,676	N/A	\$21,501,247	N/A	N/A
Vic	\$345,213,065	\$839,161,979	\$100,976,131	\$11,311,862	\$22,141	\$257,360,751
Qld	\$404,248,928	\$600,071,569	\$195,909,323	\$18,401,576	\$7,792,389	N/A
SA	\$118,222,228	\$135,826,844	\$35,033,000	\$2,618,000	\$7,068,515	N/A
WA	\$304,437,637	\$328,462,443	\$75,436,632	\$13,821,509	N/A	N/A
Tas	\$47,384,474	\$68,428,234	\$14,946,934	\$2,770,302	N/A	N/A
NT	\$35,124,000	\$31,110,000	\$4,563,000	\$87,000	N/A	N/A
ACT	\$58,208,446	\$49,643,217	\$10,693,806	\$1,444,431	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 2021–22*.

² Programs as approved by the Pricing Authority for inclusion on the *General List of In-Scope Public Hospital Services 2021–22*.

2.1 High cost, highly specialised therapies

Clauses C11–C12 of the Addendum to the National Health Reform Agreement 2020–25 outline specific arrangements for new high cost, highly specialised therapies recommended for delivery in public hospitals by the Medical Services Advisory Committee. 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 2021–22, 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 dystrophies
- Tecartus[®] – for the treatment of relapsed or refractory mantle cell lymphoma.

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 2021–22 on the advice of states and territories. These are detailed in **Table 2**.

Table 2. High cost, highly specialised therapies

State / territory	Amounts
NSW	\$37,067,524
Vic	\$31,343,325
Qld	\$31,671,646
SA	N/A
WA	\$5,168,686
Tas	N/A
NT	N/A
ACT	N/A

3. Back-casting

Table 3 in this Determination replaces Table 3 on page 13 in Chapter 7 of the *National Efficient Cost Determination 2021–22* issued on 24 February 2021.

Table 3. Block-funded back-casting multiplier by jurisdictions in 2021–22

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	0.9765	1.0000	1.0000	N/A	1.0000	N/A	N/A
Vic	0.9749	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Qld	0.9858	1.0000	1.0000	1.0000	1.0000	1.0000	N/A
SA	0.9865	1.0000	1.0000	1.0000	1.0000	1.0000	N/A
WA	0.9956	1.0000	1.0000	1.0000	1.0000	N/A	N/A
Tas	1.0025	1.0000	1.0000	1.0000	1.0000	N/A	N/A
NT	N/A	1.0141	1.0000	1.0000	0.9988	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 2021–22*.

⁴ Programs as approved by the Pricing Authority for inclusion on the *General List of In-Scope Public Hospital Services 2021–22*.

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