

Joanne Fitzgerald
A/Chief Executive Officer
Independent Hospital Pricing Authority
PO Box 483
Darlinghurst NSW 1300
Via Email: secretariatihpa@ihpa.gov.au

T 08 8999 2669

File reference
EDOC2022/292787

Dear Ms Fitzgerald

RE: Round 25 National Hospital Cost Data Collections Data Quality Statement

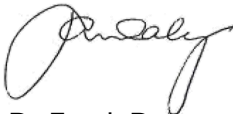
I am pleased to provide the Northern Territory Data Quality Statement (see Attached) to be published as part of the Round 25 (2020-21) National Hospital Data Cost Data Collection (NHCDC) Cost Report, as requested in correspondence dated 11 April 2022.

I confirm that data provided by the Northern Territory to Round 25 (2020-21) 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 4.1 as described in Section 3 of the attached Data Quality Statement for Northern Territory.

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

The Northern Territory looks forward to participating in the Round 25 NHCDC Independent Financial Review (IFR). Please contact Kirsty Annesley, Director Financial Modelling and Analysis via kirsty.annesley@nt.gov.au as the Northern Territory representative for the IFR.

Yours sincerely



Dr Frank Daly
MBBS FACEM GAICD FLWA
Chief Executive
5 July 2022

Data quality Statement for Northern Territory

Round 25 (2020-21) National Hospital Cost Data Collection (NHCDC)

1. Overview of costing environment

The Northern Territory (NT) Department of Health undertakes patient level costing supported by external consultants who provide end-to-end costing services to deliver the costing study and analysis. NHCDC Patient level costing is undertaken annually using the Power Performance Manager (PPM) costing platform. The NT has implemented six monthly costing across all NT hospitals in the 2021-22 financial year to facilitate participation in Health Round Table Finance and Costing Program.

The NT realised the following improvements in the 2020-21 Round 25 costing study:

- Enhanced clinical and operational engagement across the hospital network providing additional clinical validation, quality assurance and participation throughout the costing process.
- Refined the activity and cost structure of non-admitted specialist outreach services provided by hospitals to remote communities throughout the Northern Territory. To improve the identification of the significant costs incurred to provide equitable access to specialist clinical care for isolated Territorians.
- Identification of admitted surgical services and the costs incurred by Royal Darwin Hospital to support integrated surgical services across the regional hospital network. Improved data linking has enabled cost matching to the episode of care in the regional hospital.
- Allocation of high cost compounded antineoplastic drugs to episodes of chemotherapy and oncology treatment at Royal Darwin, Katherine and Alice Springs hospitals. These costs were not discretely identifiable previously due to data and systems limitations.
- Enhanced identification and categorisation of emergency aero-medical retrieval costs to bring appropriate costs in-scope as these costs are significant for the NT and provide essential access to patient care.
- Improved allocation of the costs of curb side road ambulance services and non-emergency patient transport to a non-patient product, patient transport. Distinct to clinically necessary inter-hospital ambulance transfers that continue to be included in patient costing and in determining the full cost of production.

2. Submitted cost data

The NT submitted cost data from six facilities consistent with prior years. Costs submitted to NHCDC in Round 25 total \$1.26 billion, which is an increase of 12% per cent compared to Round 24. The reasons for the changes were due to the ongoing impact of the COVID-19 pandemic on hospital activity levels and patient flow pathways particularly for vulnerable clients.

The annual NT Health costing exercise involves data acquisition, processing, validation and reporting. The NT Health coordinates each stage, implementing continuous refinements in consultation with clinical and hospital stakeholders. A number of quality assurance tests are undertaken throughout the costing exercise with a focus on accuracy of costing methodology as well as completeness of activity and cost data utilised in the costing study.

3. Adherence to the Australian Hospital Patient Costing Standards

Data provided by the Northern Territory (NT) for Round 25 of the NHCDC has been prepared in adherence with Australian Hospital Patient Costing Standards (AHPCS) version 4.1, qualified by the following items:

- NT includes medical costs reported in the General Ledger, however expenses in trust accounts that sit outside the financial accounts have not been included. Further work is being undertaken to ensure expenses may be fully recognised where practicable and material.
- NT did not cost Mental Health Care at the phase of care level as phase level activity data was not available in 2020/21 and costs have been reflected at the episode level.
- NT does not follow the costing guideline set out for Teaching and Training, Research, Posthumous Organ Donation and Mental Health Services as these are not practicable to implement in the NT due to system and data limitations, noting that the principles in the Standards have been followed to allocate costs appropriately.

4. Governance and use of cost data

In Round 25 the Northern Territory performed the NHCDC costing at the hospital level applying a consistent methodology across all facilities that is compliant with the national costing standards and guidelines.

At the hospital level, the cost data is used for benchmarking and trend analysis with Health Round Table membership providing additional opportunities for clinical engagement and collaboration to drive innovation and efficiencies.

Results workshops incorporating IHPA's quality assurance reports were facilitated by external consultants providing stakeholder and opportunity to review and refine the costing outputs and ensure reasonableness. Issues identified were review and addressed collectively by participants before the final results are approved by the Chief Finance Officer.