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Health
Department for
Health and Wellbeing

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

Dear Mr Downie

James

**RE: DATA QUALITY STATEMENT FOR THE ROUND 25 NATIONAL HOSPITAL
COST DATA COLLECTION**

Thank you for the letter of 11 April 2022, from the acting CEO, about the requirement for South Australia to submit a data quality statement for the Round 25 National Hospital Cost Data Collection to support the production of the round 25 (2019-20) National Hospital Cost Data Collection Cost Report.

As requested, attached is South Australia's Data Quality Statement to be used for the Cost Report.

SA Health have experienced some staffing shortages of key costing staff over the last four months and thank your staff for the support and advice they have provided us to ensure we were able to submit our costing data.

Should you require any further information, in the first instance, your officers are welcome to contact Catherine Shadbolt, Director Activity Based Management and Funding on 08 8226 7623.

Yours sincerely

A handwritten signature in blue ink, appearing to be "Lynne Cowan".

LYNNE COWAN
Acting Chief Executive

24/5/22

Att: Round 25 (2020-21) 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. For the 2020-21 submission we used PPM to run the data reports for loading into the NHCDC portal.

2. Submitted cost data

Address the following:

- 2.1 Data was submitted for 20 Hospitals: 11 Metropolitan and 10 Major Country.
- 2.2 One additional Metropolitan hospital for 2020-21 Hampstead Rehabilitation
- 2.3 Activity increased (17.2%) at a greater rate than overall costs (5.13%). Much of the movement is explained by the occurrence of low complexity COVID activity, with a 16% increase in outpatient activity. Also the additional Metropolitan accounted for \$52m in cost and 17,000 cases.

	Costs (\$m)			Activity		
	2019-20	2020-21	Movement	2019-20	2020-21	Movement
SA Health	4,206	\$ 4,422	5.13%	2,644,842	3,100,354	17.2%

- 2.4 The COVID-19 pandemic played a factor in the last four months of the financial year.
- 2.5 At a jurisdiction level the challenges we encountered was to split a mental health encounter into the phased of care. The phase of care data was not always available for a mental health encounter so a hybrid approach was used with DRGs. As this was the first year of using the mental health phase of care data there were some data quality issues.
- 2.6 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 patient costing standards 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. It is used largely by the LHNs to provide detailed information on performance and as a guide to determining where there are potential cost efficiencies.
- 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 methodology 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 Each year, the DHW Patient Costing Team meets with the LHNs for a thorough review of all costings at the DRG level; internally this is referred to as the DRG review. 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.

5 COVID-19

- 5.1 SA Health has followed the COVID-19 Response – Costing and pricing guidelines in R25 data submissions. Specific COVID-19 cost centres have been established to capture those costs directly attributable to COVID-19. In-scope COVID-19 activity has been captured as per NHFB guidelines and submitted on a quarterly basis and used for costing purposes

Declaration

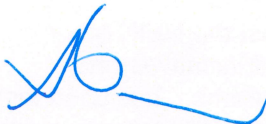
All data provided by South Australia to Round 25 (2020-21) of the National Hospital Cost Data Collection (NHCDC) submitted to the Independent Hospital Pricing Authority has been prepared in adherence with the Australian Hospital Patient Costing Standards (AHPCS) Version 4.1 as described in Section 3 of this statement.

Data provided to this submission has been reviewed for adherence to the AHPCS Version 4.1 and is complete and free of known material errors.

Section 3 provides details of any qualifications to our adherence to the AHPCS Version 4.1.

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:



Ms Lynne Cowan
Acting Chief Executive
Department for Health and Wellbeing
SA Health

24, 5, 22