Department of Health

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Tasmanian Government

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File: SEC22/548

Joanne Fitzgerald
Acting Chief Executive Officer
Independent Hospital Pricing Authority
Email: secretariatihpa@ihpa.gov.au

Dear Ms Fitzgerald

Subject: 2020-21 National Health Cost Data Collection Data Quality Statement and Independent Financial Review

Thank you for your letter dated 11 April 2022 regarding the Round 25 Data Quality Statement and Independent Financial Review.

I confirm that Tasmania will be participating in this year's Independent Financial Review.

As agreed at the 19 April 2022, NHCDC Advisory Committee meeting, Tasmania will be submitting the National Health Cost Data Collection (NHCDC) Data Quality Statement shortly. I expect this to occur by 6 May 2022.

Commencement of this process was delayed as Tasmania could not access IPHA's Round 25 Quality Assurance reports due to technical issues with the hosting platform. I appreciate the assistance IPHA has provided resolving this issue.

Should you require any further information, please contact Kyle Lowe, Acting Director Monitoring Reporting and Analysis on (03) 6166 1074.

Yours sincerely

Dr Sonj Hall
Deputy Secretary
Policy, Purchasing, Performance and Reform

26 April 2022

Data Quality Statement for Tasmania
NHCDC Round 25

1. Overview of costing environment

1.1 Who undertakes patient costing in your jurisdiction?

Patient costing is undertaken by the Tasmanian Department of Health (DOH) Clinical Costing Unit, on behalf of the Tasmanian Health Service (THS). The output of the costing study is provided to the THS to support their internal cost management strategies.

1.2 How often is costing undertaken?

The costing process in Tasmania is completed annually, with an ongoing aim to increase the process to quarterly. For Round 25 the costing study returned to a single study, compared to the split-study required in the 2019-20 costing period, due to the COVID-19 pandemic

1.3 Which costing systems are in use?

Tasmania utilises the clinical costing software UserCost by IQVIA.

1.4 Is there any jurisdiction-wide training/support for costing practitioners? If so, provide details.

As costing is provided by the Department, there is no jurisdiction-wide training/support required, with relevant staff receiving training where applicable.

1.5 Provide details of any changes from previous year specifically details of improvements in costing process and methodology.

Round 25 consisted of no material improvements to the costing process, and instead focused on continuing refinement of costing methodologies.

Some refinements included:

- Increased accuracy of intermediate product matching.
- Improved automated quality assurance checks.
- Increased resilience to poor or missing data elements.

2. Submitted cost data

2.1 How many hospitals provided cost data for the Round 25 NHCDC?

Data was submitted for 24 hospitals, comprising of 4 major hospitals, 18 rural hospitals, and 2 state-wide facilities. Included in the Round 25 submission was an additional state-wide facility, used to classify Public Health data related to Covid-19 Vaccinations and Pathology Testing.

2.2 Provide explanation of costed results with explanation of significant movements from prior year.

Costs submitted to the NHCDC for Round 25 were $1,483,924,756, representing a 10% increase on the $1,341,379,609 submitted in Round 24. The increase is in-line with an increase activity and represents Tasmania returning to normal levels of activity after the significant change in service delivery models during the 2019-20 period.

2.3 Are there any significant factors which influence the jurisdiction's Round 25 cost data (i.e. jurisdiction wide admission policies, etc). If so, what is the impact on costed output?

Due to a lesser impact due to the COVID-19 virus during 2020-21, Tasmania returned to relatively normal activity levels compared to 2019-20. However increased expenditure due to the pandemic response remained in the system, primarily in the form of increased staffing levels to maintain readiness.

2.4 At a jurisdiction level, did you experience any challenges with costing of specific products in Round 25? (e.g. Mental health phase of care / other) please describe these challenges and the impact of this)]

Mental health continues to be a difficult area to cost effectively due to available data sources, and this remains an ongoing area of improvement.

2.5 Describe the quality assurance tests undertaken on the patient cost data.

Data quality checks are conducted to monitor for missing, incomplete, or inaccurate data.

Further standard quality checks include:

- Cost variation at the episode, product, and facility level.
- Comparison between study years.
- High/Low outlier costs.
- Cost bucket variation between local and national, as well as current and previous studies.
- Volume analysis.

3. Adherence to the Australian Hospital Patient Costing Standards

3.1 Describe the level of compliance against the Australian Hospital Patient Costing Standards – at the hospital and jurisdiction level.

Tasmania continues to make best efforts to adhere to the Australian Hospital Patient Costing Standards (AHPCS) Version 4.1 and is compliant with exception to the areas listed below.

3.2 State any exceptions to AHPCS and explanations.

- Data Quality Framework (AHPCS 6.1.1.3.3, 6.1.3.5). The Tasmanian Data Quality Framework has minimal independent and external testing. Costed patient data is also not formally audited by an independent body.

- Teaching Training and Research (TTR) (CG 4.1, 4.2, 4.3). Tasmania's approach to TTR is currently calculated using an established locsal methodology based on identifiable expenditure and a percentage-based approach, with a goal to improve this in future costing periods.

3.3 Provide details of any specific areas of deviation from the AHPCS and describe the alternative treatment used. (e.g. areas of common challenge which may warrant explanation of treatment may include: capital & depreciation, Teaching and training, Research, posthumous organ donation, allocation of medical costs for private and public patients, mental health, ICU, blood products, PTS, WIP)].

See above.

4. Governance and use of cost data

4.1 How is public hospital patient cost data used at the hospital/district or network and jurisdiction level?

Patient level cost data has generally been used primarily to meet national reporting requirements and has use in informing clinical and service costs in the THS.

4.2 Do the LHNs or Jurisdiction submit patient cost data to any other jurisdictional or national collections? If so, provide details.

Tasmania also submits costed patient level data to Women's Healthcare Australasia and Children's Healthcare Australasia. It is also used to inform the Australian Institute of Health and Welfare Public Health Expenditure and Government Health Expenditure reports.

4.3 In terms of costing practices, what is the level of consistency and standardisation across the jurisdiction? (e.g. local forums; guidelines)

With costing being performed at the jurisdictional level in a single state-wide study, the costed patient data is highly standardised, with only minor variances in methodology between sites where applicable.

4.4 What is the process for review and approval the data before submission to NHCDC?

Costed data is continually reviewed during the submission period using the steps outlined in section 2.5 above. The data is further reviewed by relevant THS staff before being endorsed and submitted to the NHCDC.

5. COVID-19

5.1 Provide details of the compliance to the COVID-19 Response – Costing and pricing guidelines.

Tasmania has followed the Covid-19 costing guidelines for the Rounds 25 data submission. Activity funded by the State Public Health Payment were excluded from the NHCDC submission and only in-scope costs relating to Covid-19 were submitted.

Declaration

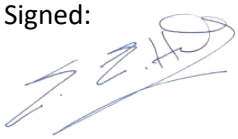
All data provided by Tasmania to Round 25 (2020-21) of the National Hospital Cost Data Collection (NHCDC) submitted to the Independent Hospital Pricing Authority has been prepared in adherence with the Australian Hospital Patient Costing Standards (AHPCS) Version 4.1 as described in Section 3 of this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



Dr Sonj Hall
15 June 2022

Deputy Secretary Policy, Purchasing, Performance and Reform