



IHACPA

National Efficient Price and National Efficient Cost Determinations 2023–24 – Online Glossary

Terms

Words and phrases used in the *National Health Reform Act 2011* (Cwlth) (the NHR Act), the National Health Reform Agreement (NHRA) and the Addendum to the NHRA 2020–25 (the Addendum) have the same meaning when used in the National Efficient Price Determination 2023–24 or the National Efficient Cost Determination 2023–24, and in addition:

ABS refers to the Australian Bureau of Statistics.

ACHI refers to a group within the classification system known as the Australian Classification of Health Interventions Twelfth Edition (also known as ACHI Twelfth Edition).

ACS refers to a group within the classification system known as the Australian Coding Standards Twelfth Edition (also known as ACS Twelfth Edition).

Activity based funding (ABF) is a way of funding hospitals whereby they get paid for the number and mix of patients they treat. ABF arrangements are outlined in the NHR Act, the NHRA and the Addendum.

Activity based funding activity means an activity comprising in-scope public hospital services which will be funded by the Commonwealth in the 2023–24 financial year in the manner described at clause A32(c) of the NHRA. Activity based funding activity may take the form of a separation, phase, presentation or service event.

Acute patient means a patient recorded as having a care type of 1, 7 or 11 (see [METEOR: 711010](#)).

Addendum refers to the [Addendum to the National Health Reform Agreement 2020–25](#).

Adjustment means an amount added to, or subtracted from a price weight, in recognition of legitimate and unavoidable variations in the cost of service delivery. The adjustments for 2023–24 are at Chapter 6 of the National Efficient Price Determination 2023–24.

AECC refers to a group within the classification system known as the Australian Emergency Care Classification Version 1.0 (also known as AECC Version 1.0).

ALOS refers to the average length of stay of an episode or phase of care.

AMHCC refers to a group within the classification system known as the Australian Mental Health Care Classification Version 1.0 (also known as AMHCC Version 1.0).

AN-SNAP refers to a group within the classification system known as the Australian National Subacute and Non-Acute Patient Classification Version 4.0 (also known as AN-SNAP Version 4.0).

AR-DRG refers to a group within the classification system known as the Australian Refined Diagnosis Related Groups Classification Version 11.0 (also known as AR-DRG Version 11.0).

ASGS refers to the Australian Statistical Geography Standard, which is the geographical framework used by the Australian Bureau of Statistics.

Avoidable hospital readmission refers to an admitted acute episode where a patient who has been discharged from hospital (defined as the index admission) is admitted again within a certain time interval (defined as the readmission) and the readmission is clinically related to the index admission and had the potential to be avoided through improved clinical management or appropriate discharge planning in the index admission. The complete list of avoidable hospital readmission conditions is available in Chapter 7 of the National Efficient Price Determination 2023–24 and on the [Australian Commission on Safety and Quality in Health Care's website](#).

Bundled price weight means the weight assigned to ABF activity which is priced on a per calendar month basis. A bundled price weight applies for the specified Tier 2 Non-Admitted Services Classification classes at Appendix K of the National Efficient Price Determination 2022–23.

COVID-19 refers to coronavirus disease 2019.

COVID-19 treatment adjustment means an adjustment for an admitted acute patient who is assigned one of two specified ICD-10-AM Twelfth Edition codes indicating they were treated for COVID-19 and who has received care as defined by one of the 11 AR-DRGs specified in Appendix P of the National Efficient Price Determination 2023–24.

Determination refers to the National Efficient Price Determination 2023–24 or National Efficient Cost Determination 2023–24.

Dialysis adjustment means an adjustment for an admitted acute or admitted subacute and non-acute patient with a specified ACHI Twelfth Edition dialysis intervention code who is not assigned to the AR-DRG L61Z Haemodialysis or AR-DRG L68Z Peritoneal Dialysis.

Emergency department means an area within a hospital matching all of the descriptors applicable to the levels 3B to 6 as described in Attachment 1 of this glossary.

Emergency service means an area within a hospital matching all of the descriptors applicable to the levels 1 to 3A as described in Attachment 1 of this glossary.

Hospital acquired complication (HAC) refers to a complication for which clinical risk mitigation strategies may reduce (but not necessarily eliminate) the risk of that complication occurring. The complete list of HACs is available in Chapter 7 of the National Efficient Price Determination 2023–24 and on the [Australian Commission on Safety and Quality in Health Care's website](#).

ICD-10-AM refers to a group within the classification system known as the International Statistical Classification of Diseases and Related Health Problems, Tenth Revision, Australian Modification Twelfth Edition.

IHACPA refers to the Independent Health and Aged Care Pricing Authority.

Indigenous adjustment means an adjustment for a person who identifies as being of Aboriginal and/or Torres Strait Islander origin.

Inner regional means an area that is classified as inner regional Australia under the Australian Statistical Geography Standard (see [METEOR: 697105](#)).

Intensive care unit (ICU) adjustment means an adjustment for ABF activity in respect of a person who has spent time in a specified ICU as listed at Appendix D of the National Efficient Price Determination 2023–24, except where the activity is a newborn/neonate AR-DRG identified as ‘Bundled ICU’ in the tables of price weights at Appendix H.

LHN refers to a local hospital network.

Multidisciplinary clinic adjustment means an adjustment for a non-admitted service event where three or more health care providers (each of a different specialty) are present, as identified using the non-admitted ‘multiple health care provider indicator’.

Multiple health care provider indicator is an indicator used to identify multiple health care providers for the reporting of non-admitted activity data for ABF (see [METEOR: 652537](#)).

Multiple health care providers means three or more health care providers who deliver care either individually or jointly within a non-admitted patient service event. The health care providers may be of the same profession (medical, nursing or allied health). However, they must each have a different specialty so that the care provided by each provider is unique and meets the definition of a non-admitted patient service event.

National pricing model refers to the methodology underpinning the National Efficient Price Determination 2023–24.

NBEDS refers to the National Best Endeavours Data Sets.

NEC means the efficient cost of a small rural hospital, which is the sum of the fixed component and the variable cost component, as set out at Chapter 3 of the National Efficient Cost Determination 2023–24.

NEP means the national efficient price per national weighted activity unit 2023–24, which is based on the average cost of public hospital activity in 2020–21, as set out at Chapter 2 of the National Efficient Price Determination 2023–24.

NHCDC refers to the National Hospital Cost Data Collection.

NHDD refers to the [National Health Data Dictionary](#).

NHR Act refers to the [National Health Reform Act 2011](#)

NHRA refers to the [National Health Reform Agreement](#) between the Commonwealth of Australia and the states and territories, dated 2 August 2011.

NMDS refers to the National Minimum Data Sets.

NWAU(22) refers to national weighted activity unit 2022–23.

NWAU(23) refers to national weighted activity unit 2023–24.

Other non-admitted patient service refers to non-admitted patient services classified in the Tier 2 Non-Admitted Services Classification 40 series of classes that meet the criteria set out in Chapter 4 of the National Efficient Price Determination 2023–24.

Other public hospital programs include programs which were determined to be eligible for Commonwealth funding, as assessed through IHACPA’s [General List of In-Scope Public Hospital Services Eligibility Policy](#).

Outer regional means an area that is classified as outer regional Australia under the Australian Statistical Geography Standard (see [METEOR: 697105](#)).

Paediatric adjustment means an adjustment for an admitted acute, admitted mental health care or non-admitted patient who is up to and including the age of 17 years and is treated by a specialised children's hospital.

Patient residential remoteness area adjustment – Outer regional area means an adjustment for a person whose residential address is within an area that is classified as being 'outer regional' under the Australian Statistical Geography Standard.

Patient residential remoteness area adjustment – Remote area means an adjustment for a person whose address is within an area that is classified as 'remote' under the Australian Statistical Geography Standard.

Patient residential remoteness area adjustment – Very remote area means an adjustment for a person whose address is within an area that is classified as 'very remote' under the Australian Statistical Geography Standard.

Patient treatment remoteness area adjustment – Remote area means an adjustment for a person who receives care in a hospital which is within an area that is classified as being 'remote' under the Australian Statistical Geography Standard.

Patient treatment remoteness area adjustment – Very remote area means an adjustment for a person who receives care in a hospital which is within an area that is classified as being 'very remote' under the Australian Statistical Geography Standard.

Presentation refers to patient presentation at an emergency department as referred to in the National Health Data Dictionary.

Price weight means the weight assigned to an ABF activity as set out in Appendices H – M of the National Efficient Price Determination 2023–24.

Pricing Authority refers to the governing body of IHACPA established under the NHR Act.

Private funding neutrality adjustment means an adjustment to Commonwealth growth funding pertaining to private patient NWAU(23) so that the sum of revenue a LHN receives for public patient NWAU(23) (Commonwealth and state or territory ABF payments) should be equal to payments made for a LHN service for private patient NWAU(23) (Commonwealth and state or territory ABF payments, insurer payments and Medicare Benefit Schedule payments), as described at Chapter 8 of the National Efficient Price Determination 2023–24.

Private patient accommodation adjustment means an adjustment for eligible admitted private patients as described at Chapter 6 of the National Efficient Price Determination 2023–24, the rates for which are set out at Appendix F.

Private patient service adjustment means an adjustment for eligible admitted private patients as described at Chapter 6 of the National Efficient Price Determination 2023–24, the rates for which are set out at Appendix F.

Radiotherapy adjustment means an adjustment for an admitted acute or admitted subacute and non-acute patient with a specified ACHI Twelfth Edition radiotherapy intervention code recorded in their medical record (refer to Appendix B of the National Efficient Price Determination 2023–24 for valid ACHI Twelfth Edition codes).

Remote means an area that is classified as remote Australia under the Australian Statistical Geography Standard (see [METEOR: 697105](#)).

Sentinel events are a subset of adverse patient safety events that are wholly preventable and result in serious harm to, or death of, a patient. The national set of sentinel events agreed to by Australian Health Ministers is available on the [Australian Commission on Safety and Quality in Health Care's website](#).

Separation is the process by which an episode of care for an admitted patient ceases (see [National Health Data Dictionary](#)).

Service event is an interaction between one or more healthcare provider/s with one non-admitted patient, which must contain therapeutic and/or clinical content and result in a dated entry in the patient's medical record.

Specialised children's hospital refers to the list of public hospitals at Appendix E of the National Efficient Price Determination 2023–24.

Specialist outpatient clinic service comprises all classes in the 10, 20 and 30 series in the Tier 2 Non-Admitted Services Classification, with the exception of the classes considered out of scope for Commonwealth funding as a public hospital service at Appendix K of the National Efficient Price Determination 2023–24.

Specified intensive care units are intensive care units that are eligible for the intensive care unit adjustment and are at Appendix D of the National Efficient Price Determination 2023–24.

Subacute patient means a patient recorded as having a care type of 2, 3, 4, 5, 6 and 88 (see [METEOR: 711010](#)).

Tier 2 non-admitted service refers to a group within the classification system known as the Tier 2 Non-Admitted Services Classification Version 8.0.

UDG refers to a group within the classification system known as the Urgency Disposition Groups Classification Version 1.3 (also known as UDG Version 1.3).

Very remote means an area that is classified as very remote Australia or migratory under the Australian Statistical Geography Standard (see [METEOR: 697105](#)).

Interpretation

In the Determinations, unless the contrary intention appears:

- 'includes' means 'includes without limitation'
- a reference to a statute or other legislation (whether primary or subordinate) or to the [National Health Data Dictionary](#) (NHDD) is a reference to that statute or other legislation or the NHDD as amended from time to time
- a reference to '\$' or 'dollars' is a reference to Australian currency.

Attachment 1 – Emergency care

Level	Description	
1	Services	Able to provide first aid and treatment prior to referral to a facility able to provide a higher level of service, if necessary.
	Staffing	Access to a medical practitioner – this may be by telephone.
	Location	Not applicable.
2	Services	As for Level 1. Can cope with minor injuries and ailments. Resuscitation and limited stabilisation capacity prior to referral to a facility able to provide a higher level of service.
	Staffing	As for Level 1 (medical). Nursing staff from ward available to cover emergency presentations. Visiting medical officer (includes general practitioner) on call.
	Location	Emergency service in a small hospital.
3A	Services	As for Level 2.
	Staffing	As for Level 2. Designated emergency department nursing staff available 24 hours a day and nursing unit manager. Medical staff available for recall to the hospital within 20 minutes, 24 hours a day. Specialists appropriate to the role delineation of the hospital available for consultation, plus arrangements in place for other specialties. Access to allied health professionals. Specialist psychiatric/mental health assessment personnel available for consultation.
	Location	Purpose designed area, with full resuscitation facilities in separate area such as a cubicle.

Level	Description	
3B	Services	As for Level 3A.
	Staffing	As for Level 2. Designated emergency department nursing staff available 24 hours a day and nursing unit manager. Medical staff available in the hospital 24 hours a day (though may have other commitments in the hospital). Specialists appropriate to the role delineation of the hospital available for consultation, plus arrangements in place for other specialties. Access to allied health professionals. Specialist psychiatric/mental health assessment personnel available for consultation.
	Location	As for Level 3A.
4	Services	Can manage most emergencies. Participation in regional adult retrieval system (rural base hospitals). As for Level 3B.
	Staffing	Registered nurses with emergency nursing experience or qualifications on site 24 hours a day. Emergency department-specific medical officer(s) on site 24 hours a day. Emergency department medical director.
	Location	As for Level 3B.
5	Services	As for Level 4. Has undergraduate and postgraduate teaching and a research program.
	Staffing	As for Level 4. Access to clinical nurse consultant or similar. Has designated emergency care registrars on site 24 hours a day. Sub-specialists available on rosters.
	Location	As for Level 4.
6	Services	As for Level 5. Can manage all emergencies and provide definitive care. State-wide referral role and/or major trauma centre.
	Staffing	As for Level 5.
	Location	As for Level 5.