NORTHERN TERRITORY GOVERNMENT
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Professor Michael Pervan, Chief Executive Officer
Independent Health & Aged Care Pricing Authority
PO Box 483
Darlinghurst NSW 1300
Via Email: secretariatihacpa@ihacpa.gov.au

Dear Professor Pervan

RE: Round 28 National Hospital Cost Data Collection Data Quality Statement

I am pleased to provide the Northern Territory Data Quality Statement (see Attached) to be published as part of the Round 28 (2023-24) National Hospital Data Cost Data Collection (NHCDC) Cost Report, as requested.

I confirm that data provided by the Northern Territory to Round 28 (2023-24) 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) as described in 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.

Please contact Kirsty Annesley, Director Financial Modelling and Analysis via Kirsty.Annesley@nt.gov.au, as the Northern Territory representative to provide further insight and understanding of the processes undertaken by NT Health when preparing the NHCDC.

Yours sincerely

Chris Hosking
Chief Executive
7 January 2026

Northern Territory Health Data Quality Statement

National Hopital Cost Data Collection (NHCDC)

Round 28 (2023-24)

1. Governance Processes

Northern Territory Department of Health (NT Health) is one entity incorporating the Department of Health (system manager) and the Norther Territory Regional Health Service (NTRHS).

The NTRHS extends across five regions Top End, Big Rivers, East Arnhem, Barkly and Central Australia. Providing the full spectrum from primary care, community services, aged care, rehabilitation, mental health, emergency and acute care. The NTRHS and consist of six hospitals and over 70 health care centres working together as one system in partnership with individuals, families, the community, Aboriginal heath organisations and stakeholders to provide high quality, evidence-based care.

The six hospitals are located across the regions, with Royal Darwin Hospital (RDH) and Palmerston Regional Hospital (PRH) in the Top End region, Katherine Hospital (KH) in the Big Rivers region, Gove Hospital (GH) in the East Arnhem region, Alice Springs Hospital (ASH) in the Central Australia region, and Tennant Creek Hospital (TCH) in Barkly region. The smaller regional hospitals of KH, GDH, and TCH are supported by the larger hospitals RDH, ASH and PRH for the provision of clinical governance, and specialist support.

NT Health have contractual arrangements with third parties to support health service delivery across the NTRHS, including with private sector partners, diagnostic service providers, highly specialised clinical service partners, ambulance and patient transport providers. RDH also has a contracted care arrangement with the only private hospital in the NT, Darwin Private Hospital.

NT Health activity data submissions to IHACPA are managed by the Data Submission Working Group (DSWG). The working group comprises representatives from across NT Health and subject matter experts from the Department of Corporate and Digital Development (DCDD), the central NT government agency responsible for digital services, data warehousing, reporting and analytics.

The working group meets regularly to monitor data, maintain and refine the business rules, criteria and thresholds applied to validate activity data submissions and produce compliance exception reports in accordance with national standards and reporting requirements. Exception and validation reports are routinely distributed to hospital and operational stakeholders to facilitate data review and remediation in source information system prior to submission.

The submissions working group provides formal data assurance advice and recommendations to executive sponsors as part of the submission approval process through the NT Health Strategic Information Management (SIMC) and Finance Governance Committees (FGC).

There is one patient costing team in NT Health, who are responsible for the NHCDC costing submission ensuring the costing methodology, and processes are compliant with the national costing standards and guidelines and consistently applied at the hospital level across the NTRHS.

The patient costing is a member of the DSWG and provides feedback and advice to the working group on data issues and anomalies identified in the costing process for further investigation and remediation.

The phased implementation of new health information systems and infrastructure across the Territory necessitated the identification and in-depth evaluation of essential and mandatory clinical and administrative data sources and structures in 2023-24 to ensure data completeness, accuracy and robustness. The comprehensive review resulted in the development of new data extracts directly from source system data repositories enabling the testing, reconciliation and validation of input at the point of patient care, to reporting dataset generated through corporate reporting systems and structures.

Improvement in the overall data quality resulted from the increased awareness and understanding of systematic data limitations. Where possible, data anomalies were rectified either directly in the source system by hospital stakeholders or through changes to data protocols and business rules implemented to ensure data consistency and alignment with the Data Compliance Policy, and the Australian Hospital Patient Costing Standards Version 4.2.

Considerable effort was invested in relation to the following priority data areas.

- Blending data sets across the costing period with data sourced and merged from both the legacy and new information systems, due to the implementation role back of the new information system in the emergency department of Royal Darwin Hospital to the legacy system to enable the deployment of system enhancements. Throughout this period all other admitted and non-admitted services continued to use the new information system, and data was manually validated and transcribed across systems by a centralised multidisciplinary team of clinical and administrative staff.
- Development of data extracts and protocols to remove duplicate and conflicting data captured in operating theatres including patient flow, clinical roles and time stamps in operating theatre and recovery data.
- Development of data extracts and protocols to remove out of scope activity not previously captured in clinical information systems including pre-arrival and pre-admission bookings and services not attended by patients or cancelled.
- Testing and correction of patient flow date and time stamp inconsistencies including admitted patient ward movements and transfers of care between treating teams and across hospital facilities.
- Development of data warehouse design solutions to address inconsistent data capture workflows, and variation between data sources and the reporting of episodic patient demographic data.

Power Health Solutions (PHS) are engaged by the NT Health to provide specialised clinical costing software (Power Performance Manger - PPM3), expert technical costing resources and industry best practice advice to support the NT patient costing team.

NT Health patient costing is an iterative process where draft results are shared and reviewed internally with stakeholders and external by PHS. Stakeholder engagement, both clinical and non-clinical, holds a crucial role in guiding the NT Health NHCDC submission. Advice from stakeholders across the NTRHS informs the development of cost models and incorporates the review of relative value units, allocation statistics, cost matching rules, data linking criteria, and the reclassification of expenses in the costing ledger.

Reconciliation and review processes are performed at hospital, product, care type, speciality, ward and unit levels and includes outlier, variation and trend analysis. Feeder level data is also reviewed with operational and source system experts to identify improvement opportunities.

Draft costing results, PPM 3 reports and IHACPA Quality Assurance reports are extensively reviewed and evaluated by patient costing and PHS prior to distribution to NT Health stakeholders though the NT Health, Costing Utilisation Power BI reporting platform.

The Costing Utilisation platform is accessible by all NT Health staff providing visibility and transparency of NT Health NHCDC results and facilitates longitudinal analysis over time. Awareness and understanding of patient costing continues to mature across NT Health, with cost data increasingly used to inform and support operational, performance and strategic decision making.

The patient costing unit provides formal validation, reconciliation and quality assurance advice and recommendations through the NT Health, Chief Finance Officer to the Chief Executive Officer as part of the NHCDC submission approval process.

2. NHCDC 2023-24 Result Summary Table

Key changes from NHCDC 2022-23 to NHCDC 2023-24

		2023-24			2022-23			Change		
Hospital Name	Stream	Records	Total Cost	Average Cost	Records	Total Cost	Average Cost	Records	Total Cost ($)	Average Cost % change
Royal Darwin Hospital	Acute	76,184	$552,762,741	$7,256	78,758	$477,628,483	$6,065	-2,574	75,134,258	19.6%
Royal Darwin Hospital	Admitted Mental Health	1,107	$38,111,769	$34,428	1,195	$30,824,522	$25,795	-88	7,287,246	33.5%
Royal Darwin Hospital	Emergency Department	66,123	$101,896,889	$1,541	64,909	$85,281,607	$1,314	1,214	16,615,281	17.3%
Royal Darwin Hospital	Non-admitted	200,287	$110,884,881	$554	197,946	$104,772,776	$529	2,341	6,112,106	4.6%
Royal Darwin Hospital	Other Episodes	4	$120,967	$30,242	2	$33,089	$16,544	2	87,878	82.8%
Royal Darwin Hospital	Subacute Episodes	108	$10,303,831	$95,406	74	$4,581,500	$61,912	34	5,722,331	54.1%
Royal Darwin Hospital	Subacute Phases	926	$9,720,893	$10,498	664	$6,869,725	$10,346	262	2,851,168	1.5%
Alice Springs Hospital	Acute	60,400	$248,434,771	$4,113	61,664	$204,466,013	$3,316	-1,264	43,968,758	24.0%
Alice Springs Hospital	Admitted Mental Health	321	$14,279,765	$44,485	318	$11,869,133	$37,324	3	2,410,632	19.2%
Alice Springs Hospital	Emergency Department	46,761	$47,828,037	$1,023	46,313	$43,164,804	$932	448	4,663,233	9.7%
Alice Springs Hospital	Non-admitted	61,431	$33,311,129	$542	61,698	$30,533,307	$495	-267	2,777,822	9.6%
Alice Springs Hospital	Subacute Episodes	210	$8,194,057	$39,019	127	$6,858,454	$54,004	83	1,335,602	-27.7%
Alice Springs Hospital	Subacute Phases	418	$4,921,195	$11,773	408	$3,503,156	$8,586	10	1,418,039	37.1%
Tennant Creek Hospital	Acute	12,251	$27,984,549	$2,284	12,113	$19,296,027	$1,593	138	8,688,522	43.4%
Tennant Creek Hospital	Emergency Department	13,257	$8,061,813	$608	12,022	$7,091,598	$590	1,235	970,215	3.1%
Tennant Creek Hospital	Non-admitted	2,181	$3,670,337	$1,683	9,378	$4,834,670	$516	-7,197	-1,164,333	226.4%
Tennant Creek Hospital	Subacute Episodes	3	$952,937	$317,646	6	$604,813	$100,802	-3	348,124	215.1%
Katherine Hospital	Acute	11,595	$47,626,948	$4,108	11,683	$41,219,758	$3,528	-88	6,407,190	16.4%
Katherine Hospital	Emergency Department	16,404	$22,169,565	$1,351	15,858	$14,618,079	$922	546	7,551,487	46.6%
Katherine Hospital	Non-admitted	12,420	$7,970,594	$642	12,001	$6,417,475	$535	419	1,553,120	20.0%
Katherine Hospital	Subacute Episodes	43	$2,872,792	$66,809	43	$2,122,557	$49,362	0	750,236	35.3%
Katherine Hospital	Subacute Phases	74	$960,828	$12,984	48	$484,818	$10,100	26	476,010	28.6%
Gove District Hospital	Acute	2,236	$36,031,217	$16,114	2,187	$28,428,610	$12,999	49	7,602,607	24.0%
Gove District Hospital	Emergency Department	10,259	$14,084,542	$1,373	9,720	$13,848,422	$1,425	539	236,119	-3.6%
Gove District Hospital	Non-admitted	6,731	$5,462,258	$812	5,347	$3,311,756	$619	1,384	2,150,503	31.0%
Gove District Hospital	Subacute Episodes	33	$493,864	$14,966	46	$1,125,046	$24,458	-13	-631,182	-38.8%
Palmerston Regional Hospital	Acute	14,573	$50,355,078	$3,455	13,520	$36,529,598	$2,702	1,053	13,825,480	27.9%
Palmerston Regional Hospital	Emergency Department	31,757	$33,687,521	$1,061	32,964	$29,151,483	$884	-1,207	4,536,038	20.0%
Palmerston Regional Hospital	Non-admitted	17,693	$12,468,743	$705	25,586	$12,510,018	$489	-7,893	-41,274	44.1%
Palmerston Regional Hospital	Subacute Episodes	504	$44,114,957	$87,530	518	$33,921,042	$65,485	-14	10,193,915	33.7%

3. Compliance to the Australian Hospital Patient Costing Standards (AHPCS) Version 4.2

Data provided by NT Health for Round 28 of the NHCDC has been prepared in adherence with Australian Hospital Patient Costing Standards version 4.2 (AHPCS) qualified by the following items:

AHPCS Stages 1 to 3

– Identify Relevant Expenses, Create the Costing Ledger and Create Final Cost Centres

All relevant expenses in the General Ledger are included in the NHCDC submission and reconcile to the audited financial statements, including notional expenses for services provided free of charge by other NT government agencies and relevant expenses in charitable gift funds.

NT Health identify long service leave payments to hospital employees by the Northern Territory Department of Treasury and Finance and include these costs in the NHCDC submission as shown in the general ledger reconciliation below.

NT Health 2023-24 NHCDC General Ledger Reconciliation (Round 28)

LHN	General Ledger Total	Adjustments to the GL – Inclusion of 3rd Party Long Service Leave	Adjustments to the GL – Inclusion of Opening Work in Progress	Adjustments to the GL – Exclusion of Out of Scope & Unlinked Episodes	Adjustments to the GL – Exclusion of Closing Work in Progress	Post allocation adjustments	Jurisdictional adjustments	Total Costing Ledger
NT Regional Health Service	*$ 2,256,916,552*	*$ 14,172,885*	*$ 32,840,248*	*$ 714,042,079*	*$ 32,298,476*	*$ -*	*$ -*	*$1,557,589,131*

AHPCS Stage 4 – Identify Products

All establishment activity has been identified and included in the costing process except for data sourced from the Community Care Information System (CCIS) and the Primary Care Information System (PCIS) that is excluded from the costing process due to data completeness and quality issues.

NT Health did not cost Mental Health Care at the phase of care level due to system and data limitations in 2023/24, and costs have been reflected at the episode level.

AHPCS stage 5 - Assign Expenses to Products

Where possible expenses are allocated to intermediate products based on service feeder files. Only when data is not available are product fractions and relative value units used.

Intermediate products are matched to final patient products in accordance with documented linking rules consistent with AHPCS 5.2.

NT Health has standardised matching rules that are applied to link intermediate to final products and considerable data sampling, and iterative processing is performed to validate the accuracy of the linking.

Final cost centres are distributed to patients based on consumption data wherever possible, this includes for example time in operating theatres, emergency department, on wards or under speciality treating teams. Alternatively, utilisation data, relative value units and specific service builders are applied to distribute final cost centres to encounters.

Royal Darwin Hospital has a contracted care arrangement with the Darwin Private Hospital. All associated activity and costs are included in the NHCDC. Contracted care expense at encounter level reflects the price invoiced for the service provided under the contract and is reported against the goods and services line item, consistent with the line items used for NT wide shared corporate services.

AHPCS Stage 6 – Review and Reconcile

The NT Health costing process involves data acquisition, processing, validation and reporting stages. The patient costing team perform a range of assurance, validation and reconciliation tests at each stage and implement continuous refinements and improvements in consultation with clinical, finance and hospital stakeholders. Routine assurance process undertaken regularly through the costing period to reconcile cost and activity data include.

- cost reconciliation to audited financial statements,
- general ledger analysis at account code and cost centre level across years and checks for negative cost centres, line items and episodes
- overhead cost ratio variation to trend analysis across years
- consistency of Cost Bucket results across years.

- patient activity validation to data submissions and source systems
- case mix and acuity variation at facility and care type level across years.
- completeness testing of feeder datasets against source systems and prior periods

PPM3 clinical costing software also has reconciliation functionality and validation reports to ensure costs and activity loaded into the system are transparent and accounted for throughout the costing process. PPM 3 also has enhanced reporting and visualisation functionality utilised by NT Health to perform trend analysis by volume, time and cost to identify anomalies.

4. Other relevant information

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 either to system or data limitations. However, it should be noted, that AHPCS principles have been followed to allocate costs appropriately.

5. NHCDC declaration

All data provided by NT Health to the 2023-24 NHCDC has been prepared in accordance with the Three-Year Data Plan 2023-24 to 2025-26, Data Compliance Policy June 2023, and the AHPCS Version 4.2.

Best endeavours were undertaken to ensure complete and factual reporting and compliance. Data provided in the NHCDC submission has been reviewed for adherence to the AHPCS Version 4.2 and is complete and free of known material errors.

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 the development of the National Efficient Price

CHRIS HOSKING

NT Health, Chief Executive Officer