

## 2023-24 Data Quality Statement for Western Australia

### 1. Governance processes

WA's Round 28 (2023-24) NHCDC submission was based on the individual submissions from the five Health Service Providers (HSP)/Local Health Networks (LHN). These are:

- North Metropolitan Health Service (6 hospitals)
- South Metropolitan Health Service (4 hospitals)
- East Metropolitan Health Service (5 hospitals)
- Child and Adolescent Health Service (1 hospital)
- WA Country Health Service (21 hospitals)

The number of public hospitals participating in the NHCDC remains unchanged from the previous round however the HSPs have also submitted costing data for 19 sites undertaking contracted procedures and for 23 providing care in a community mental health setting.

Patient level costing is undertaken by Costing Teams at a HSP level. This cost data was completed in compliance with the Australian Hospital Patient Costing Standards (AHPCS) version 4.2 and reconciles to each HSP's audited financial statements. Data submissions were extensively reviewed by the HSPs, prior to official sign off and submission to the Department of Health (Department). Reconciliation statements were supplied for each participating HSP at site level.

On submission to the Department, the HSP costs were further tested and reconciled, with HSPs making further refinements if required. The Department adjusted the data to incorporate Work in Progress (WIP) from previous rounds and transformed the data in accordance with the IHACPA specifications. Data matching and validation also occurred to ensure the costed data sets aligned with the activity data submitted to IHACPA for other patient collections.

Costing is undertaken annually for the NHCDC submission but HSPs will generally undertake quarterly costing to meet their individual requirements. These include submitting patient cost data to Children's Healthcare Australasia (CHA), Women's Healthcare Australasia (WHA), Health Roundtable and AIHW Public Health Expenditure (PHE).

Costing is undertaken in a consistent manner throughout WA Health and is all conducted using a single instance of the Power Performance Management 2 patient costing system. There is a network of Costing staff within WA Health with representation from the HSPs, the Department and Health Support Services (HSS) who administer and provide technical support for the clinical costing system. Representatives of these groups meet regularly as part of a Business User Group, and intermittently as the WA Clinical Costing Standards Committee (WACCS). Furthermore, training and support is undertaken at, or across individual HSP costing units depending on levels of staffing. These groups also work towards developing uniform practices and a common understanding of local and national costing issues. In addition to the single state-wide instance of PPM, utilisation of a common Chart of Accounts, and single sources of data for components such as pathology all contribute towards the standardisation of WA Costing.

Each of the HSPs undertake a range of review and assurance measures in the data preparation process, which have several layers of engagement including Finance and Business Officers, hospital based Clinical and Business managers, and HSP level Finance officers and Directors.

Inputs into the costing cycle such as patient fractions and feeder systems, and preliminary results are reviewed by the Costing Teams in conjunction with Finance and Business Officers on a regular basis.

The HSPs also undertake a rigorous quality assurance process prior to submitting their costed data. While no HSPs share identical regimens, there is a high degree of commonality in reviews undertaken and data testing. Each HSP has also developed their own applications to create visualisations and dashboards to aid analysis and benchmarking of results.

The Department continues to refine a suite of quality assurance tests that the HSP's undertake prior to delivering their data. These tests, as well as a central financial reconciliation to the Audited Financial Statements, are signed off at Chief Financial Officer/Executive Director level for each HSP and submitted to the Department as part of their NHCDC submission.

Conducting further testing at an HSP level serves to streamline the submission process. The Department continues to test the integrity of the data submitted, and reviews and measures hospital, HSP and state-wide trends and changes across rounds.

WA costing is also supported by tools such as the WA Costing Guidelines publication and the "Clinical Costing QA and Reasonability" application that demonstrates that costing methodologies work as intended. Prior round costing audits also feed into the local processes helping achieve consistency.

## **2. NHCDC 2023-24 results summary**

WA contributed patient level data for 37 public hospital sites, from 5 HSPs, for Round 28 (2023-24) of the NHCDC, an increase of one site. All hospitals that are considered in-scope for Activity Based Funding are currently part of the NHCDC submission for WA. Round 28 was the second year that community mental health costings from an additional 23 sites were included in the submission.

Costs submitted to NHCDC in Round 28 were \$8,167,017,870 which represents a 6.6% increase from the Round 27 submission of \$7,587,633,932. All the major activity streams exhibited increases in both cost and activity between rounds except for Non admitted which showed a cost increase of 4.9% alongside a decrease in activity of 7.6%. Acute, Subacute and Emergency Department streams had cost increases of 6.6%, 9.2% and 8.3% along with activity increases of 5.5%, 9.7% and 3.8% respectively.

WA has continued costing for mental health at the phase of care level. This process has not fully matured, and costs were submitted to IHACPA at an episode level with work ongoing with aims to submit at phase level in a future round. In recent years, a significant amount of work was undertaken around submitting contracted care costs and activity, and WA now has a methodology that has enabled inclusion of these for two years. The cost of blood products is not included in the WA submission. Work is ongoing with the aim of being able to include blood product costs in future rounds.

Cost for ancillary services including pharmacy, pathology and imaging that were not able to be matched or linked in the activity matching process have been excluded from the Round 28 submission.

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

The WA Round 28 NHCDC submission has been prepared in adherence with the Australian Hospital Patient Costing Standards (AHPCS) version 4.2. with the exceptions of teaching and research; and blood products.

WA is not fully compliant with the costing guidelines for Teaching and Research as they are currently calculated utilising an established local methodology.

The costs are assigned at a patient level but withheld from the annual submission to IHACPA. WA does not currently include the costs of blood products.

All relevant expenses identified and included in the NHCDC submission. These reconcile back to the General Ledger and audited financial statements. Activity data is reconcilable back to the central data sources that the centralised Health Support Services provide to the Health Services.

A series of separate documents summarising the general ledger reconciliation and adjustments resulting in the final Round 28 submission will be provided to IHACPA.

#### **4. Other relevant information**

WA Costing guidelines and practices were relatively unchanged since 2021-22. There have been incremental improvements in quality assurance; adoption of the Round 28 IHACPA Data Request Specifications; and a continued expansion of non-Admitted data inclusion criteria for national submission.

Extensive work has been undertaken to refine the submission of contracted services and to submit costed data for Community Mental Health for the first time.

Subsequent to WA's final submission, IHACPA raised a quality assurance issue concerning \$225,690 of negative indirect prosthetic related costs for 797 subacute patients at Fiona Stanley Hospital. Although the amounts were deemed immaterial it was agreed that IHACPA resolve the issue by removing them from the WA submission.

#### **5. NHCDC Declaration**

All data provided by Western Australia to the 2023-24 NHCDC has been prepared in accordance with the Three-Year Data Plan 2024–25 to 2026–27, Data Compliance Policy June 2023, and the Australian Hospital Patient Costing Standards (AHPCS) Version 4.2.

Best endeavours were undertaken to ensure complete and factual reporting and compliance. Data provided in this 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.

Signed:



Dr Shirley Bowen

**DIRECTOR GENERAL**

17 September 2025