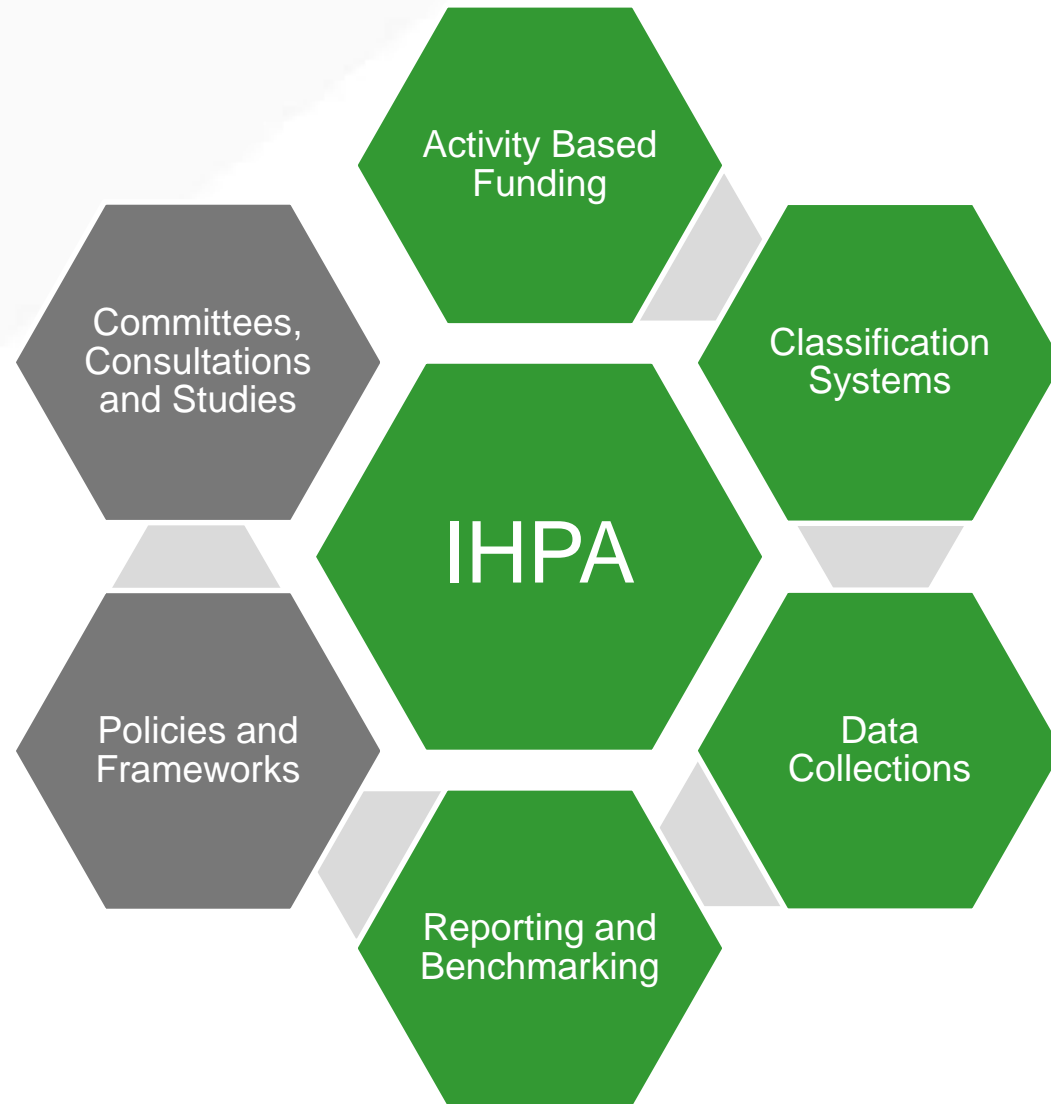


Independent Hospital Pricing Authority

IHPA and value-based health care

Trent Yeend





Activity based funding

\$35.9 billion per annum falls under the national ABF system

- 75% of total recurrent expenditure on public hospitals

National Pricing Model

- National Efficient Price
- Price Weights
- Adjustments

Other pricing mechanisms

- safety & quality
- bundled pricing



Classification Systems

Nationally consistent classification of patient care

Diseases and related health problems (ICD-10-AM)

Health interventions (ACHI)

Acute admitted care (AR-DRG)

Subacute and non-acute admitted care (AN-SNAP)

Emergency care (URG/UDG)

Non-admitted care (Tier 2 NA Service)

Mental health care (AMHCC)

Teaching, training and research (in development)



Data collections

Nationally consistent collection of activity and cost data

- Data Request Specifications
- Coding Standards
- Costing Standards

Highly detailed patient care level information

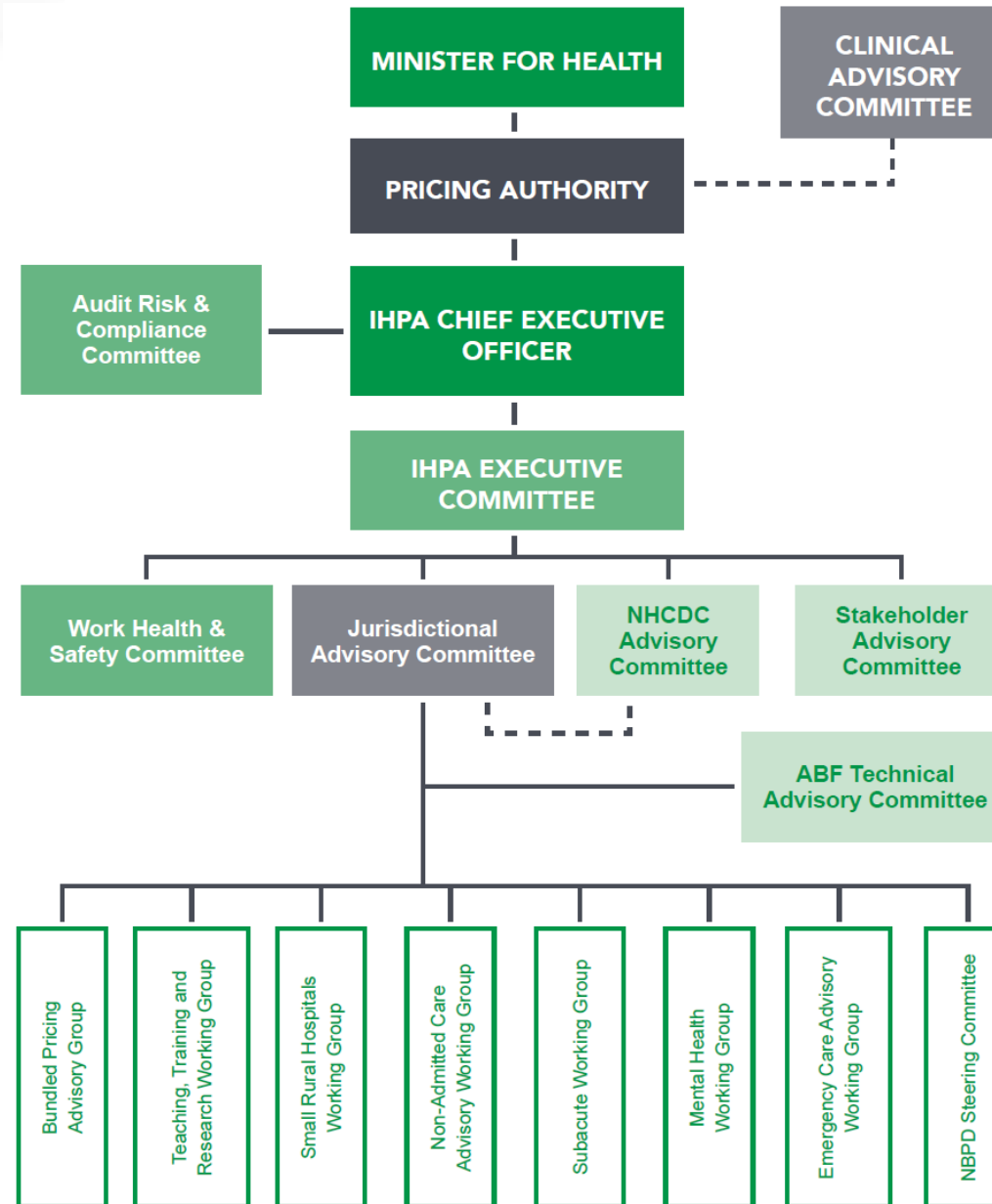
- Administrative (funding source, admit & sep dates, ICU hours,...)
- Patient (date of birth, sex, indigenous status,...)
- Clinical (diagnoses, interventions,...)
- Cost (line item, cost centre, direct, overhead,...)



Policies and frameworks

- Pricing Framework
- Impact of New Health Technology Framework
- Assessment of Legitimate and Unavoidable Cost Variations Framework
- National Pricing Model Stability Policy
- Back-casting Policy
- Cost-Shifting and Cross-Border Dispute Resolution Framework
- Data Compliance Policy
- IHPA Work Program
- Three-Year Data Plan

IHPA'S MANAGEMENT, COMMITTEES AND WORKING GROUPS



Pricing safety & Quality

- 2011 – First Pricing Framework canvassed introducing safety & quality measures
- 2012 – Established Joint Working Party with ACSQHC
- 2016 – COAG Heads of Agreement requires IHPA to consider pricing and funding approaches for:
 - Sentinel events
 - Hospital acquired complications
 - Avoidable hospital readmissions

