



**Response to
CGC Staff Discussion Paper
2008/02-S**

**Assessing Community and Other
Health Services for the 2010 Review**

**Supplement to Staff Discussion Papers
CGC 2007/21-S and 2007/32-S**

Department of Treasury and Finance

May 2008

Tasmania's position in summary

1. Tasmania has previously indicated its in-principle support for the proposed approach to assessing Community and other Health Services for the 2010 Review and stands by its previous comments in this regard.
- 4.2. In summary, Tasmania continues to consider that the subtractive model offers a conceptually appropriate approach to assess Community and Other Health. However, we remain concerned that the available data may not be able to support a sufficiently robust assessment process.
- 4.3. A manifestation of this is found in the volatility of states relativity outcomes in successive iterations of the model to date. It is of concern that a number of states relativity outcomes have cycled above or below 1.00 across iterations and/or exhibited large variations in factor magnitudes.
- 4.4. This said, Tasmania has no specific concerns to raise at this point with the further refinements to the measurement of ancillary health benefits as outlined in the most recent staff discussion paper (2008/02-S). This seems to be a more defensible/robust measure than previously.

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Socio-economic status

5. Tasmania endorses the inclusion of low socio economic status as an adjustment similar to that currently assessed for indigeneity.
- 5.6. Tasmania has provided evidence in a number of forums, most recently through our workplace discussions, of the comparatively higher use of health services by the socio-economically disadvantaged. More broadly, there is clear evidence that this is the case nationally and internationally and, therefore, the conceptual case is indisputable. Tasmania welcomes the Commission staff's acknowledgement that the conceptual case appears to have been made (paragraph 55 of the Supplementary Paper).
- 5.7. Tasmania supports exploring the possible solution outlined by Commission staff in paragraph 56 of the Supplementary Paper. Advice from the Tasmanian Health Department is that, with the possible exception of the Northern Territory, data on socioeconomic status linked to health service utilisation from the National Health Survey should be robust enough to be used for all jurisdictions.
- 5.8. The relevant NHS data tables cross-tabulate health related actions with household income quintiles. The NHS health related actions data coverage includes casualty, outpatients, day clinic visits, GP/specialist visits and dental. The Tasmanian Health Department

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also noted that the proportions derived from this data, at the Tasmanian state-level, are reliable (ie. show a satisfactorily low sampling error).

5.9. Notwithstanding, the CGC staff concerns with potential mismatches between service utilisation and expenses and the merging of survey and expenditure data sets, Tasmania's preliminary assessment is that there is sufficient information in this NHS data set to allow these concerns to be satisfactorily addressed. For example, the NHS contains a table by disease groups by quintiles which may assist in "bridging the gap" in calculating an adjustment factor.

10. Tasmania would like to be kept informed of the details of the calculation.