

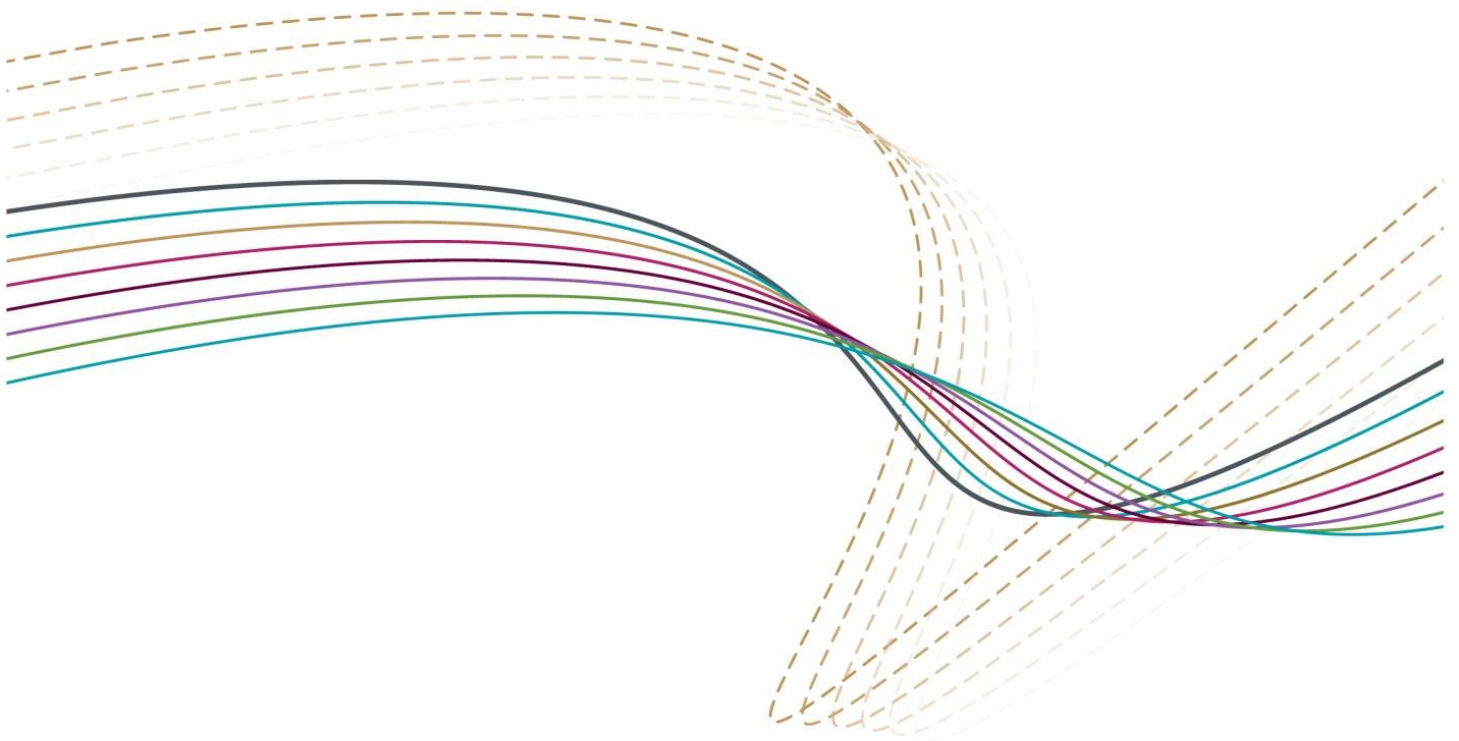
QUEENSLAND TREASURY

New Issues for the 2017 Update

Independent Hospital Pricing Authority (IHPA) Data

**Response to Commonwealth Grants Commission –
Staff Discussion Paper CGC**

November 2016





Contact Officer:

Matthew Nalder

Intergovernmental Relations Branch

Queensland Treasury

(07) 3035 1818

matthew.nalder@treasury.qld.gov.au

Queensland's position

- Queensland Treasury supports the use of 2015-16 Independent Hospital Pricing Authority (IHPA) data in the 2017 Update recommended by CGC staff.
- Queensland Treasury does not support CGC staff's recommendation to use the number of Public Hospital Establishment (PHE) Emergency Department (ED) occasions in 2013-14 as a proxy of ED occasions for hospitals not covered by the Emergency Department National Minimum Dataset (EDNMDS) for future years. This approach does not accurately reflect what States do and there is currently not enough evidence to support this approach.
- Instead, Queensland Treasury recommends the CGC use the 2013-14 proportion of PHE ED occasions to estimate the number of ED occasions for hospitals not covered by EDNMDS in 2014-15 and beyond until the next methodology review, or until IHPA advises that the EDNMDS data are sufficiently comprehensive.

1.0 2015-16 IHPA data

Queensland Treasury continues to support the use of 2015-16 IHPA data for the assessment of health expenditure by the CGC. IHPA data remain the best available national data set that captures different aspects of health services provided by the States and Territories.

2.0 Estimating PHE ED occasions

Queensland Treasury is concerned about the absence of PHE ED data, given the significant expenses Queensland incurs in providing emergency services to remote regions. While Queensland Treasury agrees with the CGC that PHE ED activity will have to be estimated after 2013-14, we do not support the CGC staff recommendation of using the number of 2013-14 PHE ED occasions as a proxy for PHE occasions in 2014-15 and future years.

Queensland Treasury acknowledges IHPA's advice that 'the proportion of PHE ED occasions would *most likely* decrease as coverage of EDNMDS improves' (emphasis added). However, there is not enough evidence to conclude that PHE ED occasions would decrease at the same rate as total emergency department activity is increasing uniformly for all States, which is implied in staff's recommended approach. This approach ignores differences between the States in the provision of ED services in remote areas. If this approach were adopted, the CGC would be risking significantly underestimating some States' PHE ED occasions beyond 2013-14 by not reflecting ED occasions at a State level accurately.

Until sufficient reliable data are available to support CGC staff's proposed approach, it would be prudent for the Commission to apply the 2013-14 proportion of PHE ED occasions to overall ED occasions in 2014-15 and beyond. This should provide a more accurate estimate of PHE ED occasions in the near future. This approach should be used to estimate PHE ED occasions until IHPA advises that the EDNMDS data is sufficiently comprehensive. A review of this approach should be taken at the earliest opportunity, but no later than the next methodology review.

