



australian
nursing federation

1 August 2012

Dr Tony Sherbon
Chief Executive Officer
Independent Hospital Pricing Authority
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Dear Dr Sherbon

Independent Hospital Pricing Authority (IHPA): Work Program 2011/12 and 2012/13

With a membership of over 214,000, the Australian Nursing Federation (ANF) is the largest professional and industrial organisation in Australia for nurses, midwives, and assistants in nursing. Our core business is the professional and industrial representation of our members and the professions of nursing and midwifery. This representation is undertaken through Branches in each State and Territory of Australia, and the Federal Office.

Members of the ANF are employed in a wide range of settings in urban, regional, rural and remote locations, in both the public and private health and aged care sectors. As the largest group of health care professionals in these settings nurses and midwives have an obvious interest in the funding mechanisms underpinning their care delivery.

The ANF fully supports the intent of the Council of Australian Governments' health reform "to deliver fair funding for hospitals across the country...". We will therefore be monitoring the effect of the new "National Efficient Pricing system for public hospital services and efficient cost of block funding services in regional centres", through feedback from our members. "Fair funding" should mean the provision of financial resources to meet the personnel and material infrastructure needed to deliver safe and competent care to Australian communities.

We note the intention to revise and publish the IHPA work program each financial year, and welcome the opportunity to review the current *Workplan 2011/12 and 2012/13* (the Workplan). The ANF requests that the on-going annual revision process be well publicised to stakeholder groups, with reasonable timeframes for feedback.

The ANF finds that there is limited information in the Workplan from which to assess how nursing/ midwifery staffing classifications data will be dealt with in the Activity Based Funding (ABF) model. We need, therefore, to seek assurance from the IHPA that there will be significant input from nurses and midwives in both clinical and management roles, into the new funding model.

Evaluation of the ABF model will be critical to allow for review and revision to remain relevant to models of care and staffing patterns. This is especially pertinent given changes to staff allocation patterns within jurisdictions (such as the introduction of staff:patient ratios in NSW) which better reflect complexity of care needs and provision of skills mix for safe, competent patient care. This issue relates to Program Objective 4: Classification system development and revision (pg 8) which refers to periodic updating of classifications to remain clinically relevant. The ANF contends it is imperative the data also remains workforce relevant: including consideration of prevailing obligations under jurisdictional industrial instruments, and evidence base from international and national research for skills mix and staffing patterns.

Another issue in relation to the staffing patterns is the reference to the IHPA (pg 11) under Program Objective 6a “conducting robust analysis of historical public and private hospitals cost data which will be utilised in the Pricing Model to determine the National Efficient Price (NEP). Our concern here is that historical based funding does not allow for changes to staffing models and resultant cost changes (this is particularly applicable to NSW where the staff:patient ratio model is only just being introduced for the nursing and midwifery professions). While historical based funding can inform the NEP there clearly must be consideration of more recent innovation to facilitate costing of contemporary evidence based practice.

An additional comment on the use of retrospective data is that it will not provide a comprehensive data set which incorporates all the sets of patients requiring health services in the public hospital sector. For example, it is the ANFs understanding that costing and funding for Hospital in the Home (HITH) will not have been included in retrospective data collections for public hospitals. Likewise there is a concern that where historical data is based on casemix funding, that this does not include a number of variables such as emergency department visits and outpatient services.

The ANF is supportive of the proposed “detailed costing study on Indigenous patients” (pg 12, 6 f) to ensure funding better reflects the specific physical and mental health care needs of our first nations people. Similarly we support the inclusion in the plan of “resolution of cross boarder health costs disputes and cost shifting” (pg 13, 8). Early development of resolution processes will minimise the compromising of care for patients caught in the ‘cross fire’ and for nurses, midwives and other health professionals involved, so that seamless care delivery can expedite improved health outcomes.

Program Objective 10 (pg 13/14) outlines the development of advisory committees. This is the first mention in the Workplan of a formal process for consultation with non-government stakeholders. While this development is clearly welcomed by the ANF there are no dates assigned for the establishment of such advisory committees. We therefore request more detailed information on these groups, particularly the Stakeholder Advisory Committee, as we will want to participate in this group.

In relation to Program Objective 11 (pg 14) on ABF research, the ANF considers that this needs to include ‘models of care’. That is, the ABF must allow for differing models of care across the country and not try to impose any one particular care modality. Innovation and flexibility to meet community care needs must be fostered and enabled through the ABF mechanism. Another area for consideration under ABF is the funding and supply of medicines, which contribute a significant component to the hospital budget.

In relation to the 'National ABF and Casemix Conference' – this forum can certainly be an ideal forum for the dissemination of ABF-related education, training and research. The ANF requests that funding be made available to enable nurses and midwives to participate, thus ensuring their perspectives are included in health care funding conversations and decisions.

Finally, with reference to the three year plan referred to on page 15, we seek assurance that there will be opportunity for non-jurisdictional review and feedback, as part of the planning process.

Should you require any additional information or wish to discuss this matter further please contact Elizabeth Foley, Federal Professional Officer, on (03) 9602 8500 or elizabethf@anf.org.au.

Yours sincerely,



Lee Thomas

Federal Secretary

The industrial and professional organisation for nurses and midwives in Australia

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