



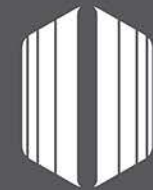
Independent Hospital Pricing Authority

ABF PRICE SETTING IN AN INTERNATIONAL ENVIRONMENT

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AUSTRALIA & IRELAND AGENDA

1. General Context
2. ABF Context
3. What this means for Price Setting
4. Wrap Up



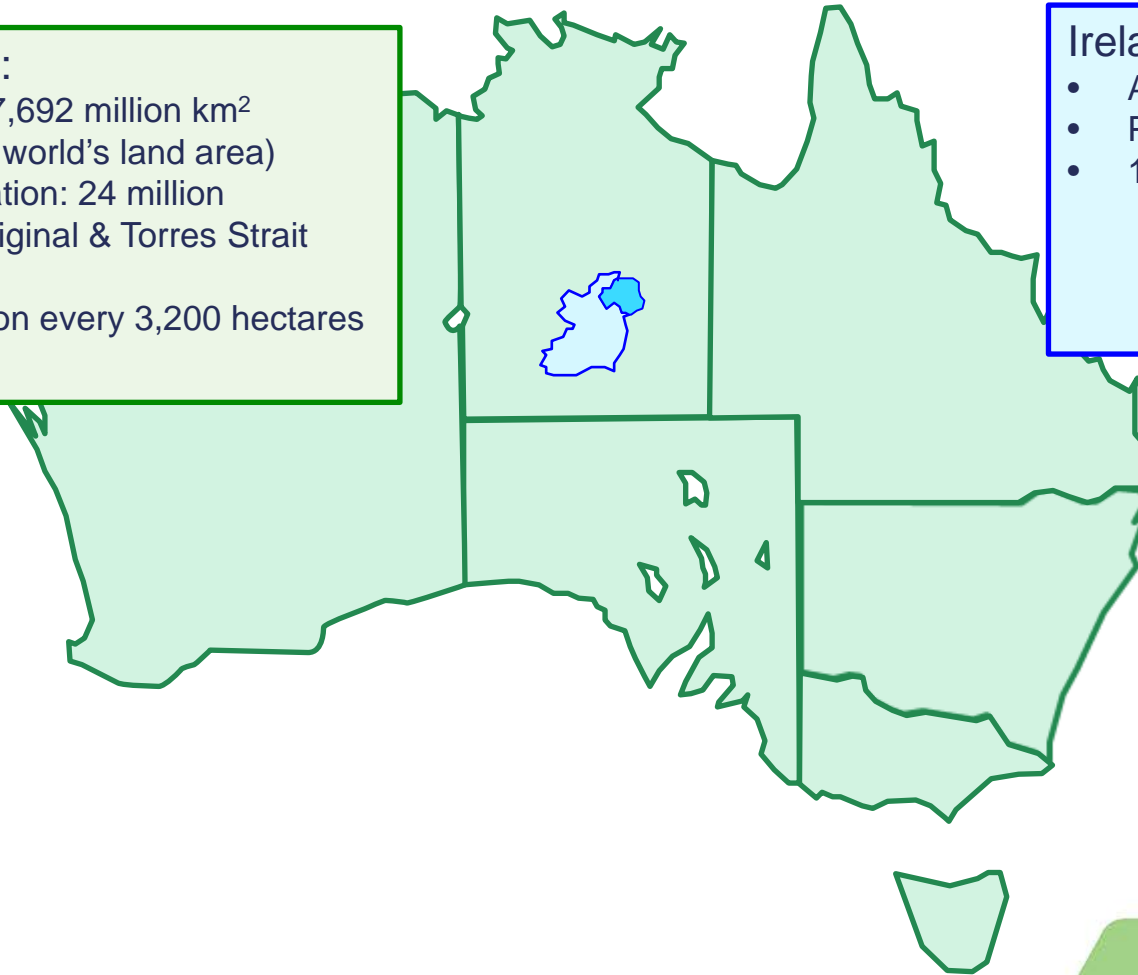
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GENERAL CONTEXT

LANDSCAPE

Australia:





















- Area: 7,692 million km² (5% of the world's land area)
- Population: 24 million (~3% Aboriginal & Torres Strait Islander)
- 1 person every 3,200 hectares



Ireland:

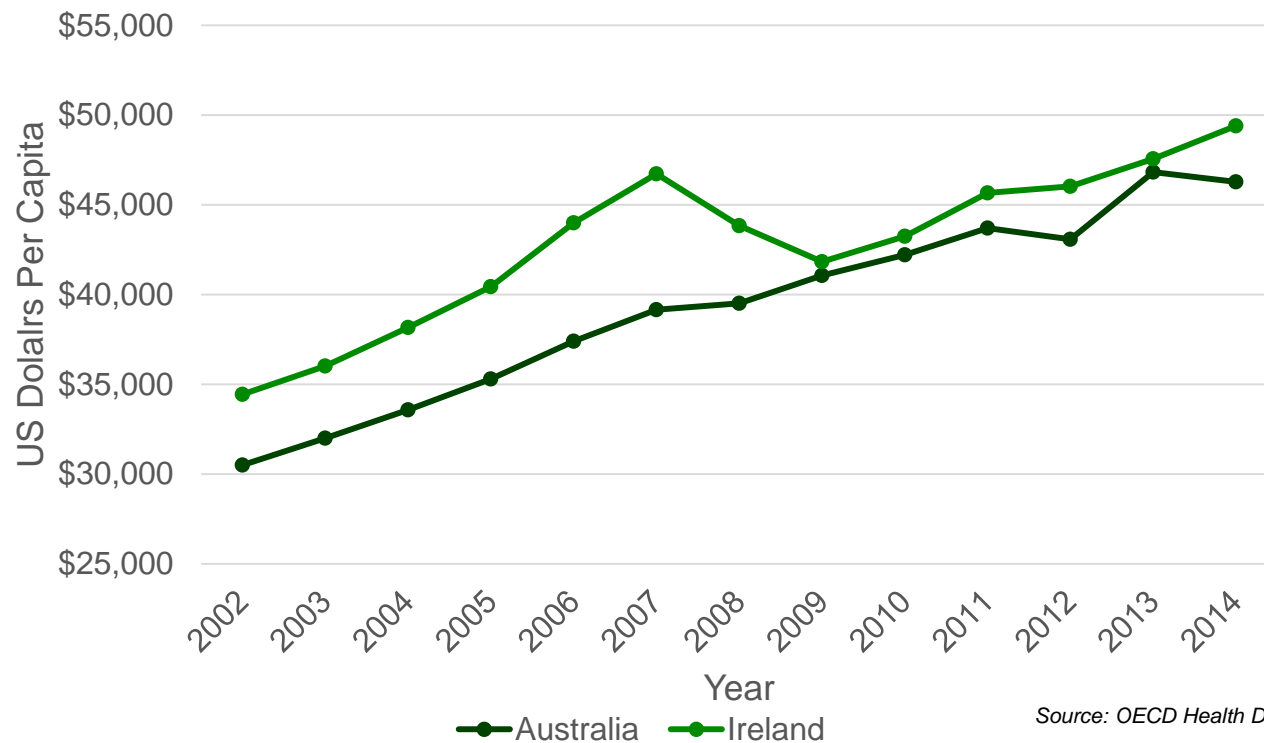
- Area: 70,273 km²
- Population: 4.6 million
- 1 person every 1.5 hectares

GOVERNMENT STRUCTURES

| ABF Functions | Australia  | Ireland  |
|---------------------|---|--|
| Data Collection |   |  |
| Training for Coders |  |  |
| Activity Targets |  |   |
| Activity Monitoring |   |  |
| National Pricing |  |  |
| Funding |   |    |

ECONOMIC ENVIRONMENT

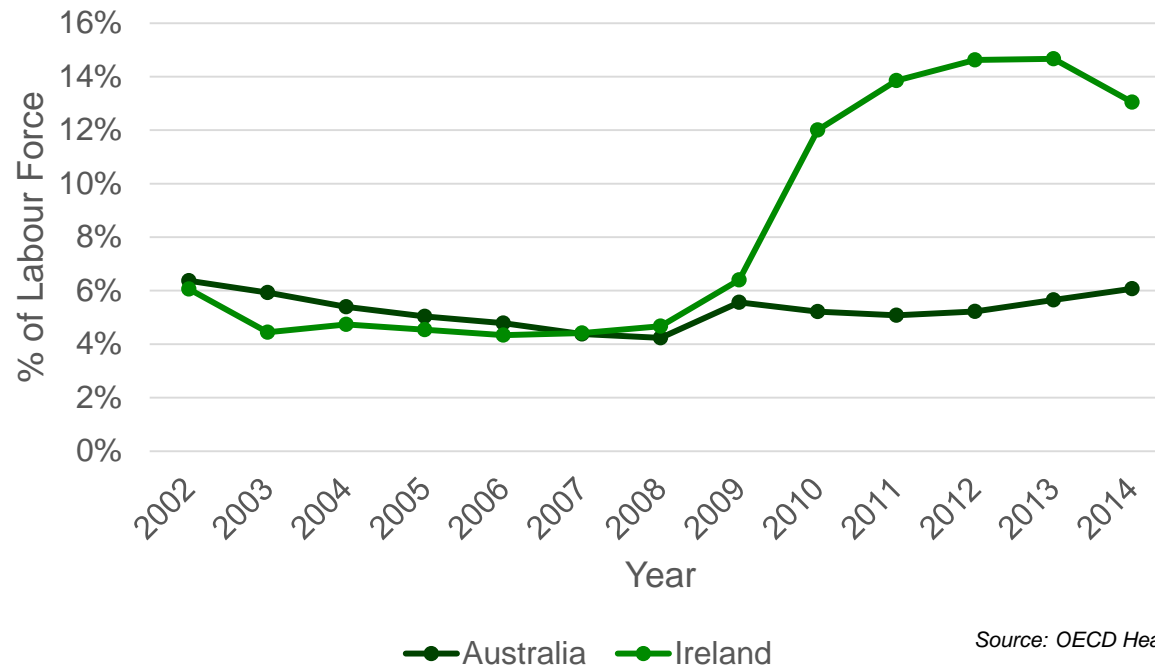
GROSS DOMESTIC PRODUCT



Source: OECD Health Data 2015

ECONOMIC ENVIRONMENT

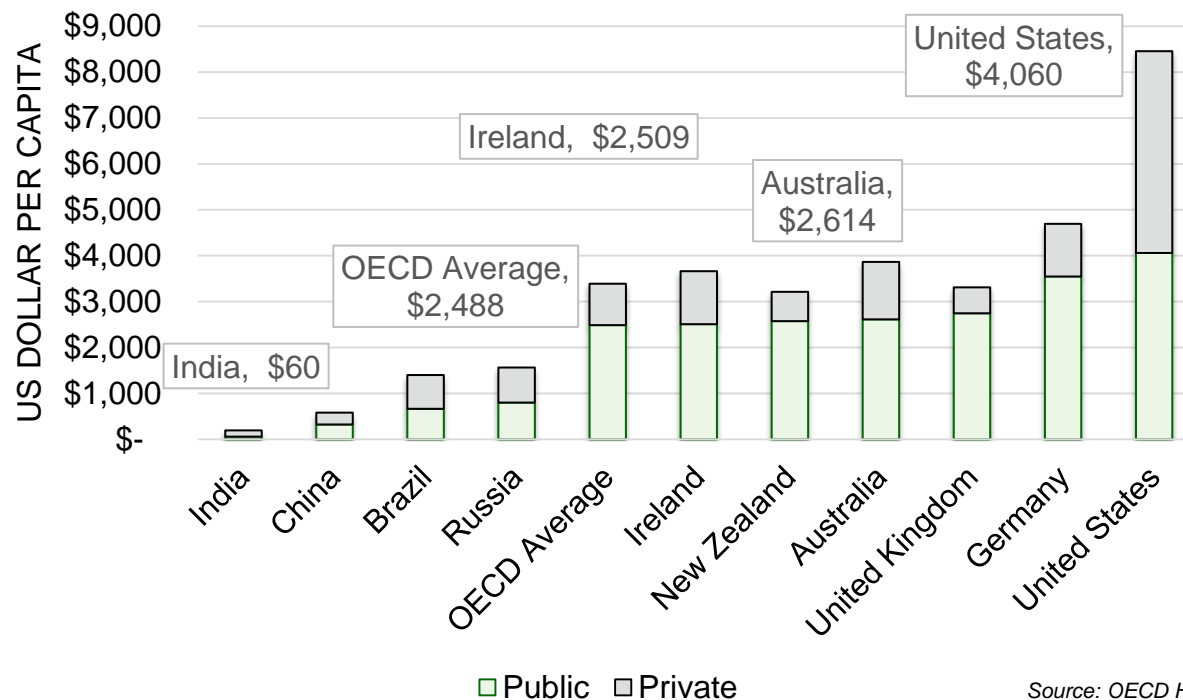
UNEMPLOYMENT RATE



Source: OECD Health Data 2015

HEALTH EXPENDITURE

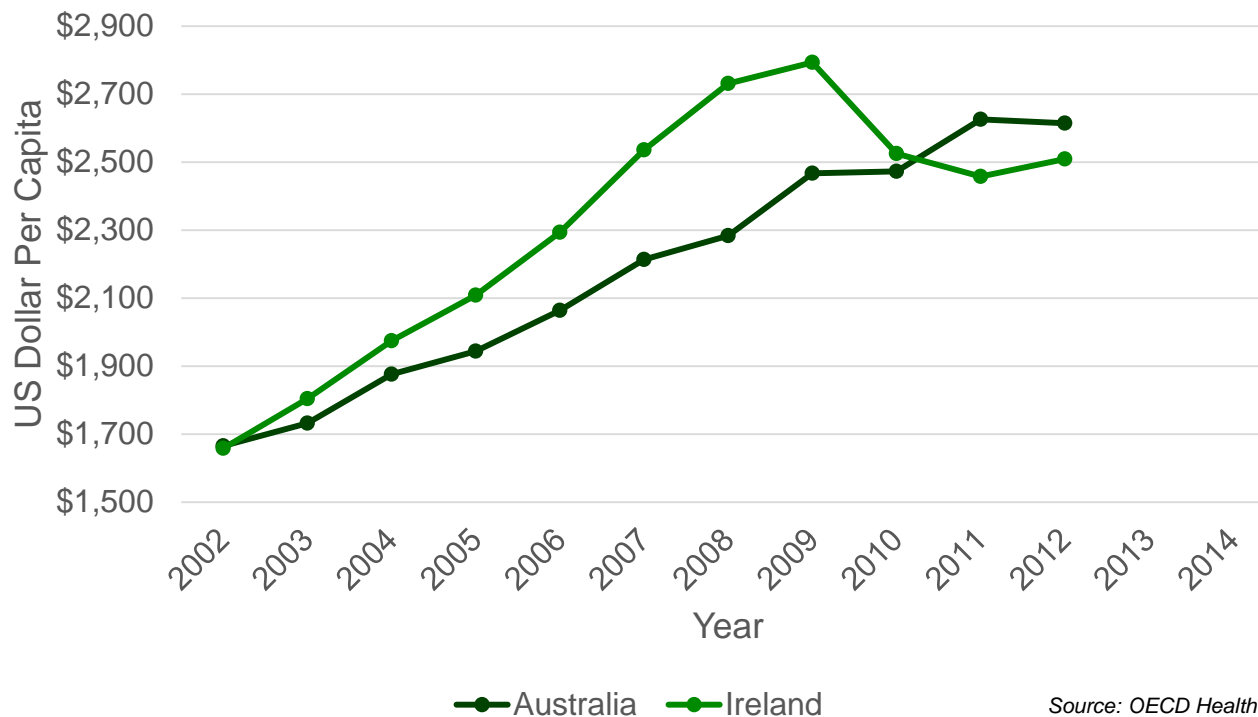
2012 HEALTH EXPENDITURE



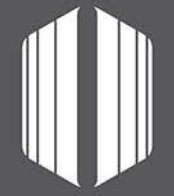
Source: OECD Health Data 2015
PPP based figures (Price and Volume Adjusted)

HEALTH EXPENDITURE

PUBLIC HEALTH EXPENDITURE





Source: OECD Health Data 2015



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ABF CONTEXT

ACTIVITY DATA

| | Australia  | Ireland  |
|----------------------------------|--|--|
| Mechanism | Admitted Patient Care <ul style="list-style-type: none"> • Admitted Acute • Admitted Subacute Emergency Department <ul style="list-style-type: none"> • Patient Level (ED) • Aggregate (ES) Non-Admitted Patient Care <ul style="list-style-type: none"> • Patient Level (NAP) • Aggregate (NAA) | Hospital Inpatient Enquiry (HIPE) <ul style="list-style-type: none"> • Inpatients (Admitted)* • Daycases |
| # ABF Hospitals (Acute Admitted) | 270 | 38 |
| # ABF Admitted Episodes | Over 5 Million | 1.7 Million |

ACTIVITY DATA

EXAMPLE: ACUTE ADMITTED VS INPATIENTS



I03A: Hip Replacement with Major Complexity





30 days



30 days

COST COLLECTION

| | Australia  | Ireland  |
|-----------------------------|--|--|
| Mechanism | National Hospital Cost Data Collection | Patient Level Costing |
| Purpose | <ul style="list-style-type: none"> • Contribute to the NEP and NEC • Refine and inform classification • Understanding patient care path | <ul style="list-style-type: none"> • Contribute to ABF Funding and Price Setting • Assist in coding audits • Benchmarking |
| Date of Implementation | 1996-97 (ROUND 1) | 2010 (Pilot PLC Study) 2012 (Phase Implementation) |
| # ABF Admitted Hospitals | 237 | 19 |
| Stream Coverage | Acute; Subacute; Emergency; Non-admitted | Inpatients; Daycases |
| Patient Coverage (Admitted) | Over 90% | 60% |

INSCOPE SERVICES



Hospital Budget



Acute Admitted

Subacute
Admitted

ED

NA

Other



Inpatients & Day cases

ED

NA

Other

DATA AVAILABILITY

ACUTE
ADMITTED



270
(237 Costed)



38
(19 Costed)



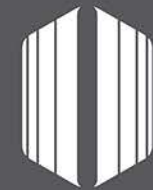
Over 5 million
(4.9 million Costed)

1.7 million
(1 million Costed)



NHCDC Round 19
2014/15 (19 Years)



2015 PLC (3 years)





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WHAT THIS MEANS FOR PRICE SETTING


PRICE SETTING

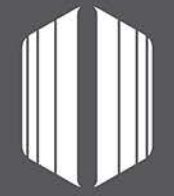
| Key Factors | Australia  | Ireland  |
|----------------------|--|--|
| Landscape | | |
| Economic Environment | | |
| Activity Data | | |

PRICE SETTING

| Key Factors | Australia  | Ireland  |
|--------------------|--|--|
| Cost Collection | | |
| Inscope Services | | |

PRICE SETTING

| Key Factors | Australia  | Ireland  |
|-------------------|---|---|
| Data Availability | | |



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WRAP UP

WRAP UP

Key Learnings are transferrable between countries

No “Cookie Cutter” Approach. One country’s pricing model may not be suitable for another

A price setting model needs to be tailored to fit the landscape of the country and its objectives

Difficulty comparing price weights between countries



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QUESTIONS?