# OUR ROLE IN AUSTRALIA'S HEALTH SYSTEM





### Our vision

To improve the transparency of public hospital funding in Australia

## Our purpose

To support the obligations and responsibilities of the Administrator through best practice administration of public hospital funding

# The agency

#### Administrator National Health Funding Pool



MICHAEL LAMBERT, ADMINISTRATOR
The Administrator is a statutory office
holder, independent from Commonwealth,
State and Territory governments.

#### The National Health Funding Body



SHANNON WHITE, CEO
Led by a CEO, the 29 staff at the NHFB
support the Administrator to oversee more
than \$56 billion in public hospital funding.

# Who we support



PRIME MINISTER, PREMIERS AND CHIEF MINISTERS



COMMONWEALTH, STATE AND TERRITORY HEALTH MINISTERS



COMMONWEALTH TREASURER

## Who we work with



COMMONWEALTH, STATE AND TERRITORY STAKEHOLDERS



PORTFOLIO AGENCIES



**INDUSTRY PARTNERS** 

#### In 2020-21 we administered...



\$56 BILLION

IN PUBLIC HOSPITAL PAYMENTS

Since March 2020, we have paid over...



\$11 BILLION

IN COMMONWEALTH FUNDING TO STATES AND TERRITORIES FOR COVID-19

# OVERVIEW OF THE RELATIONSHIP BETWEEN THE IHPA AND THE NHFB

# Independent Hospital Pricing Authority (IHPA)







# (\$)

#### Data collection

The IHPA collects quarterly public hospital activity data submissions from States and Territories about various kinds of patient services provided by Australian hospitals. They use this data as inputs into the classification, costing and pricing process. The NHFB use this same data for reconciliation of actual services delivered.

#### Classification

Classifications provide a nationally consistent method of classifying all types of patients, their treatment and associated costs.

IHPA undertakes reviews and updates of existing classifications and is also responsible for introducing new classifications.

#### Costing

Hospital costing focuses on the cost and mix of resources used to deliver patient care. Costing plays a vital role in Activity Based Funding, providing valuable information for pricing purposes.

#### Pricing

The IHPA determines the National Efficient Price. This pricing model determines how much is paid for an average patient. It also recognises factors that increase the cost of care, for example, the additional cost of providing health services in remote areas, or to children. The NHFB use this when calculating the Commonwealth's contribution to public hospital funding.

# National Health Funding Body (NHFB)



Calculate



#### Pay

- funding contribution and issue payment advice
- data collection and analysis
- reconcile actual activity
- funding integrity



- Payments System administration
- timely payments and bank reconciliations
- end of month processing
- National Health Funding Pool financial statements



#### Report

- funding, payment and activity reporting
- data plan and compliance reporting
- website reporting
- trend analysis and reporting

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