



**National Health
Funding Body**

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9 December 2016

Mr Peter Harris AO
Chairman
Data Availability and Use
Productivity Commission
GPO Box 1428
CANBERRA CITY ACT 2601

Dear Mr Harris,

Response to the Productivity Commission Draft Report on Data Availability and Use

I write in regard to the Productivity Commission's Inquiry into data availability and use, and the framework for the release of public sector data proposed in the draft report of 3 November 2016. As Chief Executive Officer of the National Health Funding Body (NHFB), the agency supporting the Administrator of the National Health Funding Pool (Administrator), I wish to share my experience of legislatively-enabled data sharing and linkage, and inform you of the Administrator's Dataset and its purpose.

The Administrator and the NHFB were created through the Council of Australian Governments' National Health Reform Agreement (the Agreement). The position of Administrator and the NHFB are independent of both Commonwealth and state/territory governments, with our functions set out in the *National Health Reform Act 2011* (the Act) and equivalent state and territory legislation. Both roles were primarily created to ensure transparent funding and reporting of local hospital networks, and to enable a sustainable financial basis for the health system into the future.

Through the Act and Agreement, states and territories supply the Administrator with patient level and aggregate hospital activity data to inform the calculation of the Commonwealth's National Health Reform (NHR) funding for public hospitals. States and territories also submit the Medicare number for each patient record, to enable linkage to other Commonwealth programs data provided to the Administrator by the Commonwealth, such as the Medicare Benefits Schedule (MBS) or the Pharmaceutical Benefits Scheme (PBS) claims data. The Administrator's data requirements are specified in the rolling Three Year Data Plan and File Specifications, which is accepted by the COAG Health Council each year. The *Administrator's Three Year Data Plan 2016-17 to 2018-19* is available at www.publichospitalfunding.gov.au/publications/data-plans.

Under clauses A6 and A7 of the Agreement, the Commonwealth will not fund patient services through the Agreement if the same service or any part of that service is funded through MBS, PBS, or any other Commonwealth program. To identify services that may have been funded by more than one Commonwealth program, the NHFB (on behalf of the Administrator) deterministically merges the patient level hospital data and MBS, or the patient level hospital data and PBS, using the Medicare PIN. The translation of a patient's Medicare number to Medicare PIN is undertaken by the Australian Government Department of Human Services (DHS), thereby maintaining patient privacy and confidentiality.

The resultant 'Administrator's Dataset' contains de-identified patient level information on an individual's health system utilisation (including costs) across the different healthcare settings, with data available from 2012-13 onwards.

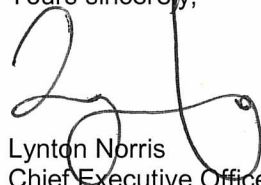
The Administrator's Commonwealth NHR funding integrity analysis requires the NHFB to review individuals' interactions across multiple levels of the health system to investigate *prima facie* matches. This involves reviewing the public hospital service provided to determine if a Medicare claim relates to that same public hospital service. The Administrator reports the data matching outcomes to Health Ministers for investigation. Further information on the preparation of hospital activity and MBS or PBS data for funding integrity analysis can be found in the 'Business Rules' documents available at www.publichospitalfunding.gov.au/publications/operational-documents.

While the Administrator's Dataset has been very successful in identifying *prima facie* matches and investigating further for funding integrity purposes, there is potential for the data to deepen the understanding of health system utilisation, hospital and community health journeys, and patterns of use. The Administrator and NHFB's focus in using this data is Commonwealth NHR funding integrity and system sustainability.

The Administrator's Dataset, drawn from cross-jurisdictional data, is an example of how data linkage can be undertaken successfully through enabling legislation and National Agreements.

If you wish to discuss any aspect of this letter, please contact Ms Georgia James on (02) 6289 8013 or Georgia.james@nhfb.gov.au or me on (02) 6289 7249 or at Lynton.norris@nhfb.gov.au.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Lynton Norris', written over a horizontal line.

Lynton Norris
Chief Executive Officer
National Health Funding Body