



**National Health
Funding Body**

National Health Funding Body
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8 February 2017

Mr Tim Kelsey
Chief Executive
Australian Digital Health Agency
Level 25, 56 Pitt Street
SYDNEY NSW 2000

Dear Mr Kelsey,

Response to the Consultation to develop the National Digital Health Strategy

I write in response to your letter of 4 November 2016, seeking the National Health Funding Body's (NHFB) views to inform the development and delivery of the National Digital Health Strategy. I am pleased to have the opportunity to share with you insights into the use and application of health data from the work of the Administrator of the National Health Funding Pool (Administrator) and the NHFB.

The Australian Digital Health Agency has developed a survey seeking responses on a range of issues. I have selected the following matters to provide comment on, as they relate to the work of the NHFB:

- organisational priorities in respect to digital health; and
- the use of data and technology to improve health and wellbeing.

The Administrator and the NHFB were created through the Council of Australian Governments' (COAG) National Health Reform Agreement. The primary purpose of the Administrator is to determine the Commonwealth National Health Reform (NHR) funding contribution for public hospital services, process transactions through the National Health Funding Pool and enable transparent reporting of the public hospital funding system. The principal function of the NHFB is to support the Administrator in the performance of his functions. Under the *National Health Reform Act 2011*, the Administrator and the NHFB are independent of both Commonwealth and state and territory governments. The Administrator is committed to the sustainability of Australia's health system and the underlying funding arrangements.

Through reporting to the COAG Health Council and the Australian Health Ministers' Advisory Council (AHMAC), and representation on the National Health Information Performance Principal Committee (NHIPPC) and the National Health Information Standards and Statistics Committee (NHISSC), the Administrator and the NHFB are contributing to the development of standards for the collection and use of health data.

The Administrator develops a rolling Three Year Data Plan and File Specifications, which is accepted by the COAG Health Council each year. The Data Plan details the minimum level of data required from the Commonwealth, states and territories, in order to calculate the Commonwealth's contribution to funding public hospital services, conduct reconciliation and funding integrity activities and ensure national comparability. States and territories also submit the Medicare number for each patient record, to enable linkage to other Commonwealth programs data supplied to the Administrator by the Commonwealth, such as the Medicare Benefits Schedule (MBS) or the Pharmaceutical Benefits Scheme (PBS) claims data. The *Administrator's Three Year Data Plan 2016-17 to 2018-19* is available at www.publichospitalfunding.gov.au/publications/data-plans.

Proudly assisting the Administrator of the National Health Funding Pool

Given the role of the Administrator, the NHFB's priorities with respect to digital health are data integrity and the application of health data to improve system financial transparency and sustainability. Through our jurisdictional committees, the Administrator and the NHFB are working to improve the reliability of the data collected and coded by states and territories and the consistency of these practices between all jurisdictions. By sharing and using what is available more effectively, this knowledge could be used to inform evidence-based policy on system sustainability.

Optimal use of data and technology represents an important avenue to improve health and wellbeing. Real-time data analysis, supported by sophisticated analytical technology, can inform policy or clinical guidelines and enable better services to patients by improving understanding of system performance. Technology that can better detect anomalies could be used for identifying safety and quality issues including post-market surveillance of drugs for adverse reactions. Over time, the use of data to identify the long-term health outcomes from particular interventions could allow decision makers to identify quality and high-value services. Using this information to detect overuse or underuse of services, and acting upon these findings, would create a more effective and sustainable health system.

The National Digital Health Strategy could be complemented by including clear standards for data collection and use, and a strategy to integrate disparate data to create a whole-of-system picture. This evidence should then be translated into policy and monitoring systems, to improve the effectiveness and sustainability of the health system. I would encourage the use of the currently available data and technology in developing the National Digital Health Strategy. The NHFB would be pleased to share our experience in creating and managing longitudinally-linked patient level datasets combining data from multiple sources.

I look forward to the results of this comprehensive consultation, and the next stage of the development of the National Digital Health Strategy. If you wish to discuss any aspect of this letter, please contact Svetlana Angelkoska on (02) 6289 7434 or svetlana.angelkoska@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 'LN', written in a cursive style.

Lynton Norris
Chief Executive Officer
National Health Funding Body