



Australian Government  
Australian Institute of  
Health and Welfare

# Reporting the efficiency of Australia's public hospitals on the MyHospitals website

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The logo for the Australian Institute of Health and Welfare (AIHW), consisting of the letters 'AIHW' in a bold, sans-serif font. Each letter is a different color: 'A' is blue, 'I' is green, 'H' is red, and 'W' is purple.

**AIHW**

Stronger evidence,  
better decisions,  
improved health and welfare

# Summary

- Where can you find national hospital level efficiency reports
- High-level findings
- Under the bonnet: efficiency reporting
- Next steps

[www.myhospitals.gov.au](http://www.myhospitals.gov.au)

# About the AIHW

- 30 years of providing high-quality, independent evidence on health and welfare in Australia
- Our vision
  - Stronger evidence
  - Better decisions
  - Improved health and welfare
- Our purpose
  - To create authoritative and accessible information and statistics that inform decisions and improve the health and welfare of all Australians



# Our products, services and data

- Reports and statistics
  - Print and online reports
  - Tables, cubes and interactive data
- Data on request
- Data linkage
- Metadata support
- Validata
- Data collections



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# MyHospitals website

Nationally consistent, locally relevant hospital performance information for Australian public and private hospitals

MyHospitals  
Informing patients, supporting clinicians, driving improvements

Home Our reports Find hospitals Compare hospitals About the data About MyHospitals

### Learn about your local hospital

Search and compare performance information for more than 1,000 Australian public and private hospitals.

Search for hospital Find a hospital by name or location

#### Compare hospitals

Use our interactive tools to compare your local hospital to other hospitals for select measures.

Explore results

#### Map search

Use our interactive maps to search for Australian hospitals and explore hospital performance information.

Go to map

#### Our indicators

See the list of indicators we use to measure hospital performance across Australia.

About our measures

#### Latest reports

Released 2 October 2014  
Vast majority of bowel, breast and lung cancer patients receive surgery within 30 days.

Released 29 May 2014  
City emergency departments show big improvements, regions remain steady.

View all reports

#### Latest data

Cancer surgery waiting times data

Emergency department data

Download the data

## Emergency departments

- For example: Time spent in Emergency Departments

## Elective surgery

- For example: Waiting times for surgery

## Efficiency indicators

- For example: Comparable costs of acute admitted patient care

## Quality and safety

- For example: Hand hygiene

## Stays in hospital

- For example: Length of stay across 16 clinical conditions

# What products are available?

The screenshot shows the MyHospitals website. At the top, the logo reads "MyHospitals" with the tagline "Informing patients, supporting clinicians, driving improvements". A navigation bar includes links for Home, Our reports, Find hospitals, Compare hospitals, About the data, and About MyHospitals. The main content area features a large banner with the text "Learn about your local hospital" and a sub-headline "Search and compare performance information for more than 1,000 Australian public and private hospitals." Below this is a search bar with the placeholder text "Search for hospital" and a search button. To the right, there is a "Latest reports" section with two entries: one dated 2 October 2014 about cancer surgery wait times, and another dated 29 May 2014 about emergency department improvements. At the bottom, there are three main sections: "Compare hospitals" with a scales icon, "Map search" with a map of Australia icon, and "Our indicators" with a checklist icon. Each section has a brief description and a button to explore further.

- Indicator reports
- Technical Supplements
- Excel downloads
- Hospital comparison tool
- [Interactive](#) tables and graphs
- Animations

# Why is this work undertaken?

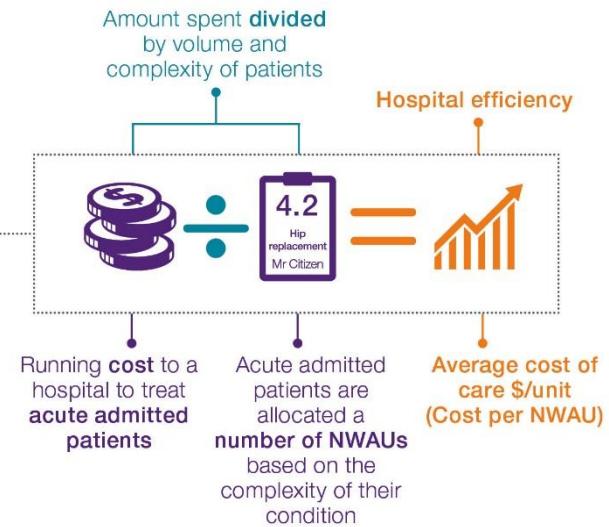
The AIHW is continuing the work of the National Health Performance Authority and has a responsibility to:

- Report against the Performance and Accountability Framework
- Publish reports which are nationally consistent, locally relevant, impartial, and support fair comparability.

[www.myhospitals.gov.au](http://www.myhospitals.gov.au)

# How does the Cost per weighted separation indicator measure?

- Select a cohort of patient
  - Acute admitted
  - Discharged within the year
- Take a subset of costs that are comparable and divide by NWAU.





# High level findings

Over 2011–12 to 2013–14



The **cost to treat similar acute patients** can be almost **2x** as high depending on the hospital

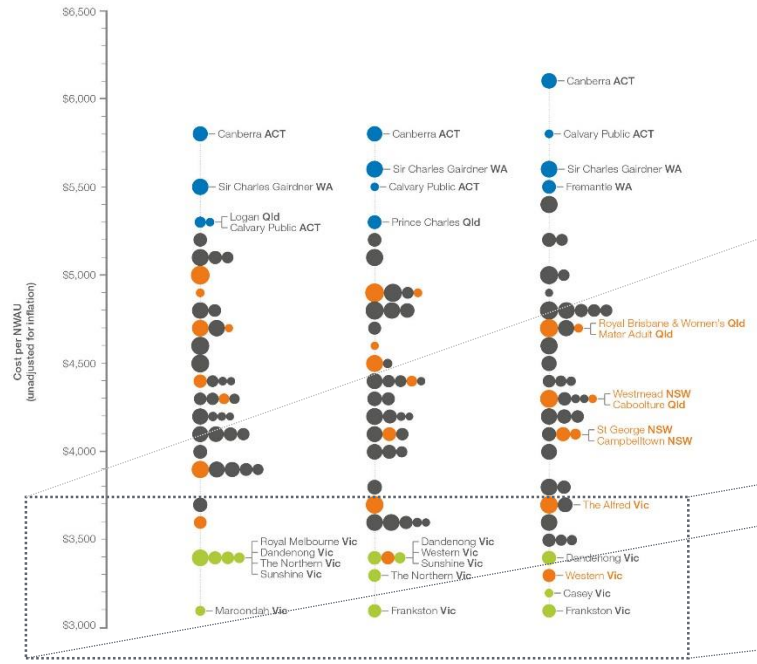
The costs incurred by public hospitals to deliver a notional 'average' service to acute admitted patients,

ranged from:  
**\$3,100 – \$6,100**

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Figure 1: Cost per National Weighted Activity Unit (NWAU) for acute admitted patients, major metropolitan public hospitals, 2011-12 to 2013-14

	2011-12	2012-13	2013-14
Peer average expenditure per hospital	\$214,775,000	\$222,900,900	\$228,444,200
Peer average NWAU per hospital	48,987	50,917	51,668
Peer average Cost per NWAU	\$4,380	\$4,370	\$4,420



Each circle represents a hospital and the size represents the units of activity for each hospital. 10,000 100,000

- Highest 10% of peer group hospitals nationally
- Lowest 10% of peer group hospitals nationally
- Hospitals that decreased Cost per NWAU by at least 5% from 2011-12 to 2013-14
- Other hospitals

Note: References can be found in the Technical Supplement and definitions of terms in the Glossary at [www.myhospitals.gov.au](http://www.myhospitals.gov.au)  
 Sources: National Health Performance Authority analysis of results calculated using the National Hospital Cost Data Collection, the Admitted Patient Care National Minimum Data Set and the Hospital Casemix Protocol Data Collection. Data supplied 18 and 28 October 2014 (2011-12 data) and 27 November 2016 (2012-13 and 2013-14 data).

# Most improved hospitals

**Table 1: Major metropolitan public hospitals that improved efficiency by decreasing the average cost of care by at least 5%, 2011-12 to 2013-14**

Major metropolitan public hospitals	Reduced spending & constant number of activity units	Increased number of activity units (NWAUs) & constant spending	Reduced spending & increased no. of activity units (NWAUs)
Caboolture Hospital (QLD)			●
Campbelltown Hospital (NSW)			●
Mater Adult Hospital (QLD)			●
Royal Brisbane & Women's hospital (QLD)	●		
St George Hospital (NSW)		●	
The Alfred (Vic)			●
Western Hospital [Footscray] (Vic)			●
Westmead Hospital (NSW)		●	



# Cohort of patients

→Who's in the cohort?

→Acute admitted patients

→Activity based funded patients (Public and private patients)

→Who's out of the cohort?

→Rehabilitation, palliative care and outpatients, emergency department

→Compensable and Department of Veterans affairs patients.

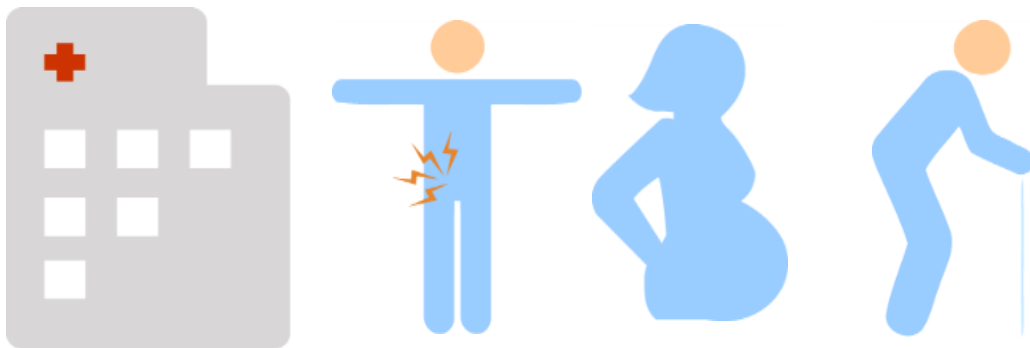
Comparable costs included	Costs excluded
Allied health; imaging; Pharmacy; Pathology	ED costs
Critical care	Blood costs
Hotel goods and services*	Teaching, training & research (direct)
Non-clinical and on-costs	Depreciation
Operating room	Costing Standards excluded costs*
Prostheses	Payroll tax
Specialised procedure suite	Medications subsidised by Commonwealth programs (e.g. PBS)
Ward medical, nursing and supplies	Property, plant and equipment (capital)

\* As defined by the Australian Hospital Patient Costing Standards. For 2011-12 to 2012-13 data refer to version 2.0. For 2013-14 data refer to version 3.1.

# How is an output measured?

→ National weighted activity unit (NWAU)

- Complexity (Australian Refined – Diagnosis Related Groups)
- Adjusts for patient characteristics demonstrated to increase the cost of care



Adjustments
Specialist paediatric
Specialist psychiatric age
Indigenous
Remoteness area
Intensive care unit
Radiotherapy
Dialysis

# Indicator limitations

- Results don't tell us anything about the quality of patient care at a given hospital, for that reason the results are best interpreted in the context of other quality and effectiveness indicators
- Reporting lag: In 2017, the most recently available data are for 2014-15
- Aligned to the National efficient pricing model

# Indicator development

- Updating *Costs of acute admitted care in public hospitals* report with the most recent year of data (2014–15)
  - Methodological revisions, including reporting constant costs (adjusted for inflation)
- Relative Stay Index (RSI) report under development
  - First national hospital level relative stay index (2014-15 to 2016-17)

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## New relative stay index reporting

- A measure of the length of stay, adjusted for the varying factors contributing to the length of stay outside the control of the hospital.
- Calculated by dividing the sum of the actual length of stay (LOS) by the sum of the expected length of stay (ELOS) of these separations.
  - ELOS is an average calculated using subsets of separations.
- $RSI = \sum (\text{Actual LOS}) \div \sum (\text{ELOS})$



# Relative stay index development

- Review of Australian relative stay index reporting
- Consultation
  - All Australian Governments
  - Expert stakeholder advisory committee
- Performance and Accountability Framework requires the indicator to be:
  - Valid, reliable, attributable, comparable.
- Relative stay index model testing
  - Acute care type
  - Exclusion of specific separations
  - Stratification based approach to determine the expected length of stay for each subset of separations
    - Factors for stratification for testing include: DRGs, admission type, age group, transfers, statistical admissions, Hospital in the home.
    - Direct standardisation



# New relative stay index reporting

- MyHospitals website
  - Main report
  - Technical supplement
  - Excel download
  - Hospital comparison tool
- Comparative analysis of *Cost per NWAU* measure and *Relative stay index*



## Next steps

- Continuing reporting of **nationally consistent, locally relevant** performance indicators on the MyHospitals website to **inform** clinicians, hospitals managers and decision makers
- **Developing new and improving existing performance indicators**

# Keep in touch

→ Our websites

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