

NHCDC

22



The National Hospital Cost Data Collection (NHCDC) is an annual collection of hospital cost data at the line-item level. NHCDC data are provided to the Independent Hospital Pricing Authority (IHPA) from each jurisdiction's Department of Health.

The Round 22 NHCDC collected public hospital cost information for the 2017–18 financial year. The NHCDC Cost Report contains detailed summary tables of all reported figures.

How much does patient activity cost in Australia's public hospitals?

The NHCDC is the cornerstone of IHPA's work. The collection captures detailed information about the types of services provided to hospital patients and the associated costs of providing these services.

The cost information captured by the NHCDC is the key source of information about the costs of treating patients in Australian hospitals and is the main input in IHPA's determination of the levels of Commonwealth funding for public hospital services in Australia.

The scope of the NHCDC Report includes costs related to public hospital activities. Due to differing methodologies and data sources used, the costs reported here may differ from cost data published by other organisations.

The national expenditure on hospital activity in Round 22 was

\$47.15 billion

Round 21
\$43.78 billion

Round 20
\$40.29 billion



Patient activity refers to services and procedures received by the patient in relation to their care.

Every patient receives a code that describes the type of care they received. For Round 22, these codes live within the following five patient activity streams:



Sub-acute and non-acute care

Sub-acute and non-acute care **patient separations** represent the delivery of a specialised care service that is related to the optimisation of the patient's functioning and quality of life. This includes rehabilitation and palliative care.



Admitted acute care

An admitted acute care **patient separation** represents a formal admission to hospital to receive short-term treatment. This includes treating illnesses, injuries, performing surgery or diagnostic procedures.



Emergency department care

An emergency department **presentation** represents the delivery of a service provided to a patient in a hospital's emergency department.



Non-admitted care

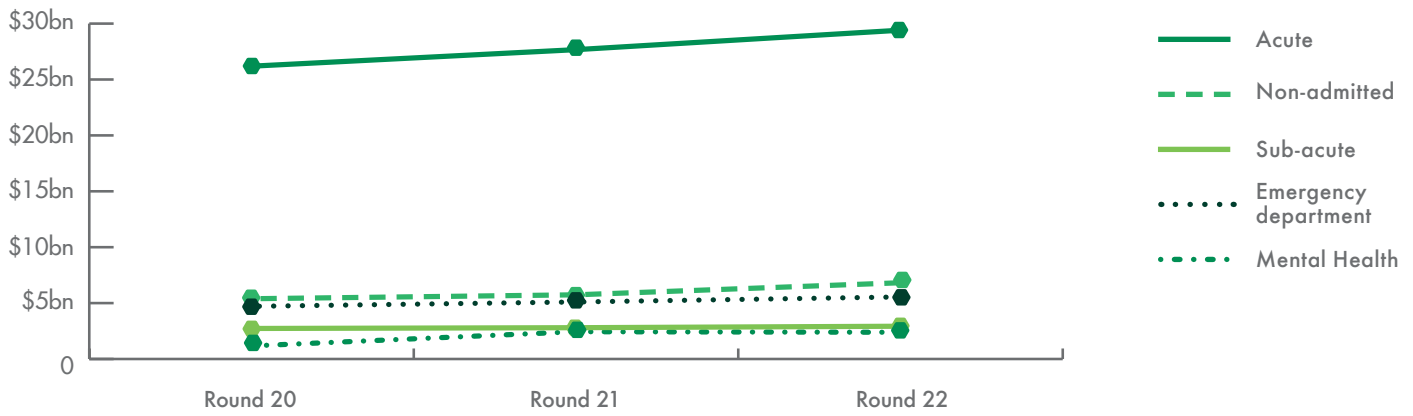
A non-admitted **patient service event** represents a patient encounter that has not undergone the formal hospital admission process. This includes hospital outpatient clinics and patients' homes.



Mental health care

A mental health care **service event** or **phase** represents the delivery of a mental health care service to a patient and can be provided either in an admitted or a community setting.

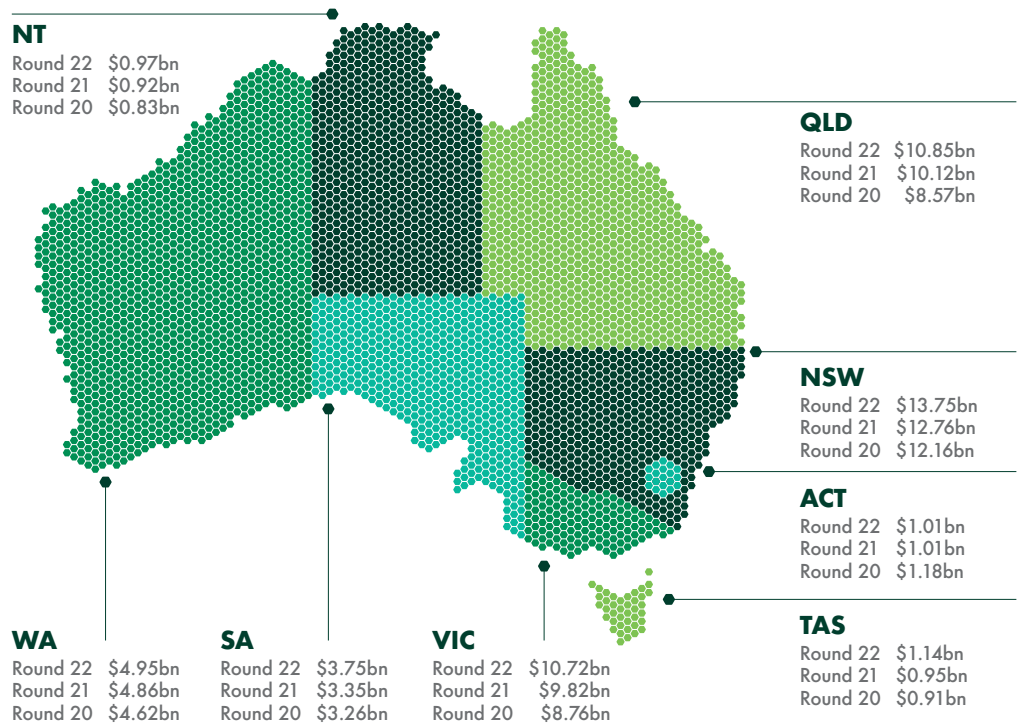
Total expenditure per activity stream*



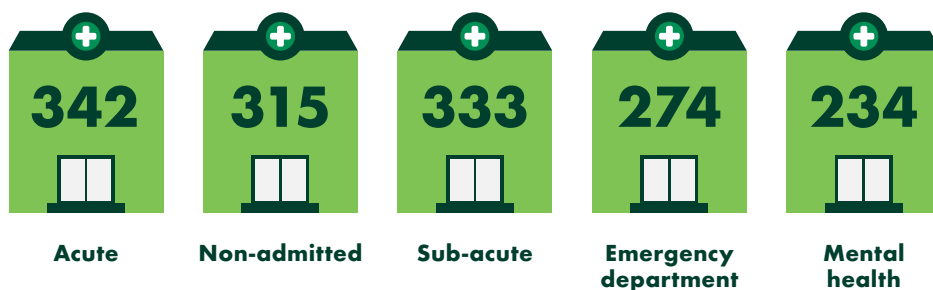
*Costs that cannot be classified by one of the five activity streams – such as Boarders, Organ Procurement, Research and Teaching – are categorised as ‘other’. These amounted to \$55.3m (Round 22), \$34.8 (Round 21), and \$95.5 (Round 20).

Total expenditure by jurisdiction

Total expenditure (R22)
\$47.15bn



Number of hospitals which provided each care type



453

unique public hospitals submitted cost data – an increase of 2 since Round 21.

Number of encounters per activity stream

	R20	R21	R22
Admitted acute separations	5,409,217	5,773,102	6,019,172
Non-admitted service events	17,818,436	18,592,529	21,529,952
Sub-acute & non-acute separations	197,879	199,911	218,482
Emergency department presentations	7,221,784	7,662,322	7,877,053
Mental health service events	82,970	237,826	193,158

Total number of encounters (R22)
35,857,766

Costed Activity

In addition to cost data submitted via the NHCDC, jurisdictions submit activity data to IHPA for activity-based funding purposes. When both activity and NHCDC cost data relating to a particular patient episode are submitted, IHPA links the data.

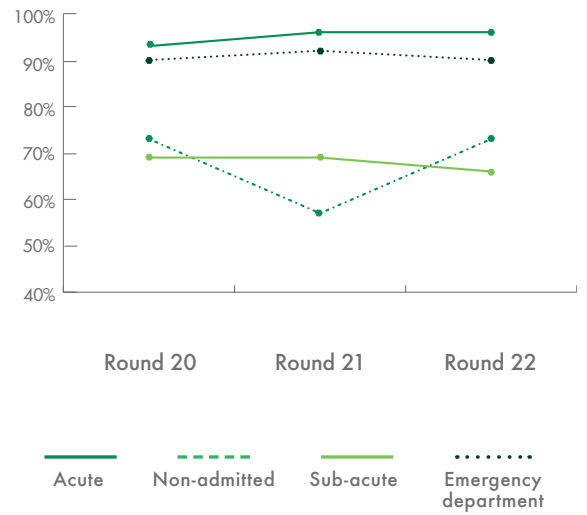
The completeness of the NHCDC is measured by the percentage of linked activity data (also known as 'costed activity').



96%

of the admitted acute care episodes (submitted via IHPA's activity data collection) had matching cost data

Level of costed activity, Round 20-22

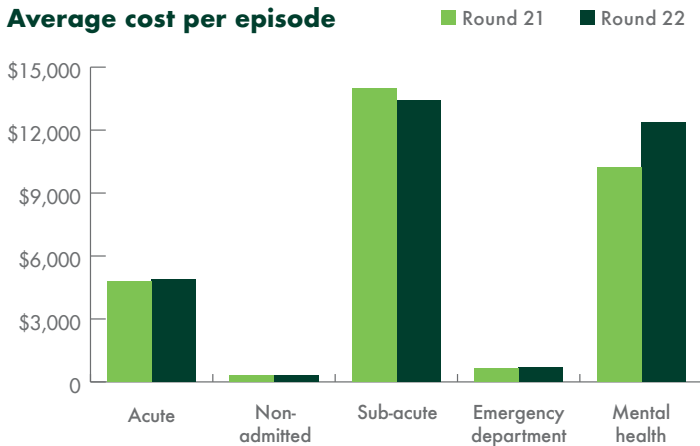


Average cost

The average cost of most activity types remained similar between Rounds 21 and 22. Mental health was the exception which increased by 21%.

\$4,885

Average cost per episode



In Round 22, the average cost of an admitted acute separation was \$4,885 compared with \$4,792 in Round 21.

The similar average cost of an admitted acute separation reflects the similar average length of stay for these patients between rounds (2.43 days in Round 21, 2.40 days in Round 22) and the share of same-day separations increasing (from 55.7 percent to 56.3 percent of all acute separations).

2.40 days

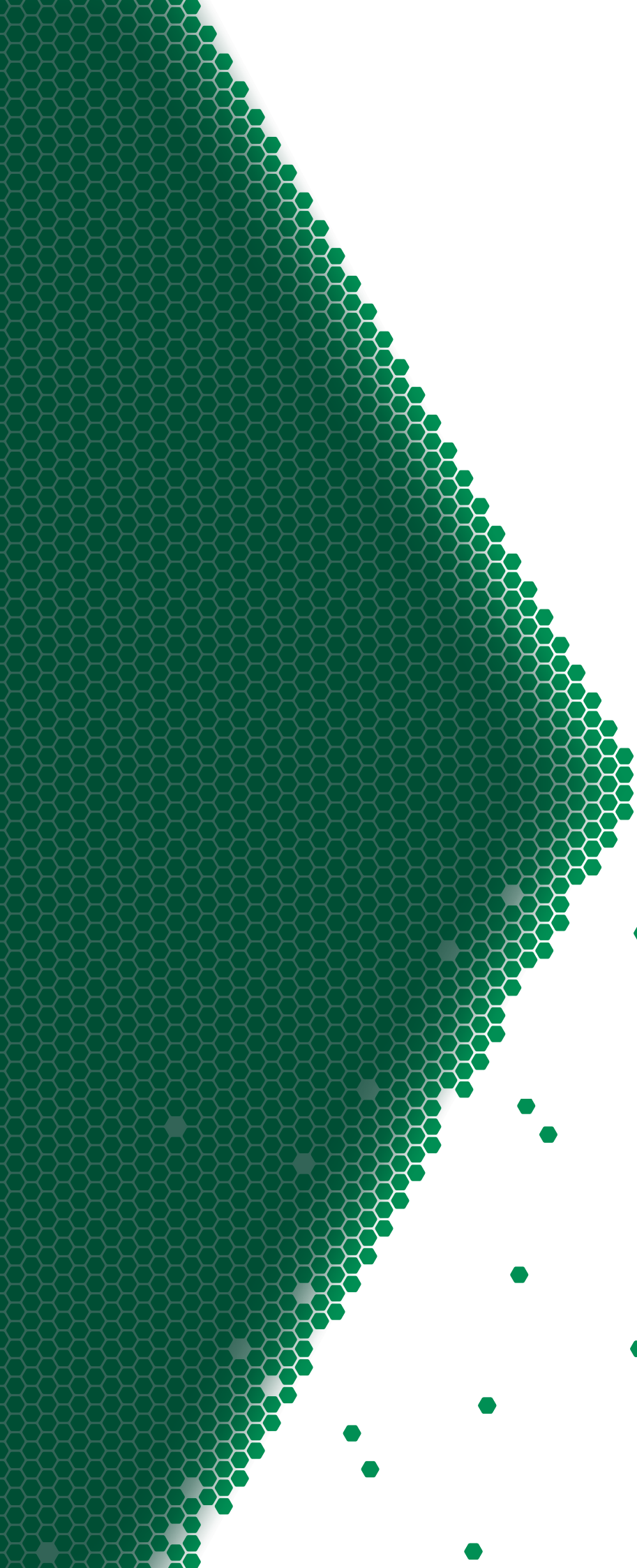
Cost buckets

IHPA reports on cost data submitted to the NHCDC using cost buckets. Cost buckets represent cost pools within a hospital which relate to a particular function of the hospital – for example, the hospital operating room.

At the cost bucket level, the Ward Nursing cost bucket accounted for the biggest share of the costs for the admitted acute (18% of costs), sub-acute (32%) and mental health (35%) activity streams.

Average share of costs, selected cost buckets, by activity stream (Round 22)

Cost bucket	Acute (%)	Non-admitted (%)	Sub-acute (%)	Emergency Dept. (%)	Mental Health (%)
Ward Medical	11.5	17.8	11.9	1.2	14.8
Ward Nursing	18.0	13.5	32.1	1.0	35.2
Allied Health	3.1	11.8	11.8	0.5	7.4
Non Clinical	6.5	9.8	11.3	1.0	11.3
On-costs	7.6	7.6	9.6	7.9	9.1
Pathology	3.6	4.4	1.1	6.4	0.9
Imaging	2.4	5.0	0.8	9.4	0.3
Prosthesis	3.2	0.3	0.1	0.0	0.0
Total	\$4,885	\$317	\$13,397	\$705	\$12,348



IHPA

Further Information
Access the complete Round 22
NHDC Cost Report (and tables)
online: www.iHPA.gov.au