

NHCDC

21



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 21 NHCDC collected public hospital cost information for the 2016–17 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 national expenditure on hospital activity in Round 21 was

\$43.77 billion



Round 20
\$40.29 billion

Round 19
\$36.96 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 21, these codes live within the following five patient activity streams:



Admitted acute care

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



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.



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

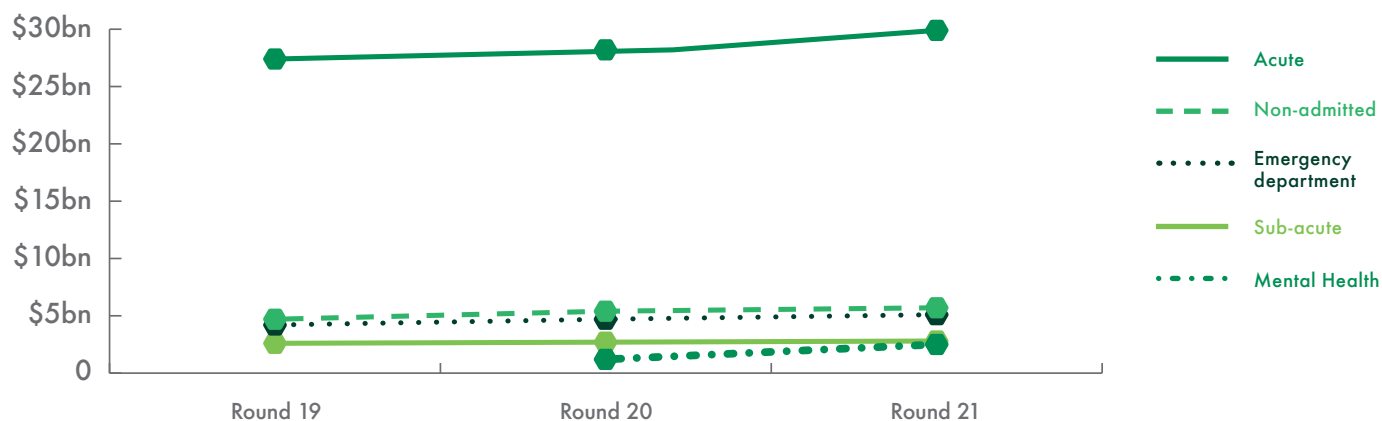
A non-admitted **patient service event** represents a patient encounter that has not undergone the formal hospital admission process. This includes hospital outpatient clinics and visits to patients' homes.



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.

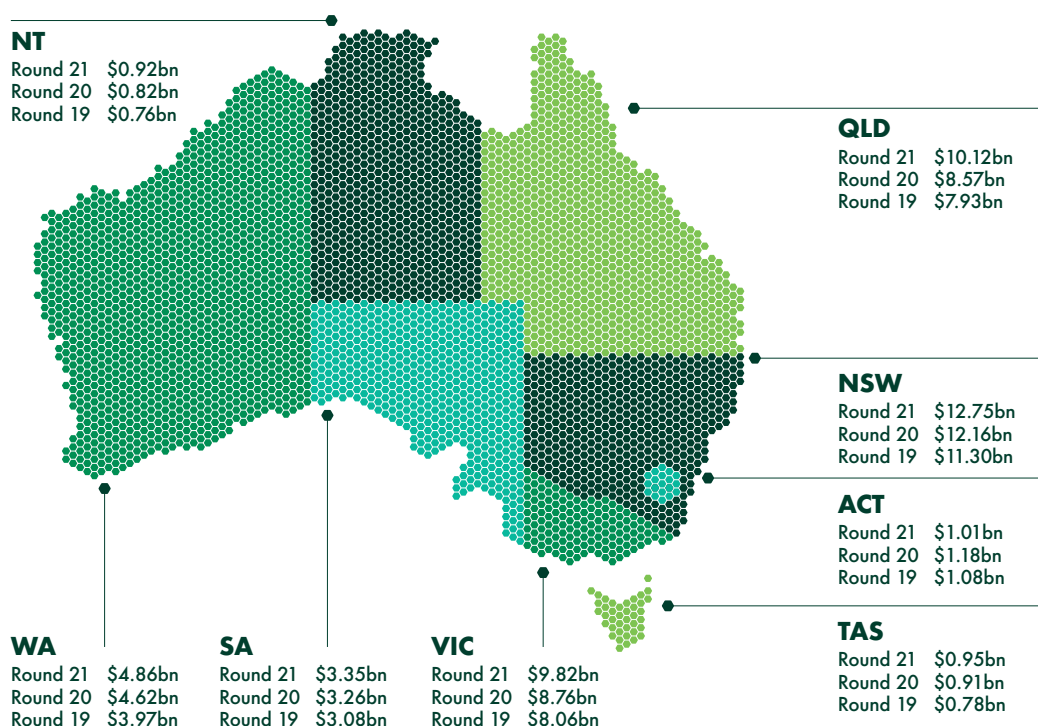
Total expenditure (\$billions) per activity stream *



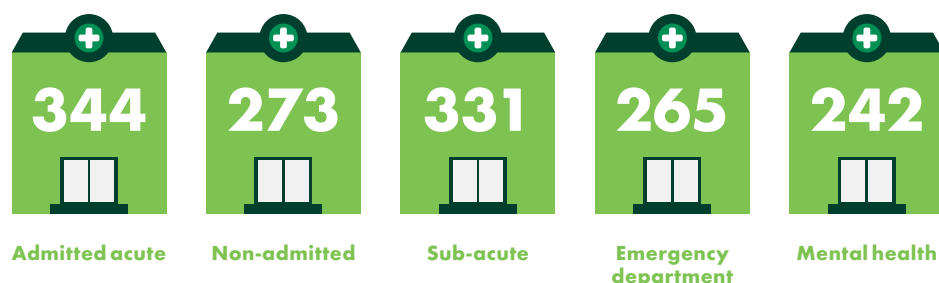
*Costs that cannot be classified by one of the five activity streams – such as Boarders, Organ Procurement, Research and Teaching – are categorised as ‘other’. These amounted to \$34.8m (Round 21), \$95.5m (Round 20), and \$52.1m (Round 19).

Total expenditure by jurisdiction

Total expenditure (R21)
\$43.77bn



Number of hospitals that provided each care type



451

unique public hospitals submitted cost data – an increase of 108 since Round 20.

Number of encounters per activity stream

	R19	R20	R21
Admitted acute separations	5,282,814	5,409,217	5,773,102
Non-admitted service events	17,141,757	17,818,436	18,592,529
Sub-acute & non-acute separations	193,637	197,879	199,558
Emergency department presentations	6,870,904	7,221,784	7,662,322
Mental health cost items	N/A	82,970	237,826

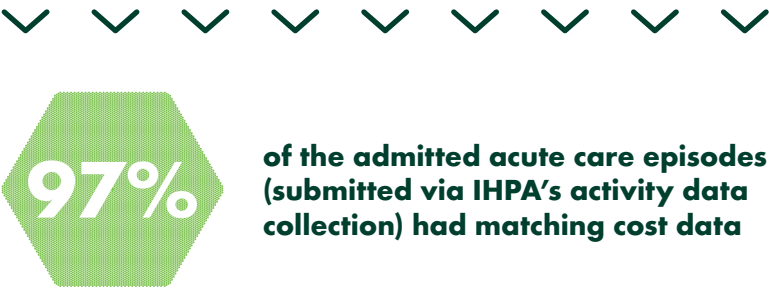
Total number of encounters (R 21)

32,465,337

Costed Activity

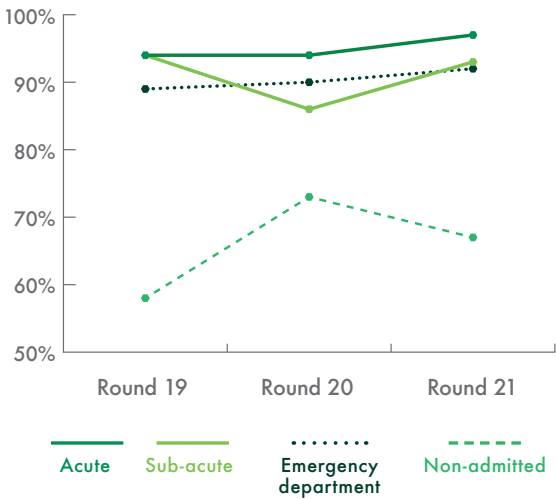
In addition to cost data submitted via the NHCDC, jurisdictions submit activity data to IHPA for activity-based funding purposes. When both activity and NHCDC cost data relating to a particular patient episode are submitted, IHPA links the data.

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



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

Level of costed activity, Round 19–21



Average cost

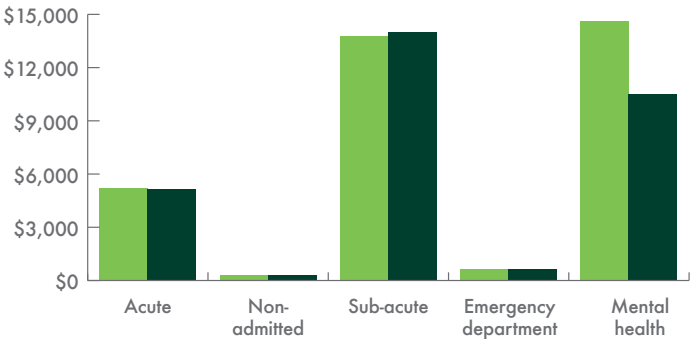
The average cost of each activity type has remained similar between Rounds 20 and 21.

The exception to this is Mental health, where activity is increasingly being reported by phase rather than episode, resulting in shorter lengths of stay and a reduction in average cost.

\$5,171

In Round 21, the average cost of an admitted acute separation was \$5,171 compared with \$5,217 in Round 20.

Average cost per episode Round 20 Round 21



The reduction in the average cost of an admitted acute separation reflects the reduction in the average length of stay (from 2.53 to 2.43 days) and the share of same-day separations increasing (from 54.6% to 55.7% of all acute separations).



Cost buckets

IHPA reports on cost data submitted to the NHCDC using cost buckets. Cost buckets represent cost pools within a hospital that 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 (17% of costs), sub-acute (32%) and mental health (34%) activity streams.

Average share of costs, selected cost buckets, by activity stream (Round 21)

Cost bucket	Acute (%)	Sub-acute (%)	Emergency Dept. (%)	Non-admitted (%)	Mental Health (%)
Ward Medical	10.8	11.9	1.4	17.8	14.0
Ward Nursing	17.3	32.4	1.1	12.6	33.5
Allied Health	3.1	11.7	0.5	11.0	7.1
Non Clinical	5.9	11.0	1.8	9.1	12.3
On-costs	7.1	9.7	7.8	7.1	8.7
Pathology	3.4	1.1	6.8	4.9	0.8
Imaging	2.4	0.8	9.3	5.5	0.3
Prosthesis	2.9	0.1	0.0	0.3	0.0
Average total cost	\$5,171	\$13,997	\$666	\$309	\$10,538