

National Healthcare Agreement: PI 69-Cost per casemix adjusted separation, 2012 QS

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Identifying and definitional attributes

Metadata item type:	Data Quality Statement
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Data quality

Data quality statement summary:

- The National Hospital Morbidity Database (NHMD) and National Public Hospital Establishments Database (NPHEd) are comprehensive datasets. The NHMD has records for all separations of admitted patients from essentially all public hospitals in Australia. The NPHEd contains information on hospital recurrent expenditure for essentially all public hospitals in Australia.
- The comparability of the cost per casemix-adjusted separation in any one year is sensitive to a number of deficiencies in available data:
 - the proportion of recurrent expenditure that relates to admitted patient care is estimated in different ways in different hospitals and is not always comparable
 - capital costs are not included in the numerator. While depreciation information is provided by most jurisdictions, this may vary across states and territories
 - only cost weights applicable to acute care separations are available, so these have been applied to all separations, including the 3 per cent that were not acute. The proportions of separations that are not acute vary across states and territories.
 - the proportions of patients other than public patients vary across states and territories, and the estimation of medical costs for these patients (undertaken to adjust expenditure to resemble what it would be if all patients had been public patients) is subject to error.
- The denominator for the indicator is based on the reported admitted patient activity, adjusted using cost-weights to derive a 'standard' unit of output as an artificial construct.
- Interpretation of the cost per casemix adjusted separation should also take into account variations in costs that may be beyond the call of jurisdictions. For example, the Northern Territory has high staffing and transport costs and treats a greater proportion of Aboriginal and Torres Strait Islander patients than other jurisdictions.

Institutional environment: The Australian Institute of Health and Welfare (AIHW) has calculated this indicator.

The Institute is an independent statutory authority within the Health and Ageing portfolio, which is accountable to the Parliament of Australia through the Minister. For further information see the AIHW website.

The data were supplied to the Institute by State and Territory health authorities. The State and Territory health authorities received these data from public and private hospitals. States and territories use these data for service planning, monitoring and internal and public reporting. Hospitals may be required to provide data to states and territories through a variety of administrative arrangements, contractual requirements or legislation.

States and territories supplied these data under the terms of the National Health Information Agreement (see link).

http://www.aihw.gov.au/committees/simc/final_nhia_signed.doc

Timeliness: The reference period for this data set is 2009-10.

Accessibility:

The AIHW provides a variety of products that draw upon the NHMD and the NPHEd. Published products available on the AIHW website include:

- *Australian hospital statistics* with associated Excel tables.
- Interactive data cubes for Public hospital establishments.

Interpretability:

Supporting information on the quality and use of the NPHEd and NHMD are published annually in *Australian hospital statistics* (technical appendixes), available in hard copy or on the AIHW website. Readers are advised to read caveat information to ensure appropriate interpretation of the performance indicator. Supporting information includes discussion of coverage, completeness of coding, changes in accounting methods and changes in service delivery that might affect interpretation of the published data. Metadata information for the NMDS for Public hospital establishments and Admitted patient care are published in the AIHW's online metadata repository (METeOR) and the *National health data dictionary*.

Relevance:

The purpose of the NMDS for Public hospital establishments is to collect information on the characteristics of public hospitals and summary information on non-admitted services provided by them. The scope is public hospitals in Australia, including public acute hospitals, psychiatric hospitals, drug and alcohol hospitals and dental hospitals in all states and territories. The collection covers hospitals within the jurisdiction of the State and Territory health authorities. Hence, public hospitals not administered by the State and Territory health authorities (hospitals operated by correctional authorities for example, and hospitals located in offshore territories) are not included. The collection does not include data for private hospitals.

The purpose of the NMDS for Admitted patient care is to collect information about care provided to admitted patients in Australian hospitals. The scope of the NMDS is episodes of care for admitted patients in all public and private acute and psychiatric hospitals, free-standing day hospital facilities and alcohol and drug treatment centres in Australia. Hospitals operated by the Australian Defence Force, corrections authorities and in Australia's off-shore territories may also be included. Hospitals specialising in dental, ophthalmic aids and other specialised acute medical or surgical care are included.

The hospital separations data do not include episodes of non-admitted patient care provided in outpatient clinics or emergency departments.

The scope of the analysis includes public hospitals that provide mainly acute care. These are the hospitals in the public hospital peer groups of Principal referral and specialist women's and children's hospitals, Large hospitals, Medium hospitals, and Small acute hospitals. Excluded are Small non-acute hospitals, Multi-purpose services, Hospices, Rehabilitation hospitals, Mothercraft hospitals, Other non-acute hospitals, Psychiatric hospitals, and hospitals in the Unpeered and other hospitals peer group. Also excluded are hospitals for which expenditure or admitted patient care data were incomplete, although most of these were excluded for other reasons (for example, they are small non-acute hospitals).

This indicator is an efficiency indicator, in which the numerator represents the amount of resources used (expenditure) to generate outputs (measured in a standardised way, that is, as cost-weighted separations).

Accuracy:

For 2009-10, coverage of the NPHEd was essentially complete. Almost all public hospitals provided data for the NHMD, with the exception of a mothercraft hospital in the ACT.

States and territories are primarily responsible for the quality of the data they provide. However, the Institute undertakes extensive validation on receipt of data. Data are checked for valid values, logical consistency and historical consistency. Where possible, data in individual data sets are checked with data from other data sets. Potential errors are queried with jurisdictions, and corrections and resubmissions may be made in response to these edit queries. The AIHW does not adjust data to account for possible data errors or missing or incorrect values.

The data are defined in the NMDs detailed above.

However, the comparability of the cost per casemix-adjusted separation in any one year is sensitive to a number of deficiencies in available data:

- the proportion of recurrent expenditure that relates to admitted patient care is estimated in different ways in different hospitals and is not always comparable.
- capital costs are not included in the numerator. While depreciation information is provided by most jurisdictions, this may vary across states and territories.
- only cost weights applicable to acute care separations are available, so these have been applied to all separations, including the 3 per cent that were not acute. The proportions of separations that are not acute vary across states and territories.
- the proportions of patients other than public patients vary across states and territories, and the estimation of medical costs for these patients (undertaken to adjust expenditure to resemble what it would be if all patients had been public patients) is subject to error.

Cells have been suppressed to protect confidentiality (where the numerator would identify a single service provider).

Coherence:

The information presented for this indicator is calculated using the same methodology as data published in *Australian hospital statistics 2009-10*, although it is based on more recent data than presented in that publication.

The denominator for the indicator is based on the reported admitted patient activity, adjusted using cost-weights to derive a 'standard' unit of output as an artificial construct. The estimated number of cost-weighted separations (particularly using constant AR-DRGs and AR-DRG cost weights over time) is for comparison purposes only.

Time series analysis of this indicator is not recommended.

Relational attributes

Related metadata references:

Supersedes [National Healthcare Agreement: PI 69-Cost per casemix adjusted separation, 2011 QS](#)
[Health](#), Superseded 04/12/2012

Indicators linked to this Data Quality statement:

[National Healthcare Agreement: PI 69-Cost per casemix adjusted separation, 2012](#)
[Health](#), Retired 25/06/2013