

Disease expenditure database 2012–13

Identifying and definitional attributes

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Data quality

Quality statement summary:

Summary of key issues

- The disease expenditure database contains estimates of expenditure by each diagnosis reported for admitted patient hospital services.
- Estimates are derived from combining information from the National Hospital Morbidity Database (NHMD), the National Public Hospital Establishments Database (NPHEd), the National Hospital Cost Data Collection (NHCDC) and the health expenditure database.
- The database contains essentially all admitted patient activity and equates to around 30% of total recurrent health expenditure.

Description

The disease expenditure database contains estimates of expenditure by each diagnosis reported for admitted patient hospital services. Admitted patient hospital costs refer to the cost of services for admitted patients in both public and private acute hospitals and psychiatric hospitals, excluding expenditure on medical services provided to private admitted patients in hospitals.

Estimates are derived from combining information from the NHMD; the NPHEd; the NHCDC and the health expenditure database.

Institutional environment: The Australian Institute of Health and Welfare (AIHW) is a major national agency set up by the Australian Government under the *Australian Institute of Health and Welfare Act 1987* to provide reliable, regular and relevant information and statistics on Australia's health and welfare. It is an independent corporate Commonwealth entity established in 1987, governed by the AIHW Board, and accountable to the Australian Parliament through the Health portfolio.

The AIHW aims to improve the health and wellbeing of Australians through better health and welfare information and statistics. It collects and reports information on a wide range of topics and issues, ranging from health and welfare expenditure, hospitals, disease and injury, and mental health, to ageing, homelessness, disability and child protection.

The Institute also plays a role in developing and maintaining national metadata standards. This work contributes to improving the quality and consistency of national health and welfare statistics. The Institute works closely with governments and non-government organisations to achieve greater adherence to these standards in administrative data collections to promote national consistency and comparability of data and reporting.

One of the main functions of the AIHW is to work with the states and territories to improve the quality of administrative data and, where possible, to compile national data sets based on data from each jurisdiction, to analyse these data sets and disseminate information and statistics.

The *Australian Institute of Health and Welfare Act 1987*, in conjunction with compliance to the *Privacy Act 1988* (Cwth), ensures that the data collections managed by the AIHW are kept securely and under the strictest conditions with respect to privacy and confidentiality.

For further information, see the AIHW website www.aihw.gov.au.

The AIHW's expenditure reporting forms Australia's National Health Accounts, which are distinct from, but related to, the National Accounts produced by the Australian Bureau of Statistics (ABS).

The AIHW compiles its Health expenditure database from a wide variety of government and non-government sources. Since 2008–09, the main source of state and territory government expenditure data has been the Government Health Expenditure National Minimum Data Set (GHE NMDS), which comprises data provided by the states and territories to the AIHW. Information about Australian Government expenditure is sourced from the Department of Health, Treasury and other sources.

Other expenditure data are sourced from the Independent Hospital Pricing Authority—an independent government agency established by the Australian Government as part of the *National Health Reform Act 2011*.

Timeliness: The reference period for this data set is 2004–05 to 2012–13. The disease expenditure database can only be updated once the NHMD, NPHEd, NHCDC and health expenditure database have all been updated for the relevant financial year, which is currently a minimum of 15 months after the end of the financial year.

The AIHW first published 2012–13 data from the disease expenditure database in Australia's Health 2016 (AIHW 2016) in September 2016.

Accessibility: Summary information from the database is in:

- *Australian health expenditure—demographics and diseases: hospital admitted patient expenditure 2004–05 to 2012–13*
- *Australia's Health 2016*.

Users can request data not available online or in reports via the AIHW Expenditure and Workforce Unit on (02) 6244 1119 or via email to expenditure@aihw.gov.au. Requests that take longer than half an hour to compile are charged for on a cost-recovery basis.

Interpretability:

Supporting information on the quality and use of the disease expenditure database are published in Health system expenditure on disease and injury in Australia, 2004–05 (technical notes), available on the AIHW website and in the appendices of the *Australian health expenditure—demographics and diseases: hospital admitted patient expenditure 2004–05 to 2012–13* report.

Most important to note is that the hospital admitted patient expenditure database estimates are:

- an estimate based on around 30% of total recurrent health expenditure
- only 1 measure of the size of the disease burden on the community (that is, the 'size of the problem')
- not the same as loss of health due to disease
- not to be regarded as how much would be saved if a specific disease or all diseases were prevented
- not an estimate of the total economic impact of diseases in the Australian community. This is because the estimates do not include non-admitted patients and costs that are not accrued by the health system, such as travel costs of patients, costs associated with the social and economic burden on carers and family, and owing to lost quality and quantity of life.

Relevance:**Scope and coverage**

Admitted patient disease expenditure estimates provide a broad picture of the use of admitted patient hospital resources classified by disease expenditure group, as well as a reference source for planners and researchers interested in costs and use patterns for particular disease expenditure groups.

The disease expenditure database contains an estimate based on around 30% of total recurrent health expenditure.

Statistical standards

Readers need to bear in mind that cost-of-illness data only provide estimates of the impact of a disease on health-care expenditures. The estimates of the cost of treating and/or preventing a disease cannot be used to indicate the loss of health due to that disease.

Care should be taken not to interpret expenditure associated with disease treatment as simply an estimate of the savings that would result from prevention of disease. Conversion of the opportunity cost—or the benefits forgone—of resources being devoted to disease treatment into expenditure savings involves a number of additional considerations (see, for example, AIHW: Mathers et al. 1998).

Accuracy:**Potential sources of error**

The disease expenditure database uses a bottom-up approach to divide known expenditures by demographics and disease.

The NHCDC cost data are only available at the state and territory level rather than for individual hospitals. In using these data, it was assumed that the relative costliness of each Australian Refined Diagnosis Related Group (AR-DRG) was the same for all public hospitals within a particular jurisdiction (nationally, in the case of private hospitals). This can understate the variation in expenditure between hospitals and might impact the characteristics within the data.

Refer to the Data Quality Statements for the NHMD, NPHEd and the health expenditure database for further information on the potential sources of error within these databases.

Data validation

Refer to the Data Quality Statements for the NHMD, NPHEd and the health expenditure database for further information on the potential sources of error within these databases.

Coherence: To ensure consistency between the disease expenditure database and associated burden of disease (ABDS) projects, the disease expenditure groups used in the 2012–13 admitted patient expenditure estimates were based on the 17 ABDS groups that were published in Australian Burden of Disease Study: fatal burden of disease 2010 (AIHW 2015). All ICD-10-AM codes were mapped to the relevant ABDS group and 4 new groups—Examination and observation NEC (not elsewhere classified), Physical, behavioural and social problems NEC, Interventions NEC and Symptoms NEC were included to complete the disease expenditure group categorisation (AIHW 2015).

The methodology used to estimate expenditures for admitted patient hospital services is consistent between 2004–05 and 2012–13. Hence, time series comparisons for admitted patient hospital services are possible. Due to the changes in methodology these estimates are not comparable with estimates of disease expenditure using previous methods.

Data products

Implementation start date: 06/02/2013

Source and reference attributes

Reference documents: AIHW 2015. Australian Burden of Disease Study: fatal burden of disease 2010. Australian Burden of Disease Study series no. 1. Cat. no. BOD 1. Canberra: AIHW.

AIHW 2016. Australia's health 2016. Australia's health series no. 15. Cat. no. AUS 199. Canberra: AIHW.

AIHW: Mathers C, Stevenson C, Carter R & Penm R 1998. Disease costing methodology used in the Disease Costs and Impact Study 1993–94. Health and welfare expenditure series no. 3. Cat. no. HWE 7. Canberra: AIHW.

Relational attributes

Related metadata references: Supersedes [Disease expenditure database 2008-09](#)

- [AIHW Data Quality Statements](#), Superseded 31/10/2017