

Appendix E: National Hospital Cost Data Collection

The National Hospital Cost Data Collection (NHCDC) was established to produce annual updates of Australian Refined Diagnosis Related Group (AR-DRG) cost weights and estimated average costs, as incorporated into tables in chapters 3, 4 and 6. This report uses the cost data for acute admitted patients only. Unless otherwise specified, the cost weight data in this report applies public hospital cost weight data for AR-DRG version 6.0x (IHPA 2013a) to the AR-DRGs reported in version 6.0x.

The NHCDC comprises a voluntary collection of hospital cost and activity data covering the financial year before the collection period, and is coordinated by the Independent Hospitals Pricing Authority (IHPA). Both public and private hospital data are usually included, with the results separately reported for the two sectors. The latest data available at the time of publication of this report were for the 2010–11 financial year (Round 15) for public hospitals (IHPA 2013a) and the 2011–12 financial year (Round 16) for private hospitals (IHPA 2013b).

Cost weights and associated tables for each round of the NHCDC can be obtained from the NHCDC pages of the IHPA website at <www.ihsa.gov.au>.

Public hospitals

For 2010–11, the NHCDC involved arrangements whereby the hospital data were collected by the individual hospitals, and checked and validated by state/territory coordinators before being passed on to the IHPA. The production and publication of the final cost weights and associated tables followed extensive quality assurance procedures undertaken by the IHPA and endorsement of the results by the states and territories.

In 2010–11, 352 public hospitals participated in the NHCDC. The total number of public hospital separations reported to the NHCDC was approximately 92% of total acute separations within the year (IHPA 2013a).

Private hospitals

For the 2011–12 private sector cost weights, the NHCDC involved arrangements where individual private hospitals submitted data to PricewaterhouseCoopers Australia (PwC). Data for the majority of hospitals were cost-modelled by PwC. The production and publication of the final cost weights and associated tables followed extensive quality assurance procedures undertaken by the PwC in consultation with, and endorsed by, private hospitals.

For 2011–12, 105 overnight private hospitals participated in the NHCDC Round 16. These hospitals accounted for about 66% of separations for overnight private hospitals (IHPA 2013b).