

## Appendix C: Public hospital peer groups

This report uses a new public hospital peer group classification, developed by the AIHW in consultation with the Australian Hospital Statistics Advisory Committee. An AIHW report on the new peer group classification will be released later in 2014 (*Australian hospital peer groups 2014*, AIHW forthcoming). This appendix presents a summary of the method used to develop the new peer groups.

Since 1999, AIHW has grouped public hospitals into peer groups when reporting hospital data. This reflects the need to compare hospitals against other hospitals with similar characteristics when reporting statistics and monitoring performance.

The AIHW's original peer grouping was developed with the National Health Ministers' Benchmarking Working Group (NHMBWG) and the National Health Performance Committee (NHPC). It was developed to examine variability in the average cost per casemix-adjusted separation and to group hospitals into broadly similar groups in terms of their range of admitted patient activities.

This grouping was first published in *Australian hospital statistics 1998-99* (AIHW 2000) and continued to be used in all subsequent *Australian hospital statistics* publications until the 2011-12 report. It grouped hospitals based on a number of criteria, including specialisation of hospital (categories such as multi-purpose services, hospices, rehabilitation, mothercraft, psychiatric or other non-acute; categorisation was based on advice from states and territories); workload of hospital, measured in acute separations or acute weighted separations; and geographic location (see Table C1).

However, changes in hospital workloads and work practices over time highlighted the need for a review of the appropriateness of the peer groups.

The new AIHW peer grouping has been developed as a flexible and robust system for the categorisation of hospitals into peer groups:

- The groups are based on logical groupings of hospitals according to available data. It is based on a broader range of hospital data sources than the original peer group classification and does not rely on advice from state and territories to create particular groups.
- The grouping is intended to be multi-purpose. The peer groups were defined according to common criteria and not for any particular type of statistical analysis or performance reporting purpose. They should be useful for a range of different purposes.
- The grouping is intended to be stable over time. The individual groups have been defined by the type and nature of the services provided rather than by size-based characteristics which can change through activity increases. The stability of the grouping membership was also tested using several years of data.

A summary of the new peer group classification is presented in Table C2. The peer group to which each public hospital was assigned for 2012-13 is included in Table CS.1 accompanying this report online and includes the previous peer group for information.

**Table C1: Public hospital peer group classification, 1999 to 2013**

Peer group	Subgroup	Code	Definition
Principal referral and specialist women's and children's hospitals	Principal referral	A1	Major city hospitals with >20,000 acute casemix-adjusted separations, and Regional hospitals with >16,000 acute casemix-adjusted separations per annum.
	Specialist women's and children's	A2	Specialised acute women's and children's hospitals with >10,000 acute casemix-adjusted separations per annum.
Large hospitals	Major city	B1	Major city acute hospitals treating more than 10,000 acute casemix-adjusted separations per annum.
	Regional and Remote	B2	Regional acute hospitals treating >8,000 acute casemix-adjusted separations per annum, and Remote hospitals with >5,000 casemix-adjusted separations.
Medium hospitals	Group 1	C1	Medium acute hospitals in Regional and Major city areas treating between 5,000 and 10,000 acute casemix-adjusted separations per annum.
	Group 2	C2	Medium acute hospitals in Regional and Major city areas treating between 2,000 and 5,000 acute casemix-adjusted separations per annum, and acute hospitals treating <2,000 casemix-adjusted separations per annum but with >2,000 separations per annum.
Small acute hospitals	Regional	D1	Small Regional acute hospitals (mainly small country town hospitals), acute hospitals treating <2,000 separations per annum, and with less than 40% non-acute and outlier patient days of total patient days.
	Remote	D3	Small Remote hospitals (<5,000 acute casemix-adjusted separations but not 'multi-purpose services' and not 'small non-acute'). Most are <2,000 separations.
Sub-acute and non-acute hospitals	Small non-acute	D2	Small non-acute hospitals, treating <2,000 separations per annum, and with more than 40% non-acute and outlier patient days of total patient days.
	Multi-purpose services	E2	
	Hospices	E3	
	Rehabilitation	E4	
	Mothercraft	E5	
Other non-acute		E9	For example, geriatric treatment centres combining rehabilitation and palliative care, with a small number of acute patients.
		G	Prison medical services, dental hospitals, special circumstance hospitals, Major city hospitals with <2,000 acute casemix-adjusted separations, hospitals with <200 separations etc.
Unpeered and other hospitals			
Psychiatric hospitals		F	

**Table C2: List of new peer groups including number of public hospitals, 2012–13**

<b>Group</b>	<b>Description</b>	<b>Public hospitals</b>
<b>Acute public hospitals</b>	<b>Are identified according to the hospital's service profile:</b>	
<b>Principal referral hospitals</b>	Provide a very broad range of services, including some very sophisticated services, and have very large patient volumes. Most include an intensive care unit, a cardiac surgery unit, a neurosurgery unit, an Infectious diseases unit and a 24-hour emergency department	29
<b>Large acute hospitals</b>	Provide a wide range of services to a large number of patients and are usually situated in metropolitan centres or inner regional areas. Most have an intensive care unit and a 24-hour emergency department. They are among the largest hospitals, but provide a narrower range of services than the Principal referral group. They have a range of specialist units, potentially including bone marrow transplant, coronary care and oncology units	62
<b>Medium acute hospitals</b>	Most have a 24-hour emergency department and perform elective surgery. They provide a narrower range of services than the Principal referral and Large acute groups. They have a range of specialist units, potentially including obstetrics, paediatrics, psychiatric and oncology units.	45
<b>Small acute hospitals</b>		
Small hospitals with surgery and/or obstetrics	These hospitals usually provide an obstetric unit, surgical services and some form of emergency facility. Generally smaller than the Medium acute hospitals.	143
Other small hospitals	Often situated in regional and remote areas and offer a smaller range of services relative to the other public acute hospitals groups. Hospitals in this group tend to have a greater proportion of non-acute separations compared with the larger acute public hospitals.	191
<b>Very small hospitals</b>	Generally provide less than 200 admitted patient separations each year.	136
<b>Specialist hospital groups</b>	<b>Perform a readily identified role within the health system</b>	
<b>Women's and children's hospitals</b>		<b>12</b>
Children's hospitals	Specialise in the treatment and care of children	6
Women's hospitals	Specialise in treatment of women	5
Women's and children's hospitals	Specialise in the treatment of both women and children	1
<b>Early parenting centres</b>	Specialise in care and assistance for mothers and their very young children	8
<b>Drug and alcohol hospitals</b>	Specialises in the treatment of disorders relating to drug or alcohol use	2
<b>Psychiatric hospitals</b>	Specialise in providing psychiatric care and/or treatment for people with a mental disorder or psychiatric disability	
Psychogeriatric hospitals	Specialise in the psychiatric treatment of older people	7
Child, adolescent and young adult psychiatric hospitals	Specialise in the psychiatric treatment of children and young people	4
General acute psychiatric hospitals	Provide acute psychiatric treatment	5
General non-acute psychiatric hospitals	Provide non-acute psychiatric treatment—mainly to the general adult population	6
Forensic psychiatric hospitals	Provide assessment and treatment of people with a mental disorder and a history of criminal offending, or those who are at risk of offending	5

**Table C2 (continued): List of new peer groups including number of public hospitals, 2012–13**

<b>Group</b>	<b>Description</b>	<b>Public hospitals</b>
<b>Same day hospitals</b>	Treat patients on a same-day basis. The hospitals in the same day hospital peer groups tend to be highly specialised.	
Other day procedure hospitals	Provide a variety of specialised services on a same day basis.	4
<b>Other acute specialised hospitals</b>	Specialise in a particular form of acute care, not grouped elsewhere. This group is too diverse to be considered a peer group for comparison purposes. It includes hospitals that specialise in the treatment of cancer, rheumatology, eye, ear and dental disorders.	3
<b>Subacute and non-acute hospitals</b>		
Rehabilitation and geriatric evaluation and management hospitals	Primarily provide rehabilitation and/or geriatric evaluation and management in which the clinical purpose or treatment goal is improvement in the functioning of a patient	14
Mixed subacute and non-acute hospitals	Primarily provide a mixture of subacute (rehabilitation, palliative care, geriatric evaluation and management, psychogeriatric care) and non-acute (maintenance) care that is not covered by the hospitals in the rehabilitation and geriatric evaluation and management hospital peer group	26
<b>Outpatient hospitals</b>	Provide a range of non-admitted patient services. Generally do not admit patients.	44
<b>Unpeered hospitals</b>	Could not be placed in one of the other peer groups.	11