2 Overview: 2004–05 to 2008–09

This chapter presents an overview of hospital resources and hospital activity between 2004–05 and 2008–09.

What data are reported?

Data on hospital resources

Data on hospital resources include the number of public and private hospitals, the number of public and private hospital beds, public hospital expenditure, public hospital revenue and public hospital staffing.

Information on public hospital resources was sourced from the National Public Hospital Establishments Database (NPHED) (see *Appendix 1*). Information on private hospital resources was sourced from the Australian Bureau of Statistics' (ABS) Private Health Establishments Collection (PHEC) to 2006–07. For 2008–09, information on the number of private hospitals and private hospital beds was mainly provided by states and territories. Information on the number of *Private free-standing day hospital facilities* and beds for New South Wales, South Australia and the Northern Territory was sourced from the Department of Health and Ageing (DoHA 2010, unpublished data) as data were not available from states and territories (see *Appendix 1*). Private hospital expenditure and revenue information for 2008–09 was sourced from *Private hospitals Australia 2008–09* (ABS 2010).

Data on hospital activity

Data on hospital activity include summary information on non-admitted and admitted patient activity in public and private hospitals.

Information on non–admitted patient services in public hospitals was sourced from the NPHED. Information on non-admitted patient services in private hospitals was from the *Private hospitals Australia* reports published by the ABS (ABS 2010, 2008, 2007 etc). Information on admitted patient services was derived from the National Hospital Morbidity Database (NHMD) for both public and private hospitals.

Box 2.1 What are the limitations of the data?

Data on hospital resources and activity are affected by changes in coverage and administrative and reporting arrangements (see *Appendix 2*). When interpreting the data presented, readers should note the following:

- Coverage of the databases may vary between reporting years. Detailed information on the coverage of each database is provided in *Appendix 2*.
- Reporting arrangements may vary between jurisdictions for hospitals that are privately or publicly owned and/or operated and predominantly provide public hospital services. Most of these are reported as public hospitals, but some are reported as private hospitals (see *Appendix 1*).
- Hospitals may be re-categorised as public or private between or within years. For example, there have been changes in reporting arrangements for the Mersey Community Hospital in Tasmania between years. *Appendix 2* presents detailed information on re-categorisation of hospitals and hospital amalgamations.
- Changes in accounting practices can affect the comparability of financial data over time. For example in 2007–08, South Australia changed from cash accounting to accrual accounting and Tasmania changed accrual accounting policy. Tasmania also included corporate overheads in expenditure, which may or may not be fully included by other states or territories.
- Capital formation expenditure is not reported in this publication. Not all jurisdictions were able to report using the *National health data dictionary* (HDSC 2006) categories and the comparability of the data may not be adequate for reporting.
- Reporting arrangement for non-admitted patient activity varied significantly across years. States and territories may also differ in the extent to which outpatient and other non-admitted services are provided in non–hospital settings (such as community health centres), which are beyond the scope of the AIHW hospital databases.
- Admission practices varied between public and private sectors, states and territories, and over time (see *Appendix 1*). For example, there was variation in admission practices for services such as chemotherapy and endoscopy. As a result, people receiving the same type of service may be counted as same-day admitted patients in some hospitals, and as non-admitted patients in other hospitals.
- Statistics on separations for admitted patients may be affected by variations in statistical admission and statistical separation practices across states and territories, and the way in which hospital stays for *Newborns* were reported (see *Appendix 1)*.
- In 2008–09, Western Australia did not provide data for approximately 3,000 admitted patient separations. Approximately 2,700 of those separations were from public hospitals.
- In 2004–05, there was a 21% shortfall in admitted patient separations reported for Tasmanian private hospitals. In addition, the hospital type was not specified for Tasmanian private hospitals reporting to the NHMD. Data for that year for Tasmania, the Northern Territory and the Australian Capital Territory (ACT) are included in the total for private hospitals but not the private hospital subcategories.
- Admitted patient data for a small number of private hospitals were missing for short periods in 2004–05 in Victoria and in the ACT across all years.

Box 2.2 What methods were used?

The following methods have been applied for presentations in this chapter.

- Time series data are presented in this chapter showing average annual changes from 2004–05 to 2008–09 or the latest available year of data, and annual change between 2007–08 and 2008–09 or the change between the two latest available years of data if the 2008–09 data are unavailable. Annual change rates are not adjusted for any changes in data coverage and/or change in categorisation of hospitals as public or private.
- Expenditure and Revenue are presented in both current price and constant price terms. Current prices refer to amounts as reported, unadjusted for inflation. Current price amounts are less comparable between years than constant price amounts. Constant price values are adjusted for inflation and are expressed in terms of prices in reference year. The ABS Government Final Consumption Expenditure, State and Local – Hospitals & Nursing Homes deflator was used for public hospitals. The ABS Household Final Consumption Expenditure Hospital Services deflator was used for private hospitals.
- The Mersey Community Hospital data was included with private hospitals in presentations of hospital resources, and of admitted patient activity.
- The Mersey Community Hospital data was included with public hospitals in presentations of non-admitted patient activity and for elective surgery waiting times data.
- Separations for which the care type was reported as *Newborn* with no qualified days, and records for *Hospital boarders* and *Posthumous organ procurement* have been excluded from statistics on separations.
- Separations per 1,000 population and Patient days per 1,000 population are reported as directly age-standardised rates based on Australian population as at 30 June of the year of interest. The Australian population as at 30 June 2001 is used as the reference population. Age-standardisation of rates enables valid comparison across years and/or jurisdictions without being skewed by the difference in age distributions. Further information about age-standardisation is presented in *Appendix 1*.
- Average cost weights comparisons are based on the latest available public and private cost weights and the relevant Australian Refined Diagnosis Related Group (AR-DRG) versions applying to each year. In Table 2.9, public sector cost weights have also been used for private hospitals to enable comparison with public hospitals. Further information about the AR-DRG classification and cost weights is included in *Appendix 1*.
- The Relative stay index (RSI) is calculated as the actual number of patient days for separations in selected AR-DRGs (version 5.2) divided by the expected number of patient days (based on national figures for the years 2004–05 to 2008–09 combined) and standardised for casemix. Further information on the calculation of the RSI is presented in *Appendix 1*.
- For reasons of confidentiality, data for private hospitals in Tasmania, the Australian Capital Territory and the Northern Territory have not been published.

Hospital resources 2004–05 to 2008–09

The hospital types reported in this chapter are:

- public acute hospitals and public psychiatric hospitals (public hospitals)
- private free-standing day hospital facilities and other private hospitals (private hospitals).

How many hospitals?

In 2008–09, there were 756 public hospitals and 561 private hospitals, compared with 762 public hospitals and 552 private hospitals in 2007–08 (Table 2.1).

More information on the types of hospitals, and their distribution by state and territory in 2008–09 is provided in *Chapter 4*.

Table 2.1: Public and private hospitals[a], 2004–05 to 2008–09

						Change (per cent)	
	2004–05[b]	2005–06[c]	2006–07[d]	2007–08	2008–09	Ave since 2004–05	Since 2007–08
Public hospitals							
Public acute hospitals	739	736	739	742	737	–0.1	–0.7
Public psychiatric hospitals	20	19	19	20	19	–1.3	–5.0
Total	*759*	*755*	*758*	*762*	*756*	*–0.1*	*–0.8*
Private hospitals							
Private free-standing day hospital facilities	247	256	268	272	285	3.6	4.8
Other private hospitals	285	291	289	280	276	–0.8	–1.4
Total	*532*	*547*	*557*	*552*	*561*	*1.3*	*1.6*
All hospitals	**1,291**	**1,302**	**1,315**	**1,314**	**1,317**	**0.5**	**0.2**

Notes: See Boxes 2.1 and 2.2 for notes on data limitations and methods.

(a) The number of hospitals reported can be affected by administrative and/or reporting arrangements and is not necessarily a measure of the number of physical hospital buildings or campuses (see *Appendix 1*).

(b) In 2004–05, the Western Australian Department of Health purchased two private hospitals and they were amalgamated with existing public hospitals.

(c) In 2005–06, two hospitals in Melbourne were amalgamated.

(d) In 2006–07, there were two new public hospitals created in Western Australia, which covered contracted public hospital services previously provided by two private hospitals.

Abbreviations: Ave—average.

How many beds?

Between 2004–05 and 2008–09, hospital bed numbers rose overall, but there was variation in the size and direction of the changes in bed numbers for public and private hospitals (Table 2.2). The number of average available beds per 1,000 population declined for both public and private hospitals over that period.

Table 2.2: Public and private hospital average available beds[a] and number of average available beds per 1,000 population[b], 2004–05 to 2008–09

						Change (per cent)	
	2004–05	2005–06	2006–07	2007–08	2008–09	Ave since 2004–05	Since 2007–08
Public hospitals							
Public acute hospitals	52,806	52,236	53,563	54,137	54,338	0.7	0.4
Public psychiatric hospitals	2,487	2,366	2,341	2,330	2,140	–3.7	–8.2
Total	*55,293*	*54,601*	*55,904*	*56,467*	*56,478*	*0.5*	*0.0*
Average available beds per 1,000 population[b]	*2.73*	*2.66*	*2.68*	*2.66*	*2.61*	–1.1	–1.9
Private hospitals[c]							
Private free-standing day hospital facilities	2,078	2,114	2,251	2,151	2,168	1.1	0.8
Other private hospitals	24,346	24,113	24,427	25,617	25,298	1.0	–1.2
Total	*26,424*	*26,227*	*26,678*	*27,768*	*27,466*	*1.0*	*–1.1*
Average available beds per 1,000 population[b]	*1.30*	*1.28*	*1.28*	*1.31*	*1.27*	–0.7	–2.9
All hospitals	**81,717**	**80,828**	**82,582**	**84,235**	**83,944**	**0.7**	**–0.3**
Average available beds per 1,000 population[b]	**4.03**	**3.93**	**3.96**	**3.97**	**3.88**	**–1.0**	**–2.2**

Notes: See Boxes 2.1 and 2.2 for notes on data limitations and methods.

(a) Comparability of bed numbers can be affected by the range and types of patients treated by a hospital (casemix) with, for example, different proportions of beds being available for special and more general purposes. Public and private hospital bed numbers presented are based on different definitions (see *Appendix 1*). Bed numbers may not be comparable with previous editions of *Australian hospital statistics* due to revision of historic bed counts. The Australian Bureau of Statistics' *Private hospitals Australia* reported 27,180 private hospital beds/chairs (ABS 2010).

(b) Average available beds per 1,000 population is a crude rate based on Australian population as at the 31 December of the year in question.

(c) In 2007–08, Victorian private hospital changed the basis of counting beds from average available beds to licensed (registered) beds. This resulted in an increase of 783 beds in 2007–08 compared to 2006–07 for Victorian private hospitals.

Abbreviations: Ave—average.

Did hospital expenditure and revenue change?

Recurrent expenditure for public hospitals in 2008–09 was $31.3 billion in current price terms (unadjusted for inflation), an increase of 8.4% from 2007–08 (Table 2.3). In constant price terms (adjusted for inflation) the increase in recurrent expenditure for public hospitals was 5.0% between 2007–08 and 2008–09 (Table 2.3). Total revenue for public hospitals increased in constant price terms by an average of 7.7% annually between 2004–05 and 2008–09 (Table 2.3).

Table 2.3: Recurrent expenditure and revenue ($ million), public and private hospitals, 2004–05 to 2008–09

						Change (per cent)	
	2004–05	2005–06	2006–07	2007–08	2008–09	Ave since 2004–05	Since 2007–08
Total recurrent expenditure, constant prices[(a)]							
Public hospitals[(b)]	24,167	25,685	27,075	28,908	30,352	5.9	5.0
Private hospitals[(c)]	6,974	7,133	7,182	n.a.	7,669	2.4	n.a.
All hospitals	**31,141**	**32,818**	**34,257**	**n.a.**	**38,021**	**5.1**	**n.a.**
Total recurrent expenditure, current prices							
Public hospitals[(b)]	21,557	23,964	26,290	28,908	31,323	9.8	8.4
Private hospitals[(c)]	6,144	6,498	6,967	n.a.	8,137	7.3	n.a.
All hospitals	**27,701**	**30,462**	**33,256**	**n.a.**	**39,460**	**9.2**	**n.a.**
Total revenue, constant prices[(a)]							
Public hospitals	2,143	2,313	2,488	2,691	2,883	7.7	7.1
Private hospitals	7,519	7,685	7,773	n.a.	8,466	3.0	n.a.
All hospitals	**9,661**	**9,998**	**10,260**	**n.a.**	**11,348**	**4.1**	**n.a.**
Total revenue, current prices							
Public hospitals	1,911	2,158	2,415	2,691	2,975	11.7	10.5
Private hospitals	6,624	7,001	7,539	n.a.	8,982	7.9	n.a.
All hospitals	**8,535**	**9,159**	**9,955**	**n.a.**	**11,957**	**8.8**	**n.a.**

Private hospitals expenditure and revenue data were sourced from *Private hospitals Australia, 2008–09* (ABS 2010).

Notes: See Boxes 2.1 and 2.2 for notes on data limitations and methods.

(a) Expressed in terms of prices in the reference year 2007–08. The ABS Government Final Consumption Expenditure, State and Local – Hospitals & Nursing Homes deflator was used for public hospitals. The ABS Household Final Consumption Expenditure Hospital Services deflator was used for private hospitals.

(b) Excludes depreciation.

(c) Includes depreciation.

Abbreviations: Ave—average.

How many people were employed in public hospitals?

Between 2004–05 and 2008–09, the numbers of full-time equivalent staff employed in public hospitals in Australia increased by an average of 3.9% per annum. There was variation in the relative size and direction of change across staff categories during this period (Table 2.4).

Table 2.4: Full-time equivalent staff[(a)], public hospitals, 2004–05 to 2008–09

						Change (per cent)	
	2004–05	2005–06	2006–07	2007–08	2008–09	Ave since 2004–05	Since 2007–08
Salaried medical officers	21,394	22,858	24,526	26,996	29,166	8.1	8.0
Total nurses	93,992	99,008	103,960	107,089	111,870	4.4	4.5
Diagnostic and allied health professionals	30,502	32,232	34,241	36,013	35,506	3.9	–1.4
Administrative and clerical staff	32,895	33,704	36,843	36,909	37,640	3.4	2.0
Other personal care staff, Domestic and other staff[(b)]	32,862	33,577	35,147	33,337	32,713	–0.1	–1.9
Total staff[(a)]	**211,645**	**221,379**	**234,717**	**240,344**	**246,895**	**3.9**	**2.7**

Private hospitals expenditure and revenue data were sourced from *Private hospitals Australia, 2008–09* (ABS 2010).

Notes: See Boxes 2.1 and 2.2 for notes on data limitations and methods.

(a) The number of *Visiting medical officers* (VMOs), who are contracted by hospitals to provide services to public patients and paid on a sessional or fee-for-service basis in public hospitals, is not available and hence not included in *Total staff*.

(b) *Other personal care staff* FTE numbers were not supplied for some jurisdictions and these amounts may be included in other staffing categories.

Abbreviations: Ave—average.

Hospital activity 2004–05 to 2008–09

How much non-admitted patient activity?

Hospitals provide services to non-admitted patients through accident and emergency departments, outpatient clinics and a range of other services. Overall, the number of non-admitted patient occasions of service provided by *Public acute hospitals* increased by 3.5% per annum between 2004–05 and 2008–09 (Table 2.5).

Table 2.5: Non-admitted patient occasions of service ('000)[(a)], public[(b)(c)] and private hospitals, 2004–05 to 2008–09

						Change (per cent)	
	2004–05	2005–06	2006–07	2007–08	2008–09	Ave since 2004–05	Since 2007–08
Public acute hospitals[(c)]	42,759	44,750	46,141	48,355	49,161	3.5	1.7
Other private hospitals	1,780	1,734	1,743	n.a.	2,026	3.3	n.a.
Total	**44,539**	**46,484**	**47,884**	**n.a.**	**51,186**	**3.5**	**n.a.**

Notes: See Boxes 2.1 and 2.2 for notes on data limitations and methods.

(a) Excludes group occasions of service.

(b) Excludes *Public psychiatric hospitals*.

(c) Includes data for the Mersey Community Hospital for 2007–08 and 2008–09.

Abbreviations: Ave—average.

How much admitted patient activity?

Admission to hospital is a formal process, and follows a decision made by a medical officer that a patient needs to be admitted for appropriate management or treatment of their condition, or for appropriate care or assessment of needs.

Separation is the term used to refer to the episode of admitted patient care, which can be a total hospital stay (from admission to discharge, transfer or death) or a portion of a hospital stay beginning or ending in a change of type of care (for example, from acute to rehabilitation). **'Separation'** also means the process by which an admitted patient completes an episode of care by being discharged, dying, transferred to another hospital or by a change of care type.

Between 2004–05 and 2008–09, the overall number of hospital separations rose from 7.0 million to 8.1 million separations. The rate of growth in separations was higher for private hospitals than for public hospitals. In 2008–09, private hospitals accounted for 40% of separations, compared to 39.1% in 2004–05 (Table 2.6). Over the same period, there was a fall in separations from *Public psychiatric hospitals*. In part, this reflects a change of service delivery arrangements such as a shift from *Public psychiatric hospitals* to *Public acute hospitals* and to residential care.

Between 2007–08 and 2008–09, separations increased by 3.2% for public acute hospitals and by 4.1% for private hospitals. Adjusting for the shortfall of 3,000 separations for Western Australia did not affect the estimated change in separations between 2007–08 and 2008–09.

Table 2.6: Separations ('000), public and private hospitals, 2004–05 to 2008–09

						Change (per cent)	
	2004–05	2005–06	2006–07	2007–08	2008–09	Ave since 2004–05	Since 2007–08
Public hospitals							
Public acute hospitals	4,261	4,451	4,646	4,729	4,880	3.5	3.2
Public psychiatric hospitals	16	16	15	15	11	–8.5	–24.6
Total	*4,276*	*4,466*	*4,661*	*4,744*	*4,891*	*3.4*	*3.1*
Private hospitals							
Private free-standing day hospital facilities	520	547	570	668	729	8.8	9.2
Other private hospitals	2,222	2,298	2,371	2,462	2,528	3.3	2.7
Total	*2,742*	*2,846*	*2,942*	*3,130*	*3,257*	*4.4*	*4.1*
All hospitals	**7,019**	**7,312**	**7,603**	**7,874**	**8,148**	**3.8**	**3.5**

Notes: See Boxes 2.1 and 2.2 for notes on data limitations and methods.

Abbreviations: Ave—average.

Between 2004–05 and 2008–09, the number of separations per 1,000 population rose by 1.6% per year overall, with growth observed in all types of hospitals apart from *Public psychiatric hospitals* (Table 2.7). The separation rate for *Public psychiatric hospitals* declined by 26.5% between 2007–08 and 2008–09 and on average declined by 10.0% per year between 2004–05

and 2008–09. The highest growth in separation rate was observed in *Private free-standing day hospital facilities*.

Table 2.7: Separations per 1,000 population[(a)], public and private hospitals, 2004–05 to 2008–09

						Change (per cent)	
	2004–05	2005–06	2006–07	2007–08	2008–09	Ave since 2004–05	Since 2007–08
Public hospitals							
Public acute hospitals	207.6	212.9	217.8	216.9	218.8	1.3	0.9
Public psychiatric hospitals	0.8	0.8	0.7	0.7	0.5	–10.0	–26.5
Total	*208.4*	*213.6*	*218.5*	*217.6*	*219.3*	*1.3*	*0.8*
Private hospitals							
Private free-standing day hospital facilities	25.2	26.0	26.5	30.3	32.4	6.5	6.8
Other private hospitals	107.2	108.6	109.6	111.4	111.9	1.1	0.5
Total	*132.4*	*134.6*	*136.2*	*141.7*	*144.3*	*2.2*	*1.8*
All hospitals	**340.7**	**348.2**	**354.7**	**359.3**	**363.6**	**1.6**	**1.2**

Notes: See Boxes 2.1 and 2.2 for notes on data limitations and methods.

(a) Separation rates are directly age-standardised to the Australian population as at 30 June of each year. The Australian population as at 30 June 2001 is used as the reference population.

Abbreviations: Ave—average.

Same-day and overnight separations

A **same-day separation** occurs when a patient is admitted and separated from hospital on the same date.

An **overnight separation** occurs when a patient is admitted and separates from hospital on different dates.

Between 2004–05 and 2008–09, the number of same-day separations rose at a greater rate than that for all separations (Table 2.8), with the rate of increase being higher in private hospitals. In 2008–09, same-day separations made up 57.0% of all separations, compared with the 54.8% of all separations in 2004–05 (Table 2.8).

There was an increase in overnight separations between 2004–05 and 2008–09 (Table 2.8), with the rate of increase being higher for public hospitals than private hospitals. In 2008–09, overnight separations made up 49.7% of separations in public hospitals, and 33.0% of separations in private hospitals.

Table 2.8: Same-day and overnight separations ('000), public and private hospitals, 2004–05 to 2008–09

						Change (per cent)	
	2004–05	2005–06	2006–07	2007–08	2008–09	Ave since 2004–05	Since 2007–08
Same-day separations							
Public hospitals							
Public acute hospitals	2,097	2,214	2,331	2,362	2,460	4.1	4.2
Public psychiatric hospitals	2	2	2	2	1	–28.0	–64.9
Total	*2,099*	*2,216*	*2,333*	*2,364*	*2,461*	*4.1*	*4.1*
Proportion of total separations (%)	*49.1*	*49.6*	*50.0*	*49.8*	*50.3*	*0.6*	*1.0*
Private hospitals							
Private free-standing day hospital facilities	517	545	568	666	728	8.9	9.3
Other private hospitals	1,230	1,282	1,341	1,399	1,456	4.3	4.0
Total	*1,748*	*1,827*	*1,909*	*2,065*	*2,184*	*5.7*	*5.7*
Proportion of total separations (%)	*63.7*	*64.2*	*64.9*	*66.0*	*67.0*	*1.3*	*1.6*
All hospitals	**3,847**	**4,043**	**4,242**	**4,429**	**4,645**	**4.8**	**4.9**
Proportion of total separations (%)	**54.8**	**55.3**	**55.8**	**56.2**	**57.0**	**1.0**	**1.3**
Overnight separations							
Public hospitals							
Public acute hospitals	2,164	2,237	2,315	2,368	2,420	2.8	2.2
Public psychiatric hospitals	13	14	13	13	10	–6.1	–19.0
Total	*2,177*	*2,250*	*2,328*	*2,380*	*2,430*	*2.8*	*2.1*
Private hospitals							
Private free-standing day hospital facilities	3	2	2	2	1	–17.2	–46.7
Other private hospitals	992	1,016	1,031	1,062	1,073	2.0	0.9
Total	*995*	*1,018*	*1,033*	*1,065*	*1,074*	*1.9*	*0.8*
All hospitals	**3,172**	**3,269**	**3,361**	**3,445**	**3,504**	**2.5**	**1.7**

Notes: See Boxes 2.1 and 2.2 for notes on data limitations and methods.

Abbreviations: Ave—average.

Average cost weight

Average cost weight information provides a guide to the expected resource use for separations, with a value of 1.00 representing the theoretical average for all separations. The validity of comparisons of average cost weights across jurisdictions is limited by differences in the extent to which each jurisdiction's acute care psychiatric services are integrated into its public hospital system. Cost weights are of less use as a measure of resource requirements for acute psychiatric services because the relevant AR-DRGs are less homogenous than for other acute services.

In the first part of Table 2.9, public sector cost weights have been used for both public and private hospitals to enable comparison between sectors, because public and private sector cost weights are not comparable.

Using public cost weights for both public and private hospitals shows that between 2004–05 and 2008–09, average cost weights for public and private hospitals declined slightly overall

(Table 2.9). Over that period there was an increase in the average cost weight for *Public psychiatric hospitals*. Applying private hospital cost weights to separations for private hospitals confirms that the overall average cost weight for private hospitals declined slightly between 2004–05 and 2008–09, with a slight increase observed for *Other private hospitals*.

Table 2.9: Average cost weight of separations, public and private hospitals, 2004–05 to 2008–09

						Change (per cent)	
	2004–05	2005–06	2006–07	2007–08	2008–09	Ave since 2004–05	Since 2007–08
Average public cost weight of separations[(a)]							
Public hospitals							
Public acute hospitals	1.03	1.02	1.01	1.02	1.01	–0.5	–0.5
Public psychiatric hospitals	2.54	2.57	2.53	2.64	2.91	3.5	10.4
Total	*1.04*	*1.02*	*1.02*	*1.02*	*1.01*	*–0.5*	*–0.6*
Private hospitals							
Private free-standing day hospital facilities	0.48	0.47	0.48	0.47	0.47	–0.4	0.3
Other private hospitals	1.02	1.02	1.03	1.04	1.03	0.3	–0.5
Total	*0.91*	*0.91*	*0.92*	*0.91*	*0.90*	*–0.4*	*–1.4*
All hospitals	**0.99**	**0.98**	**0.98**	**0.98**	**0.97**	**–0.5**	**–0.9**
Average private cost weight of separations[(b)]							
Private hospitals							
Private free-standing day hospital facilities	0.36	0.35	0.36	0.35	0.35	–0.7	–1.6
Other private hospitals	0.95	0.95	0.96	0.97	0.97	0.4	–0.2
Total	*0.83*	*0.83*	*0.84*	*0.83*	*0.82*	*–0.4*	*–1.3*

Notes: See Boxes 2.1 and 2.2 for notes on data limitations and methods.

(a) AR-DRG version 5.1 public cost weights 2007–08 were used for all rows in Average public cost weight of separations.

(b) AR-DRG version 5.1 private cost weights 2007–08 were used for all rows in Average private cost weight of separations.

Abbreviations: Ave—average.

How long did patients stay?

Between 2004–05 and 2008–09, total patient days rose for both public and private hospitals. In 2008–09, 69% of patient days were in public hospitals. Patient days for *Public psychiatric hospitals* declined between 2004–05 and 2008–09 (Table 2.10). In part, this reflects a change in service delivery arrangements, such as a shift from *Public psychiatric hospitals* to *Public acute hospitals* and to residential care.

Between 2004–05 and 2008–09, average length of stay for public acute and private hospitals fell slightly, but rose for *Public psychiatric hospitals*.

The length of stay for overnight separations is comparable with the length of stays reported by the Organisation for Economic Co-operation and Development (OECD) (which do not include same-day activity). With same-day separations excluded, average length of stay in all hospitals combined decreased by 1.1% between 2004–05 and 2008–09. The average length

of stay for overnight separations was within the range of those reported from 2001 to 2003 for acute care for other OECD countries (OECD 2009).

Table 2.10: Patient days and average length of stay, public and private hospitals, 2004–05 to 2008–09

						Change (per cent)	
	2004–05	2005–06	2006–07	2007–08	2008–09	Ave since 2004–05	Since 2007–08
Patient days ('000)							
Public hospitals							
Public acute hospitals	15,880	16,332	16,781	17,122	17,302	2.2	1.0
Public psychiatric hospitals[(a)]	782	661	658	714	587	–6.9	–17.7
Total	*16,662*	*16,993*	*17,439*	*17,836*	*17,889*	*1.8*	*0.3*
Private hospitals							
Private free-standing day hospital facilities	520	548	570	668	729	8.8	9.2
Other private hospitals	6,646	6,790	6,915	7,139	7,164	1.9	0.4
Total	*7,166*	*7,338*	*7,485*	*7,807*	*7,893*	*2.4*	*1.1*
All hospitals	**23,829**	**24,331**	**24,925**	**25,643**	**25,782**	**2.0**	**0.5**
Average length of stay (days)							
Public hospitals							
Public acute hospitals	3.7	3.7	3.6	3.6	3.5	–1.2	–2.1
Public psychiatric hospitals	49.4	42.5	43.3	48.4	52.8	1.7	9.2
Total	*3.9*	*3.8*	*3.7*	*3.8*	*3.7*	*–1.6*	*–2.7*
Private hospitals							
Private free-standing day hospital facilities	1.0	1.0	1.0	1.0	1.0	–0.0	0.0
Other private hospitals	3.0	3.0	2.9	2.9	2.8	–1.3	–2.3
Total	*2.6*	*2.6*	*2.5*	*2.5*	*2.4*	*–1.9*	*–2.9*
All hospitals	**3.4**	**3.3**	**3.3**	**3.3**	**3.2**	**–1.7**	**–2.8**
Average length of stay, excluding same-day separations (days)							
Public hospitals							
Public acute hospitals	6.4	6.3	6.2	6.2	6.1	–0.9	–1.6
Public psychiatric hospitals	57.8	48.2	50.3	55.0	56.0	–0.8	1.8
Total	*6.7*	*6.6*	*6.5*	*6.5*	*6.3*	*–1.3*	*–2.3*
Private hospitals							
Private free-standing day hospital facilities	1.0	1.0	1.0	1.0	1.0	0.3	4.9
Other private hospitals	5.5	5.4	5.4	5.4	5.3	–0.6	–1.5
Total	*5.4*	*5.4*	*5.4*	*5.4*	*5.3*	*–0.6*	*–1.4*
All hospitals	**6.3**	**6.2**	**6.2**	**6.2**	**6.0**	**–1.1**	**–2.0**

Notes: See Boxes 2.1 and 2.2 for notes on data limitations and methods.

(a) In 2004–05, all long-stay patients in one public psychiatric hospital in New South Wales were statistically discharged and readmitted. This would have had the effect of increasing the number of patient days reported in 2004–05.

Abbreviations: Ave—average.

Between 2004–05 and 2008–09, patient days per 1,000 population declined slightly in public hospitals and Other private hospitals. (Table 2.11). The rate of decline was highest for Public psychiatric hospitals.

Table 2.11: Patient days per 1,000 population[(a)], public and private hospitals, 2004–05 to 2008–09

						Change (per cent)	
	2004–05	2005–06	2006–07	2007–08	2008–09	Ave since 2004–05	Since 2007–08
Public hospitals							
Public acute hospitals	766.7	772.0	775.7	772.6	762.4	–0.1	–1.3
Public psychiatric hospitals	38.6	32.0	31.5	33.2	27.0	–8.6	–18.9
Total	*805.3*	*804.0*	*807.2*	*805.8*	*789.3*	*–0.5*	*–2.0*
Private hospitals							
Private free-standing day hospital facilities	25.2	26.0	26.5	30.3	32.4	6.5	6.9
Other private hospitals	318.2	317.7	315.9	318.3	311.9	–0.5	–2.0
Total	*343.4*	*343.6*	*342.5*	*348.6*	*344.3*	*0.1*	*–1.2*
All hospitals	**1148.7**	**1147.6**	**1149.7**	**1154.4**	**1133.7**	**–0.3**	**–1.8**

Notes: See Boxes 2.1 and 2.2 for notes on data limitations and methods.

(a) Rates are directly age-standardised to the Australian population as at 30 June of the year of interest. The Australian population as at 30 June 2001 is used as the reference population.

Abbreviations: Ave—average.

Relative stay index

Table 2.12 presents Relative stay index (RSI) information for 2004–05 to 2008–09. Over that period there was some variation within hospital sectors in the RSI. The directly standardised RSI for public hospitals was consistently lower than that for private hospitals between 2004–05 and 2008–09.

Table 2.12: Relative stay index, public and private hospitals, 2004–05 to 2008–09

						Change (per cent)	
	2004–05	2005–06	2006–07	2007–08	2008–09	Ave since 2004–05	Since 2007–08
Indirectly standardised relative stay index[(a)]							
Public hospitals							
Public acute hospitals	0.99	0.99	0.98	0.98	0.97	. .	. .
Public psychiatric hospitals	1.24	1.25	1.23	1.22	1.27	. .	. .
Total	*1.00*	*1.00*	*0.99*	*0.98*	*0.97*	. .	. .
Private hospitals							
Private free-standing day hospital facilities	0.77	0.77	0.76	0.74	0.76	. .	. .
Other private hospitals	1.08	1.06	1.05	1.04	1.03	. .	. .
Total	*1.06*	*1.04*	*1.03*	*1.02*	*1.01*	. .	. .
All hospitals	**1.02**	**1.01**	**1.00**	**0.99**	**0.98**	**. .**	**. .**
Directly standardised relative stay index[(b)]							
Public hospitals							
Public acute hospitals	1.01	1.01	1.00	0.99	0.98	–0.7	–1.0
Public psychiatric hospitals	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.
Total	*1.01*	*1.01*	*1.00*	*0.99*	*0.98*	*–0.7*	*–1.0*
Private hospitals							
Private free-standing day hospital facilities	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.
Other private hospitals	1.12	1.10	1.10	1.08	1.09	–0.5	0.9
Total	*1.11*	*1.09*	*1.08*	*1.07*	*1.08*	*–0.6*	*1.0*
All hospitals	**1.06**	**1.05**	**1.04**	**1.03**	**1.03**	**–0.6**	**0.1**

Notes: See Boxes 2.1 and 2.2 for notes on data limitations and methods.

(a) Relative stay index based on all hospitals combined for the 5-year period using the indirect method. The *indirectly standardised relative stay index* is not technically comparable between cells but is a comparison of the hospital group with the 5-year average based on the casemix of that group. See *Appendix 1* for details on the methodology.

(b) Relative stay index based on all hospitals combined for the 5-year period using the direct method. The *directly standardised relative stay index* is comparable between cells. See *Appendix 1* for details on the methodology.

Abbreviations: Ave—average.