

# Australian Health Performance Framework: PI 2.6.1— Cost per weighted separation and total case weighted separations, 2020

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# Australian Health Performance Framework: PI 2.6.1– Cost per weighted separation and total case weighted separations, 2020

## Identifying and definitional attributes

|                             |   |
|-----------------------------|---|
| <b>Metadata item type:</b>  | Indicator   |
| <b>Indicator type:</b>      | Indicator   |
| <b>Common name:</b>         | PI 2.6.1–Cost per weighted separation and total case weighted separations, 2020   |
| <b>Short name:</b>          | AHPF PI 2.6.1–Cost per weighted separation and total case weighted separations, 2020  |
| <b>METEOR identifier:</b>   | 728377  |
| <b>Registration status:</b> | <a href="#">Health!</a> , Qualified 16/03/2022  |
| <b>Description:</b>         | Average cost per weighted separation is a casemix adjusted average cost, where the relative complexity of the activity is taken into account. It uses the national cost weights to weight separations at the Diagnosis Related Group (DRG) level. If the weighted average is lower than the simple average, the activity had a higher proportion of complex DRGs. |
| <b>Indicator set:</b>       | <a href="#">Australian Health Performance Framework, 2020</a><br><a href="#">Health!</a> , Standard 13/10/2021  |

## Collection and usage attributes

**Computation description:** Cost per national weighted average unit (NWAU) is the cost associated with providing one 'average' unit (1 NWAU) of public hospital service, based on public hospital services provided to acute admitted patients whose treatment was eligible for activity based funding (ABF). It is an indicator of hospital efficiency.

To ensure the national comparability of public hospitals, the cost per NWAU:

- includes a subset of comparable running costs, which were accounted for similarly across states and territories. For example, property, plant and equipment costs are excluded from the calculations.
- counts similar services for similar acute patients by using the NWAU.

The reporting of selected hospitals is suppressed to ensure robust comparable results and protect the privacy of patients.

Hospitals were reported if they met the following criteria:

- the hospital was a major, large metropolitan, large regional, medium metropolitan, or medium regional non-specialist public hospital
- the hospital had an emergency department
- the hospital received ABF for acute admitted patients
- cost and activity data were available for at least two consecutive financial years
- more than or equal to 90 per cent of patient unit records were matched to the NHCDC unit records of total admitted patient care unit records at the hospital
- no anomalies were identified following triangulation analysis of cost data between the NHCDC and the NPHEd
- where a hospital had an ICU that was eligible for an NWAU ICU adjustment, the hospital must have recorded ICU hours greater than zero.

**Computation:**

Numerator ÷ denominator

Indexed by the Australian Bureau of Statistics (ABS) Government final consumption expenditure (GFCE) hospital and nursing home deflator to 2014–15 prices (adjusted for inflation), rounded to the nearest \$100.

Growth rates for the GFCE hospital and nursing home deflator are:

- 2.8 per cent 2012–13 to 2013–14
- 2.4 per cent 2013–14 to 2014–15.

**Numerator:**

The numerator is in-scope acute admitted operational costs for a hospital.

In-scope costs are included on the basis of national comparability including: allied health, imaging, pharmacy, pathology, critical care, hotel goods and services, non-clinical and on-costs, operating room, prosthesis, specialised procedure suites, ward medical, ward nursing and supplies.

Nationally comparable costs exclude blood costs, teaching, training and research (where TTR is costed separately), depreciation, payroll tax, medications subsidised by Commonwealth programs (e.g. the Pharmaceutical Benefits Scheme) and property, plant and equipment.

**Numerator data elements:****Data Element / Data Set**

[Establishment—recurrent expenditure \(repairs and maintenance\) \(financial year\), total Australian currency N\[N\(8\)\]](#)

**Guide for use**

Data sources:

- National Hospital Cost Data Collection (NHCDC), 2012–13, 2013–14 and 2014–15 (Independent Hospital Pricing Authority)
- Admitted Patient Care National Minimum Data Set (APC NMDS), 2012–13, 2013–14 and 2014–15 (Independent Hospital Pricing Authority)
- Hospital Casemix Protocol (HCP), 2012–13, 2013–14 and 2014–15 (Australian Government Department of Health)

**Data Element / Data Set**

[Establishment—recurrent expenditure \(medical and surgical supplies\) \(financial year\), total Australian currency N\[N\(8\)\]](#)

**Guide for use**

Data sources:

- National Hospital Cost Data Collection (NHCDC), 2012–13, 2013–14 and 2014–15 (Independent Hospital Pricing Authority)
- Admitted Patient Care National Minimum Data Set (APC NMDS), 2012–13, 2013–14 and 2014–15 (Independent Hospital Pricing Authority)
- Hospital Casemix Protocol (HCP), 2012–13, 2013–14 and 2014–15 (Australian Government Department of Health)

**Data Element / Data Set**

[Establishment—recurrent expenditure \(superannuation employer contributions\) \(financial year\), total Australian currency N\[N\(8\)\]](#)

**Guide for use**

Data sources:

- National Hospital Cost Data Collection (NHCDC), 2012–13, 2013–14 and 2014–15 (Independent Hospital Pricing Authority)
- Admitted Patient Care National Minimum Data Set (APC NMDS), 2012–13, 2013–14 and 2014–15 (Independent Hospital Pricing Authority)
- Hospital Casemix Protocol (HCP), 2012–13, 2013–14 and 2014–15 (Australian Government Department of Health)

#### Data Element / Data Set

[Establishment—recurrent expenditure \(salaries and wages\) \(financial year\), total Australian currency N\[N\(8\)\]](#)

##### Guide for use

Data sources:

- National Hospital Cost Data Collection (NHCDC), 2012–13, 2013–14 and 2014–15 (Independent Hospital Pricing Authority)
- Admitted Patient Care National Minimum Data Set (APC NMDS), 2012–13, 2013–14 and 2014–15 (Independent Hospital Pricing Authority)
- Hospital Casemix Protocol (HCP), 2012–13, 2013–14 and 2014–15 (Australian Government Department of Health)

#### Data Element / Data Set

[Establishment—recurrent expenditure \(patient transport cost\) \(financial year\), total Australian currency N\[N\(8\)\]](#)

##### Guide for use

Data sources:

- National Hospital Cost Data Collection (NHCDC), 2012–13, 2013–14 and 2014–15 (Independent Hospital Pricing Authority)
- Admitted Patient Care National Minimum Data Set (APC NMDS), 2012–13, 2013–14 and 2014–15 (Independent Hospital Pricing Authority)
- Hospital Casemix Protocol (HCP), 2012–13, 2013–14 and 2014–15 (Australian Government Department of Health)

#### Data Element / Data Set

[Establishment—recurrent expenditure \(visiting medical officer payments\) \(financial year\), total Australian currency N\[N\(8\)\]](#)

##### Guide for use

Data sources:

- National Hospital Cost Data Collection (NHCDC), 2012–13, 2013–14 and 2014–15 (Independent Hospital Pricing Authority)
- Admitted Patient Care National Minimum Data Set (APC NMDS), 2012–13, 2013–14 and 2014–15 (Independent Hospital Pricing Authority)
- Hospital Casemix Protocol (HCP), 2012–13, 2013–14 and 2014–15 (Australian Government Department of Health)

#### Data Element / Data Set

[Establishment—recurrent expenditure \(administrative expenses\) \(financial year\), total Australian currency N\[N\(8\)\]](#)

##### Guide for use

Data sources:

- National Hospital Cost Data Collection (NHCDC), 2012–13, 2013–14 and 2014–15 (Independent Hospital Pricing Authority)
- Admitted Patient Care National Minimum Data Set (APC NMDS), 2012–13, 2013–14 and 2014–15 (Independent Hospital Pricing Authority)
- Hospital Casemix Protocol (HCP), 2012–13, 2013–14 and 2014–15 (Australian Government Department of Health)

#### Data Element / Data Set

[Establishment—recurrent expenditure \(other recurrent expenditure\) \(financial year\), total Australian currency N\[N\(8\)\]](#)

##### Guide for use

Data sources:

- National Hospital Cost Data Collection (NHCDC), 2012–13, 2013–14 and 2014–15 (Independent Hospital Pricing Authority)
- Admitted Patient Care National Minimum Data Set (APC NMDS), 2012–13, 2013–14 and 2014–15 (Independent Hospital Pricing Authority)
- Hospital Casemix Protocol (HCP), 2012–13, 2013–14 and 2014–15 (Australian Government Department of Health)

#### Data Element / Data Set

[Establishment—recurrent expenditure \(interest payments\) \(financial year\), total Australian currency N\[N\(8\)\]](#)

##### Guide for use

Data sources:

- National Hospital Cost Data Collection (NHCDC), 2012–13, 2013–14 and 2014–15 (Independent Hospital Pricing Authority)
- Admitted Patient Care National Minimum Data Set (APC NMDS), 2012–13, 2013–14 and 2014–15 (Independent Hospital Pricing Authority)
- Hospital Casemix Protocol (HCP), 2012–13, 2013–14 and 2014–15 (Australian Government Department of Health)

#### Data Element / Data Set

[Establishment—recurrent expenditure \(drug supplies\) \(financial year\), total Australian currency N\[N\(8\)\]](#)

##### Guide for use

Data sources:

- National Hospital Cost Data Collection (NHCDC), 2012–13, 2013–14 and 2014–15 (Independent Hospital Pricing Authority)
- Admitted Patient Care National Minimum Data Set (APC NMDS), 2012–13, 2013–14 and 2014–15 (Independent Hospital Pricing Authority)
- Hospital Casemix Protocol (HCP), 2012–13, 2013–14 and 2014–15 (Australian Government Department of Health)

#### Data Element / Data Set

[Establishment—recurrent expenditure \(domestic services\) \(financial year\), total Australian currency N\[N\(8\)\]](#)

##### Guide for use

Data sources:

- National Hospital Cost Data Collection (NHCDC), 2012–13, 2013–14 and 2014–15 (Independent Hospital Pricing Authority)
- Admitted Patient Care National Minimum Data Set (APC NMDS), 2012–13, 2013–14 and 2014–15 (Independent Hospital Pricing Authority)
- Hospital Casemix Protocol (HCP), 2012–13, 2013–14 and 2014–15 (Australian Government Department of Health)

#### Data Element / Data Set

[Establishment—recurrent expenditure \(food supplies\) \(financial year\), total Australian currency N\[N\(8\)\]](#)

##### Guide for use

Data sources:

- National Hospital Cost Data Collection (NHCDC), 2012–13, 2013–14 and 2014–15 (Independent Hospital Pricing Authority)
- Admitted Patient Care National Minimum Data Set (APC NMDS), 2012–13, 2013–14 and 2014–15 (Independent Hospital Pricing Authority)
- Hospital Casemix Protocol (HCP), 2012–13, 2013–14 and 2014–15 (Australian Government Department of Health)

#### Denominator:

The denominator is in-scope acute admitted NWAUs (NEP 2017–18, AR–DRG v8.0) for a hospital.

An NWAU is a measure of health service activity expressed as a common unit, against which the NEP is paid. It provides the basis for understanding the activity undertaken at a hospital during the financial year (number of admissions), adjusted for the relative complexity of patients admitted to the hospital. The NWAU has many adjustments relating to patient characteristics beyond the AR–DRG classification, including Indigenous status, remoteness, patient age, length of stay, ICU hours and leave days. The average hospital service is worth 1 NWAU, the most intensive and expensive activities are worth multiple NWAUs, and the simplest and least expensive are worth fractions of an NWAU.

**Denominator data elements:**

**Data Element / Data Set**

[Hospital service—care type, code N\[N\].N](#)

**Guide for use**

Data sources:

- National Hospital Cost Data Collection (NHCDC), 2012–13, 2013–14 and 2014–15 (Independent Hospital Pricing Authority)
- Admitted Patient Care National Minimum Data Set (APC NMDS), 2012–13, 2013–14 and 2014–15 (Independent Hospital Pricing Authority)
- Hospital Casemix Protocol (HCP), 2012–13, 2013–14 and 2014–15 (Australian Government Department of Health)

**Disaggregation:**

- Data for period 2012-13 to 2014-15
- Public hospitals
- National level only

**Comments:**

1. An NWAU is a measure of health service activity expressed as a common unit. It provides a way of comparing and valuing each public hospital service by weighting it for its clinical complexity.
2. The cost per NWAU measure is calculated in constant prices (adjusted for inflation). For more detailed information see AIHW 2018. Hospital Performance: [Costs of acute admitted patients in public hospitals from 2012-13 to 2014-15: Technical Supplement](#).
3. Reported data presents the peer average for the major public hospitals peer group. Peer groups are groups of similar hospitals defined by the type and nature of the hospital services provided.
4. Data for all published years is classified by a single version of the AR–DRG codes (Version 8.0) and National Efficient Pricing Determination (2017–18, NEP17).
5. Data are presented for hospitals that recorded a change over time result, between 2012–13 and 2014–15. 6. Peer average cost per NWAU figures are calculated based on unrounded data.

## Representational attributes

|                              |                 |
|------------------------------|-----------------|
| <b>Representation class:</b> | Mean (average)  |
| <b>Data type:</b>            | Monetary amount |
| <b>Unit of measure:</b>      | Currency        |
| <b>Format:</b>               | NNNN.NN         |

## Indicator conceptual framework

|                                  |  |
|----------------------------------|--|
| <b>Framework and dimensions:</b> | <a href="#">6. Efficiency &amp; Sustainability</a> |
|----------------------------------|--|

## Accountability attributes

|   |  |
|---|--|
| <b>Reporting requirements:</b>                      | Australian Health Performance Framework    |
| <b>Organisation responsible for providing data:</b> | Australian Institute of Health and Welfare |

## Source and reference attributes

|                                 |   |
|---------------------------------|---|
| <b>Submitting organisation:</b> | Australian Institute of Health and Welfare  |
| <b>Reference documents:</b>     | AIHW 2018, <a href="#">Cost of acute admitted patients in public hospitals from 2012–13 to 2014–15 (full publications; 12Nov2018 edition)(AIHW)</a> , viewed 03.08.2021 |

## Relational attributes

**Related metadata references:**

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