

Private Sector: National Hospital Cost Data Collection

Julia Hume¹

Iman Mehdi¹

¹ Independent Hospital Pricing Authority

Title: Private Sector – National Hospital Cost Data Collection

Authors: Julia Hume/Iman Mehdi

The Private Sector National Hospital Cost Data Collection (NHCDC) is a voluntary data collection that produces a range of hospital cost and activity data on acute admitted care provided by private hospitals.

The Private Sector NHCDC is an annual collection performed across private hospitals and produces a range of detailed costs that are grouped by Australian Refined Diagnosis Related Group (AR-DRG).

The objective of the collection is to provide Australian governments and the health care industry with a nationally consistent method of costing all types of hospital activity and publishing meaningful results to be used for benchmarking, funding and planning hospital services.

IHPA believes that by better understanding the costs of service provision, private hospitals will be able to provide more efficient, better quality care.

The primary output of the Private Sector NHCDC is the publicly available Private Sector NHCDC Report. This report provides cost weight tables for each Australian Refined Diagnosis Related Group (AR-DRG) at a national level. The report compares current to previous year cost weights, which are an indicator of resource consumption and cost.

The report investigates the high cost, high volume DRGs and the cost areas that contain a high concentration of cost. Currently there are no actual costs published in the report.

Each hospital also receives a participant pack, which consists of:

- A benchmarking report which provides an overview of the hospital's activity, financial data, cost bucket results, findings from the previous round, and a case mix analysis;
- A cost weight table by AR-DRG and cost bucket; and
- A de-identified episode level data set.

This benchmarking information enables hospitals to better understand their cost profiles. The information assists in developing strategies such as health fund negotiations, resourcing of services, models of care, and investment/disinvestment areas for review.