
























ANALYSIS OF COSTS AND AVERAGE LENGTH OF STAY FOR SELECTED QUEENSLAND PUBLIC HOSPITALS COMPARED TO THE NATIONAL AVERAGE

KPMG PEAT MARWICK
NATIONAL COSTING STUDY



Information Circular No. 24



EPIDEMIOLOGY AND HEALTH INFORMATION BRANCH

INTRODUCTION

This information circular is the second in a series presenting the results of the KPMG Peat Marwick National Costing Study. The first in the series (An Introduction to Casemix and the National Costing Study, Information Circular No. 20) provided a general introduction to the development of Casemix in Australia and gave an overview of the study design. Some summary results of the findings of the study were also provided.

The data presented were from a sample of 100 hospitals with over 50 beds throughout Australia. 12 hospitals from Queensland were represented in the study. The data are for the 6 month period 1 July 1992 to 31 December 1992 (For more detailed information on the sampling method see Information Circular number 20).

This circular presents differences between Queensland public hospitals included in the study and public hospitals nationally. Of particular interest are differences in length of stay and in component costs.

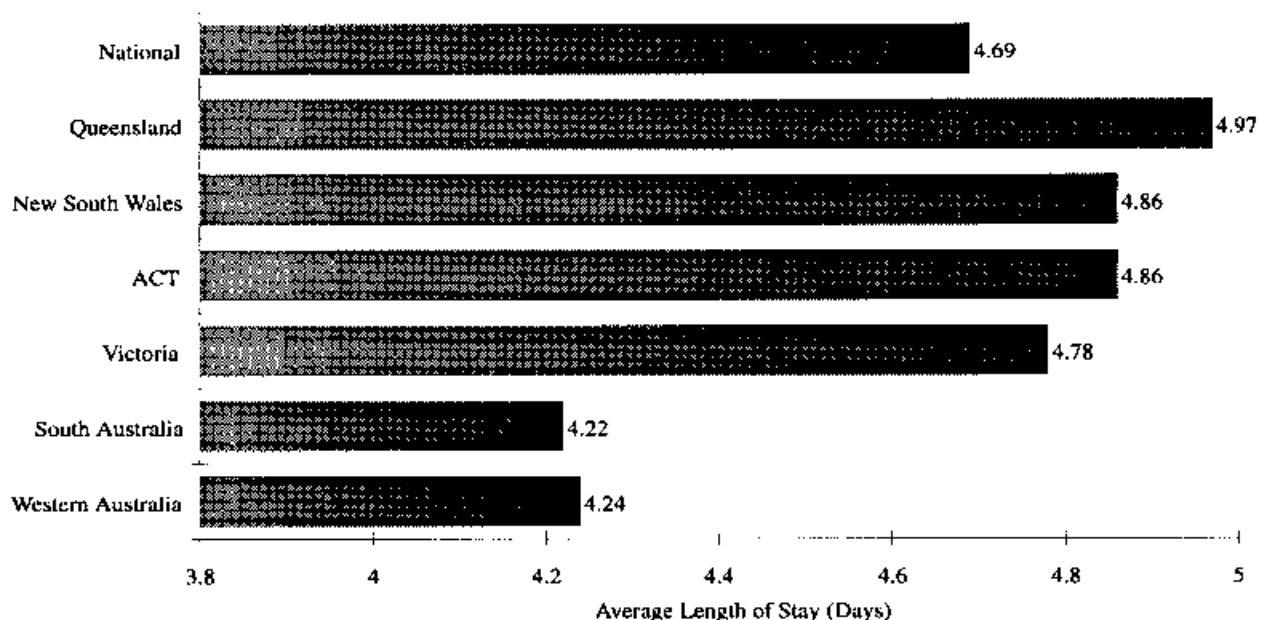
COMPARISON OF QUEENSLAND WITH OTHER STATES

Average costs and average lengths of stay per DRG for each state and Australia were applied against the Queensland caseload. Of the 524 DRGs used nationally, 69 low volume DRGs which were not common to all states were omitted from the analysis. These accounted for 2.5 per cent of the total separations included in the study.

AVERAGE LENGTH OF STAY

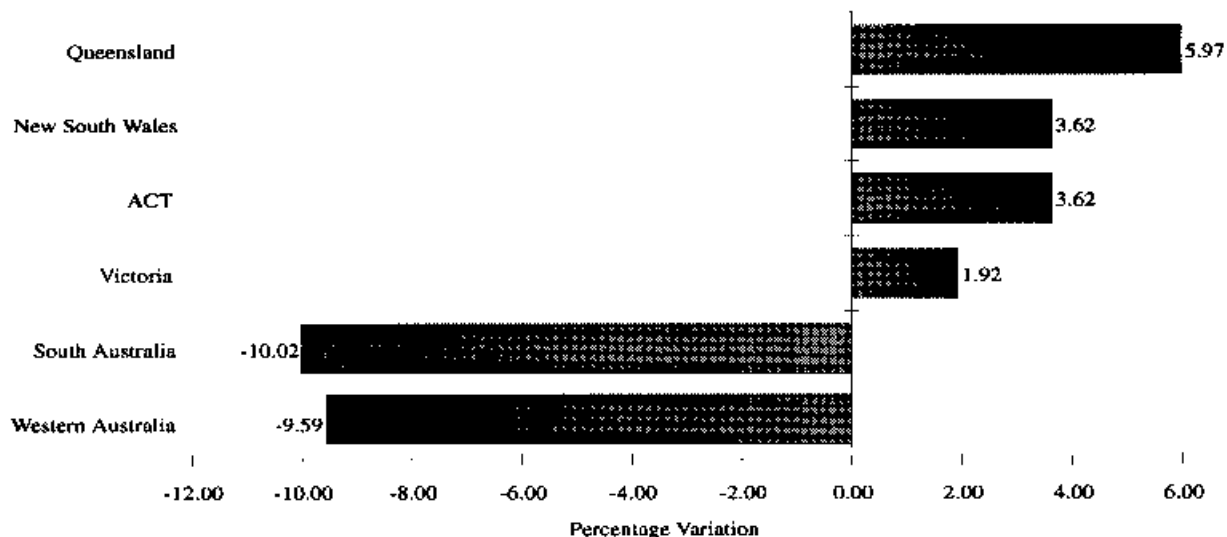
Figures 1 & 2 show the average length of stay for Queensland hospitals represented in the study to be almost 6 per cent higher than the national average. South Australian public hospitals were the lowest of any state with an average length of stay of over 10 per cent less than the national average.

Figure 1. Average Length of Stay (Days) for All DRGs (Based on QLD Caseload)



Note: 69 DRGs which were not common for all states were omitted from the analysis.

Figure 2. Length of Stay, Percentage Variation from the National Average for States, (based on QLD Caseload)

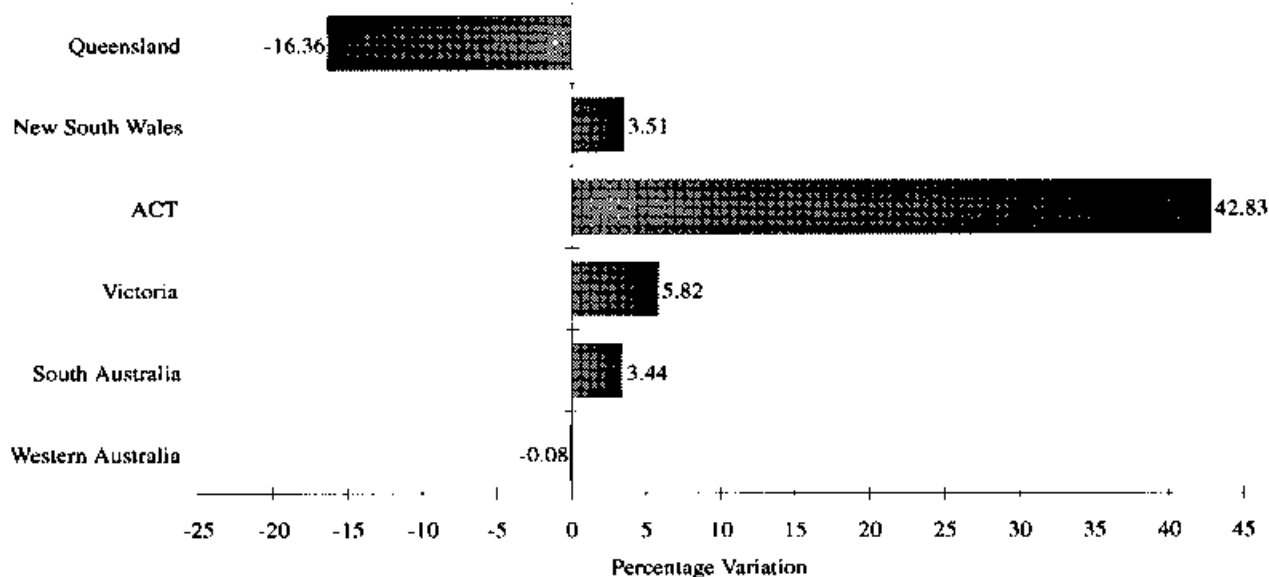


Note: 69 DRGs which were not common for all states were omitted from analysis.

TOTAL EXPENDITURE

The study showed Queensland public hospital costs were more than 16 per cent lower than the national average (Figure 3.). In contrast, ACT hospitals were over 42 per cent more expensive than the national average. Queensland public hospitals cost 21 per cent less per bedday (\$103) than the national average.

Figure 3. Total Expenditure, Percentage Variation from the National Average for States, (Based on QLD Caseload)



Note: 69 DRGs which were not common for all states were omitted from analysis.

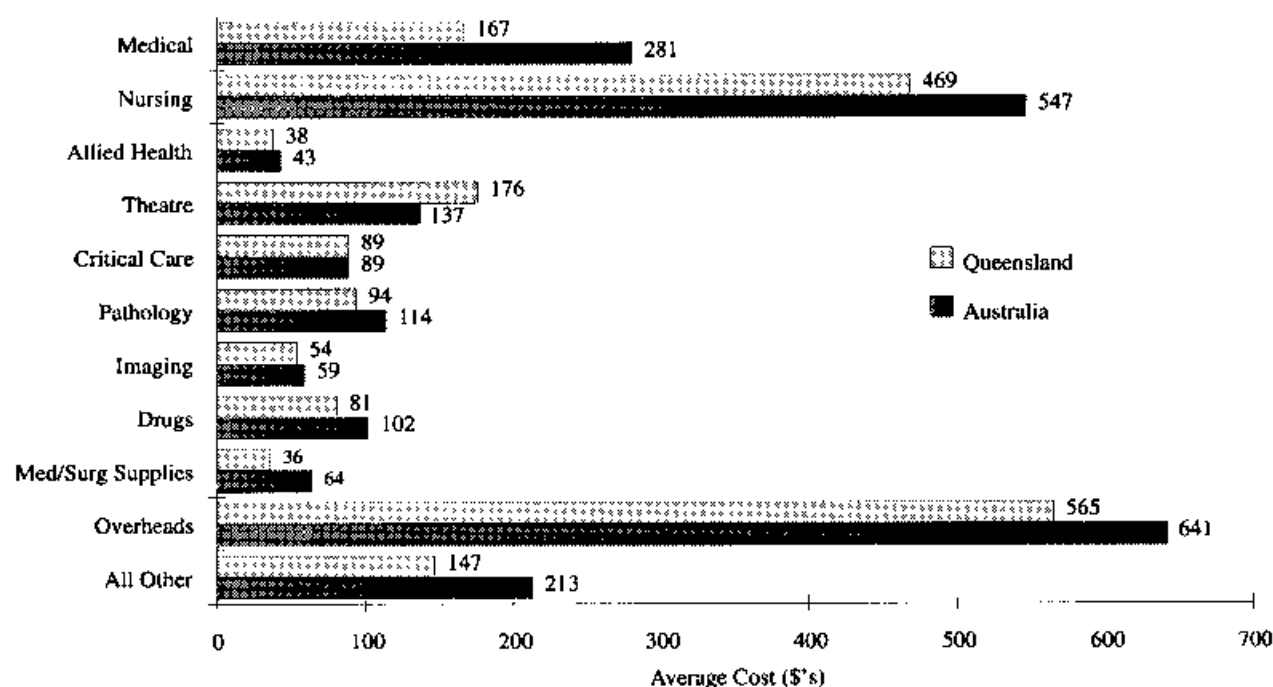
COSTS BY COMPONENT

Figures 4 & 5 provide a breakdown of costs by component for all DRGs for Queensland and nationally, based on the Queensland caseload.

All other Queensland costs were less than the national average with the exception of Theatre costs (28.6% higher) and Critical Care (0.2% higher). Medical costs for Queensland (40.6% lower), Medical/surgical supplies (43.7% lower) and all other costs (30.7% lower) were substantially less than the national average.

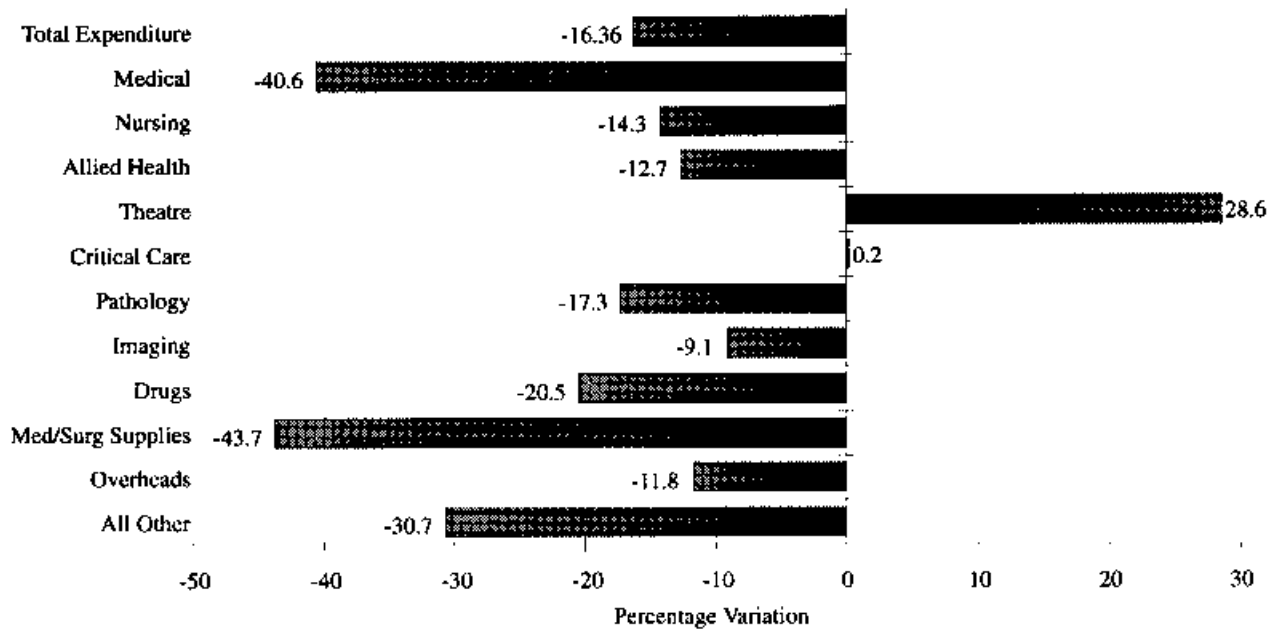
Theatre costs in Queensland hospitals accounted for 9.4% of total costs compared to 6.0% nationally. Medical costs in Queensland hospitals accounted for 8.7% of total costs compared to 12.3% nationally. Nursing costs made up 24.5% of the total costs compared to a national average of 23.9%.

Figure 4. Average Cost per Separation by Component, Australia and Queensland



Note: 69 DRGs which were not common for all states were omitted from analysis.

Figure 5 Percentage Variation from the National Average in Costs by Component for QLD Caseload



Note : 69 DRGs which were not common for all states were omitted from the analysis.

REFERENCES FOR FURTHER READING

AN INTRODUCTION TO CASEMIX AND THE NATIONAL COSTING STUDY: Queensland Health, Information Circular Number 20, Epidemiology and Health Information Branch

NATIONAL COSTING STUDY: Production of Cost Weights for AN-DRGs Version one, Summary Report, KPMG Peat Marwick, August 1993

NATIONAL COST WEIGHTS PROJECT STUDY: Hospital Reference Manual, KPMG Peat Marwick, August 1992

HEALTH CARE FOR ALL AUSTRALIANS: 1992-93 Reforms, Budget Related Paper No. 8, Commonwealth Department of Health, Housing and Community Services.

QUEENSLAND COMMONWEALTH MEDICARE AGREEMENT: July 1993 - June 1998, February 1993.