2015
PUBLIC HOSPITAL
REPORT CARD

AN AMA ANALYSIS OF AUSTRALIA’S PUBLIC HOSPITAL SYSTEM
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INTRODUCTION

The AMA Public Hospital Report Card presents data published by the Commonwealth, year on year. Its purpose is to enable an assessment of the performance of our public hospitals, and their capacity to meet the community’s need for hospital services.

The Commonwealth is withdrawing from its commitment to sustainable public hospital funding, and to meet an equal share of growth in public hospital costs.

In its 2014-15 Budget, the Commonwealth announced that, from July 2017, it will strictly limit its future contribution to public hospital costs, with future funding growth restricted to the cost of indexation and population growth. This will fall well short of the funding needed to position public hospitals to meet the increasing demand for services. The changes mean that State and Territory governments will have greater responsibility for funding public hospital services.

In the shorter term, the Commonwealth has reduced hospital funding to the States and Territories by $1.8 billion up to 2017-18 by withdrawing the funding guarantees made in the National Health Reform Agreement.

In its Budget update released on 15 December 2014, the Government announced a further reduction in funding for public hospitals of $941 million over four years. The Government claimed this reduction was simply the result of the method for hospital financing put in place by the previous Government.

The Government appears to be picking and choosing which elements of existing health financing arrangements it will observe, depending where the cost falls.

The Government has justified its extreme health savings measures on the claim that Australia’s health spending is unsustainable. But Australia’s health financing arrangements are not in crisis.

In 2012-13, Australia had the lowest growth (1.5 per cent) in total health expenditure since the Government began reporting it in the mid-1980s. Without any specific Government measures, there was negative growth (minus 2.2 per cent) in Commonwealth funding of public hospitals in 2012-13, and only 1.9 per cent growth in 2011-12. Our health sector is doing more than its share to ensure health expenditure is sustainable.

Australia’s expenditure on health has been stable as a share of GDP growing only one per cent over the last 10 years. Health expenditure does not demand radical changes to existing services.

If it proceeds with its savings measures, the Commonwealth will lock in hospital funding and capacity at the inadequate levels demonstrated by current performance.

1 AHWN, Health Expenditure Australia 2012-13, pg ix
2 ibid pg 8
This AMA report card shows the impact on patient care of reduced growth in hospital funding and capacity. Waiting times have not improved, and only minor progress is being made towards access and treatment targets.

Without sufficient funding to increase capacity, public hospitals will never meet the targets set by governments, and patients will wait longer for treatment.

Commonwealth funding for public hospitals is now at a low base. The Commonwealth’s current approach will maintain this low base, with provision for future funding increases to be limited to CPI and population changes only.

At the same time, the Commonwealth Government has embarked on a debate on roles and responsibilities in health as part of the Reform of the Federation. At this point, what this debate will actually mean for future public hospital funding is unknown.

Clearly, what it should mean is agreement by the Federation on sufficient and guaranteed funding for public hospitals to meet the needs of the Australian community.

A/Prof Brian Owler
President
March 2015
1. NATIONAL PUBLIC HOSPITAL PERFORMANCE

Public hospital capacity

One of the best measures of hospital capacity is to compare the number of available beds with the size of the population.

The population aged 65 years and older is a useful way to measure the hospital-using population, because older people have more hospital episodes than young people.

Graph 1 shows that the number of public hospital beds has been slashed by more than 43 per cent since 1992-93. In 2012-13, there were only 17.5 hospital beds for every 1000 people older than 65 years of age.

Graph 1: Number of approved/available public hospital beds per 1000 population aged 65 and over

Total public hospital bed numbers reduced by 234 in 2012-13.

Bed numbers as a ratio per 1000 of the general population reduced to 2.57 in 2012-13 from 2.62 in 2011-12. This ratio has not improved since 2009-10.

Public hospital capacity is not keeping pace with population growth, and is not increasing to meet the growing demand for services.

Without any increase in capacity, our hardworking doctors and nurses have nonetheless managed to achieve some increases in services to patients:

- in-patient care – 5.7 million in 2013-14 (3.3 per cent increase from the previous year);
- out-patient care – 18.1 million services in 2012-13 (7.2 per cent increase from the previous year); and
- emergency department – 7.2 million presentations in 2013-14 (7.2 per cent increase from the previous year).
Emergency department waiting and treatment times

Two performance indicators that measure the capacity of emergency departments to provide timely care are:

- 80 per cent of emergency department presentations are seen within clinically recommended triage times; and
- 90 per cent of patients leave the emergency department within four hours.

Patients seen within clinically recommended times

Under this target, from 2012-13, 80 per cent of emergency department presentations will be seen within clinically recommended triage times, as recommended by the Australasian College for Emergency Medicine. States and Territories again failed to meet this target in 2013-14. Only 70 per cent of emergency department patients classified as urgent in 2013-14 were seen within the recommended 30 minutes.

Graph 2: Percentage of Category 3 emergency department patients seen within recommended time


A small improvement in performance but still below the 80% target set for 2012-13

3 National Partnership Agreement on Hospital and Health Workforce Reform, 2009, pg 28, clause D11
Patients leaving within four hours

Under the National Emergency Access Target (NEAT), 90 per cent of all patients presenting to a public hospital emergency department will either physically leave the emergency department for admission to hospital, be referred to another hospital for treatment, or be discharged within four hours\(^4\). State and Territory governments have committed to progressively achieve this target by the end of 2015, with incremental targets over four years for each State and Territory.

In 2012-13, 73 per cent of all emergency department visits were completed in four hours or less, well short of the 90 per cent target to be achieved by the end of 2015.

Graph 3: National performance against the Four Hour National Emergency Access Target

Source: Australian Hospitals Statistics 2011-12 to 2013-14: emergency department care (AIHW)

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\(^{4}\) National Partnership Agreement on Improving Public Hospital Services, 2011, pg 30, clause C1
Elective surgery waiting and treatment times

Elective surgery is any form of surgery considered medically necessary, but which can be delayed for at least 24 hours.

Two performance indicators that measure the performance of public hospitals to provide timely care to patients requiring elective surgery are:

- the median waiting time for elective surgery; and
- the percentage of patients treated within the clinically recommended times.

Median waiting time

Nationally, median waiting times for all elective surgery have increased over the last 10 years. In 2013-14, the national median waiting time remained at 36 days, meaning no change for four years.

Graph 4: Median waiting time for elective surgery (days)
National Elective Surgery Target

Under the National Elective Surgery Target (NEST), 100 per cent of all urgency category patients waiting for surgery are to be treated within the clinically recommended times.\(^5\) In 2013-14, category 2 patients represented 40 per cent of elective surgery admissions nationally. On average, 79 per cent of elective surgery category 2 patients were admitted within the clinically recommended time.

Graph 5 presents performance over the last 11 years. Official data for this indicator has not been published consistently over the full period, and performance for 2010-11 and 2011-12 has been extrapolated from various sources.

Graph 5: Percentage of Category 2 elective surgery patients admitted within the recommended time

The hidden waiting list

Elective surgery waiting list data hide the actual times that patients are waiting to be treated in the public hospital system.

The time that patients wait - from when they are referred by their general practitioner to actually seeing a specialist for assessment - is not counted. It is only after patients have seen the specialist that they are added to the official waiting list. This means that the publicly available elective surgery waiting list data actually understate the real time people wait for surgery. Some people wait longer for assessment by a specialist than they do for surgery.

This data must be publicly available on a consistent and national basis so that Australians have a full and accurate picture of waiting times for elective surgery.

\(^5\) National Partnership Agreement on Improving Public Hospital Services, 2011, pg 20
Commonwealth funding

In its 2014-15 Budget, the Commonwealth Government made savings of $1.8 billion over four years from 2014-15 by abandoning the funding guarantees made under the National Health Reform Agreement 2011, and revising Commonwealth Public Hospital funding arrangements from 1 July 2017.

From 2017-18, the Commonwealth will index its contribution to hospitals funding by a combination of the Consumer Price Index and population growth.

Graph 6 shows the rate of change (%) in Commonwealth expenditure (to 2012-13), and Commonwealth Budget funding (to 2017-18) for public hospitals.

This illustrates the significant variation, year-on-year, in public hospital funding. This variation has significant consequences for the predictability and certainty of hospital resources and capacity.

**Graph 6: Public hospitals - % change from previous year (expenditure & funding)**

*Public hospitals - % change from previous year (expenditure & funding) – Australia*

Sources: AIHW Health Expenditure Australia 2011-2012 and 2012-13, public hospital expenditure; Budget Paper No. 3 2014-15, National Health Reform public hospital funding
Graph 7 tracks Commonwealth funding for public hospitals as reported in the Commonwealth Budget and MYEFO papers.

It shows that funding for public hospitals for the years 2013-14 to 2016-17 was reduced by $1.5 billion in the Budget 2014-15, compared with the estimates published in MYEFO 2013-14.

On top of these reductions, MYEFO 2014-15 contained a further funding shortfall for public hospitals of $941 million over four years.

**Graph 7  Commonwealth funding for public hospitals**

Funding reduced in MYEFO 2014-15 by $1,773m over the 3 years to 2016-17, compared to MYEFO 2013-14, and by $565m in 2017-18 compared to Budget 2014-15.

*Source: Commonwealth Budget and MYEFO papers, Commonwealth funding for public hospitals*
# State-by-State Public Hospital Performance

This section includes performance information for each State and Territory using available data sources.

A summary of State and Territory performance is shown in Table 1:

Table 1: State and Territory Performance - Summary

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+ Targets are set on a calendar year basis; performance as reported by AIHW and COAG Reform Council for calendar year 2012. AIHW reported elective surgery Category 2 performance for financial year 2013-14 but data for the period 2010-11 to 2011-12, and January to June 2013 has not been published. Elective surgery Category 2 year on year performance is graphed for each State and Territory below, excluding these periods.

*Treating patients within clinically recommended time – Category 2 (within 90 days)

No State or Territory met the target (which was set for 2012-13 under the National Partnership Agreement on Hospital and Health Workforce Reform) for 80 per cent of emergency department Category 3 urgent patients being seen within clinically recommended triage times.
NEW SOUTH WALES

Emergency Departments

Waiting times

**Percentage of Triage Category 3 (urgent) Emergency Department patients seen within recommended time (<30 minutes) – NSW**


**National Emergency Access Target (NEAT)**

Percentage of emergency department visits completed in four hours or less

Australian Hospitals Statistics 2011-12 to 2013-14: emergency department care (AIHW)
Elective Surgery

Waiting times

**Median waiting time for elective surgery (days) – NSW**

![Graph showing median waiting time for elective surgery (days) in NSW from 2001-02 to 2013-14.](image)

**National Elective Surgery Target (NEST)**

**National Elective Surgery Target (NEST) Category 2 percentage seen on time – NSW**

![Bar chart showing National Elective Surgery Target (NEST) Category 2 percentage seen on time in NSW.](image)

*.data for period Jan-Jun 2013 not published*

**Source:** AIHW Australian Hospitals Statistics: National emergency access and elective surgery targets 2012; elective surgery waiting times 2007-08 to 2013-14
**Category 2 patients**

Percentage of Category 2 elective surgery patients admitted within the recommended time (90 days) – NSW


**Commonwealth Funding**

Public Hospitals – NSW

Funding reduced in MYEFO 2014-15 by $386m over the 3 years to 2016-17, compared to MYEFO 2013-14, and by $159m in 2017-18 compared to Budget 2014-15.

Source: Commonwealth Budget and MYEFO papers, Commonwealth funding for public hospitals
VICTORIA

Emergency Departments

Waiting times

Percentage of Triage Category 3 (urgent) Emergency Department patients seen within recommended time (<30 minutes) – VIC


National Emergency Access Target (NEAT)

Percentage of emergency department visits completed in 4 hours or less – VIC

Source: Australian Hospitals Statistics 2011-12 to 2013-14: emergency department care (AIHW)
Elective Surgery

Waiting times

Median waiting time for elective surgery (days) – VIC

Sources: AIHW elective surgery data cubes (2001-02 to 2006-07); AIHW Australian Hospitals Statistics: elective surgery waiting times (2007-08 to 2013-14)

National Elective Surgery Target (NEST)

Sources: AIHW Australian Hospitals Statistics: National emergency access and elective surgery targets 2012; elective surgery waiting times 2013-14
Category 2 patients

Percentage of Category 2 elective surgery patients admitted within the recommended time (90 days) – VIC


Commonwealth Funding

Public Hospitals – Victoria

Funding reduced in MYEFO 2014-15 by $315m over the 3 years to 2016-17, compared to MYEFO 2013-14, and by $129m in 2017-18 compared to Budget 2014-15.

Source: Commonwealth Budget and MYEFO papers, Commonwealth funding for public hospitals
QUEENSLAND

Emergency Departments

Waiting times

Percentage of Triage Category 3 (urgent) Emergency Department patients seen within recommended time (<30 minutes) – QLD


National Emergency Access Target (NEAT)

Percentage of emergency department visits completed in four hours or less – QLD

Source: Australian Hospitals Statistics 2011-12 to 2013-14: emergency department care (AIHW)
Elective Surgery

Waiting times

**Median waiting time for elective surgery (days) – QLD**

![Median waiting time for elective surgery (days) – QLD](chart1)

*Sources: AIHW elective surgery data cubes (2001-02 to 2006-07); AIHW Australian Hospitals Statistics: elective surgery waiting times (2007-08 to 2013-14)*

**National Elective Surgery Target (NEST)**

![National Elective Surgery Target QLD](chart2)

*Baseline

*Target

*data for period Jan-Jun 2013 not published

*Source: AIHW Australian Hospitals Statistics: National emergency access and elective surgery targets 2012; elective surgery waiting times 2013-14*
Category 2 patients

Percentage of Category 2 elective surgery patients admitted within the recommended time (90 days) – QLD


Commonwealth Funding

Public Hospitals – QLD

Funding reduced in MYEFO 2014-15 by $498m over the 3 years to 2016-17, compared to MYEFO 2013-14, and by $139m in 2017-18 compared to Budget 2014-15.

Source: Commonwealth Budget and MYEFO papers, Commonwealth funding for public hospitals
WESTERN AUSTRALIA

Emergency Departments

Waiting times

Percentage of Triage Category 3 (urgent) Emergency Department patients seen within recommended time (<30 minutes) – WA


National Emergency Access Target (NEAT)

Percentage of emergency department visits completed in four hours or less - WA

Source: Australian Hospitals Statistics 2011-12 to 2013-14: emergency department care (AIHW)
Elective Surgery

Waiting times

Median waiting time for elective surgery (days) – WA

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Sources: AIHW elective surgery data cubes (2001-02 to 2006-07); AIHW Australian Hospitals Statistics: elective surgery waiting times (2007-08 to 2013-14)

National Elective Surgery Target (NEST) Category 2 percentage seen on time

* data for period Jan-Jun 2013 not published

Source: AIHW Australian Hospitals Statistics: National emergency access and elective surgery targets 2012; elective surgery waiting times 2013-14
Category 2 patients

Percentage of Category 2 elective surgery patients admitted within the recommended time (90 days) – WA


Commonwealth Funding

Public Hospitals – WA

Funding reduced in MYEFO 2014-15 by $129m over the 3 years to 2016-17, compared to MYEFO 2013-14, and by $80m in 2017-18 compared to Budget 2014-15.

Source: Commonwealth Budget and MYEFO papers, Commonwealth funding for public hospitals
SOUTH AUSTRALIA

Emergency Departments

Waiting times

**Percentage of Triage Category 3 (urgent) Emergency Department patients seen within recommended time (<30 minutes) – SA**

![Graph showing percentage of Triage Category 3 patients seen within recommended time from 2002-03 to 2013-14](source)

**National Emergency Access Target (NEAT)**

**Percentage of emergency department visits completed in four hours or less – SA**

![Graph showing percentage of emergency department visits completed within four hours from 2010-11 to 2015](source)

*Source: Australian Hospitals Statistics 2011-12 to 2013-14: emergency department care (AIHW)*
Elective Surgery

Waiting times

Median waiting time for elective surgery (days) – SA

Sources: AIHW elective surgery data cubes (2001-02 to 2006-07); AIHW Australian Hospitals Statistics: elective surgery waiting times (2007-08 to 2013-14)

National Elective Surgery Target (NEST)

National Elective Surgery Target – SA  Category 2 percentage seen on time

* data for period Jan-Jun 2013 not published
Category 2 patients

Percentage of Category 2 elective surgery patients admitted within the recommended time (90 days) – SA


Commonwealth Funding

Public Hospitals – SA

Funding reduced in MYEFO 2014-15 by $320m over the 3 years to 2016-17, compared to MYEFO 2013-14, and by $40m in 2017-18 compared to Budget 2014-15.

Source: Commonwealth Budget and MYEFO papers, Commonwealth funding for public hospitals
TASMANIA

Emergency Departments

Waiting times

Percentage of Triage Category 3 (urgent) Emergency Department patients seen within recommended time (<30 minutes) – TAS


National Emergency Access Target (NEAT)

Percentage of emergency department visits completed in four hours or less – TAS

Source: Australian Hospitals Statistics 2011-12 to 2013-14: emergency department care (AIHW)
Elective Surgery

Waiting times

Median waiting time for elective surgery (days) – TAS

Sources: AIHW elective surgery data cubes (2001-02 to 2006-07); AIHW Australian Hospitals Statistics: elective surgery waiting times (2007-08 to 2013-14)

National Elective Surgery Target (NEST)

National Elective Surgery Target – TAS Category 2 percentage seen on time

* data for period Jan-Jun 2013 not published

Source: AIHW Australian Hospitals Statistics: National emergency access and elective surgery targets 2012; elective surgery waiting times 2013-14
Category 2 patients

Percentage of Category 2 elective surgery patients admitted within the recommended time (90 days) – TAS


Commonwealth Funding

Public Hospitals – TAS

Funding reduced in MYEFO 2014-15 by $80m over the 3 years to 2016-17, compared to MYEFO 2013-14, and by $11m in 2017-18 compared to Budget 2014-15.

Source: Commonwealth Budget and MYEFO papers, Commonwealth funding for public hospitals
AUSTRALIAN CAPITAL TERRITORY

Emergency Departments

Waiting times

Percentage of Triage Category 3 (urgent) Emergency Department patients seen within recommended time (<30 minutes) – ACT


National Emergency Access Target (NEAT)

Percentage of emergency department visits completed in four hours or less – ACT

Source: Australian Hospitals Statistics 2011-12 to 2013-14: emergency department care (AIHW)
Elective Surgery

Waiting times

Median waiting time for elective surgery (days) – ACT

National Elective Surgery Target (NEST)

Source: AIHW Australian Hospitals Statistics: National emergency access and elective surgery targets 2012; elective surgery waiting times 2013-14
Category 2 patients

Percentage of Category 2 elective surgery patients admitted within the recommended time (90 days) – ACT


Commonwealth Funding

Public Hospitals – ACT

Funding increased in MYEFO 2014-15 by $11m over the 3 years to 2016-17, compared to MYEFO 2013-14, and reduced by $10m in 2017-18 compared to Budget 2014-15.

Source: Commonwealth Budget and MYEFO papers, Commonwealth funding for public hospitals
NORTHERN TERRITORY

Emergency Departments

Waiting times

Percentage of Triage Category 3 (urgent) Emergency Department patients seen within recommended time (<30 minutes) – NT


National Emergency Access Target (NEAT)

Percentage of emergency department visits completed in four hours or less – NT

Elective Surgery

Waiting times

Median waiting time for elective surgery (days) – NT

Sources: AIHW elective surgery data cubes (2001-02 to 2006-07); AIHW Australian Hospitals Statistics: elective surgery waiting times (2007-08 to 2013-14)

National Elective Surgery Target (NEST)

National Elective Surgery Target NT  Category 2 percentage seen on time

* data for period Jan-Jun 2013 not published

Source: AIHW Australian Hospitals Statistics: National emergency access and elective surgery targets 2012; elective surgery waiting times 2013-14
Category 2 patients

Percentage of Category 2 elective surgery patients admitted within the recommended time (90 days) – NT


Commonwealth Funding

Public Hospitals – NT

Funding reduced in MYEFO 2014-15 by $55m over the 3 years to 2016-17, compared to MYEFO 2013-14, and by $2m in 2017-18 compared to Budget 2014-15.

Source: Commonwealth Budget and MYEFO papers, Commonwealth funding for public hospitals
DATA SOURCES


Australian Institute of Health and Welfare, *Admitted Patient Care 2013-14: Australian Hospital Statistics*


