

Productivity Commission Report on Government Services: Health

Highlights

31st January 2014

This week the Productivity Commission has been releasing reports on government services. On Thursday 30th January, the Productivity Commission released the report on health. The report encompasses an overview of services, public hospital services, primary and community health services, and mental health services. Ambulance, aged care, and community services are reported separately and are not included in this bulletin.

This bulletin contains highlights in the report. In particular, it describes areas where there are variances in costs, activity, funding in performance in Victoria compared to the national average.

To access the report, please see: http://www.pc.gov.au/_data/assets/pdf_file/0019/132346/rogs-2014-volume-health.pdf.

1. Overview of Services

- 1.1. Total expenditure (recurrent and capital) on health care services in Australia was estimated to be \$140.2 billion in 2011-12. Total expenditure was estimated to account for 9.5% of GDP in 2011-12, an increase of 1.7 percentage points from 7.8% of GDP in 2002-03.
- 1.2. In 2011-12, total health expenditure per person in Victoria was \$6,099. This is slightly less than then national expenditure per person of \$6,230.
- 1.3. Increases in expenditure between 2009-10 and 2011-12 are comparable in Victoria (9.4%) to those nationally (9.1%).

2. Public Hospital

2.1 Expenditure

- 2.1.1. In 2011-12, recurrent costs per case mix adjusted separation in Victoria continued to be lower than other jurisdictions (ie: Victoria - \$4,693; Australia - \$5,204). However, Victorian public hospital capital costs per case mix adjusted separation in 2011-12 were higher (ie: Victoria - \$804; Australia - \$493).

2.1.2. In 2011-12, the recurrent costs for Victoria's public hospitals were lower than other states for all hospital categories (ie: Principal referral and specialist women's and children's hospitals; Large; Medium; Small acute). However, recurrent costs in Victoria's Principal referral and specialist women's and children's hospitals were significantly lower than other states (ie: 10.5% lower than the national cost).

2.2 Available Beds

2.2.1. In 2011-12, the number of available beds per 1,000 people in Victoria (2.4 available beds) was less than the number of available beds per 1,000 people across Australia (2.6 available beds). Further, the number has been consistent over recent years. Note that when interpreting this data, considerations include:

- There may be data issues, such as differences in admissions practices and how beds are counted in different jurisdictions
- This data refers to available overnight beds. It does not reflect different models of care and outcomes, such as lower lengths of stays, treatment as a day procedure, and hospital in the home
- The number of separations per 1,000 people is slightly higher in Victoria (264.9), than nationally (236.4). Further the proportion of medical and surgical separations that were same day is slightly higher in Victoria (51.8%) compared to the national proportion (48.4%).

2.3 Emergency Department Performance

2.3.1. In 2012-13, Victorian public hospitals saw the same or higher proportion of patients within triage category timeframes for patients categorised as resuscitation, emergency, or urgent. However, a slightly lower proportion of patients categorised as semi-urgent or non-urgent were seen on time in public hospital emergency departments in Victoria, compared to Australia wide.

Table 1:- Emergency department patients seen within triage category timeframes, public hospitals (2012-13)

Triage Category	Victoria	Australia
1 – Resuscitation	100%	100%
2 - Emergency	84%	82%
3 - Urgent	72%	68%
4 - Semi-urgent	68%	72%
5 - Non-urgent	87%	91%
Total	73%	73%

2.4 Access to Elective Surgery

Within the report, access to elective surgery is discussed in terms of the size of the waiting list, median waiting time for elective surgery, and proportion of patients treated within clinically appropriate times. The Victorian Healthcare Association is of the view that the only meaningful way to discuss and

compare access to elective surgery is by the means of patients treated within clinically appropriate times.

2.4.1. In 2011-12, Victorian public hospitals had a higher number of Category 2 and Category 3 patients on the waiting list with extended waits, compared to most other jurisdictions. The overall proportion of patients waiting beyond the clinically appropriate time is higher in Victoria compared to all other jurisdictions, except Tasmania.

Table 2:- Per cent of patients on elective surgery waiting lists with extended waits (2011-12)

	Vic	NSW	Qld	WA	SA	Tas	ACT	NT
Category 1 (over 30 days)	0	1.2	7.8	14.5	0	39.0	0	15.6
Category 2 (over 90 days)	34	0.9	26.6	23.8	0	70.0	0	30.4
Category 3 (over 12 months)	9.4	0.3	8.0	4.1	0	34.0	0	6.1
All patients	20.6	0.4	16.8	10.8	0	53.0	0	17.0

2.5 Maternity Services

2.5.1. Overall, Victoria was comparable on most measures in the report. The estimated average cost per separation for selected maternity related AR-DRG's in public hospitals in 2010-11 was slightly lower in Victorian public hospitals for caesarean and vaginal deliveries compared to the national average.

3. Primary and Community Health

3.1 General Practice and PBS

3.1.1. Australian Government real expenditure on GPs (\$million in 2012-13 dollars) totalled \$6,835.5m, of which Victoria's proportion totalled \$1,714.2m.

3.1.2. Australian Government expenditure on the Pharmaceutical Benefits Scheme (2012-13 dollars) totalled \$7,084.2m, of which Victoria's proportion totalled \$1,748.7m.

3.1.3. PBS spend per person in Victoria in 2012-13 was \$307.2, compared to the national average of \$308.6.

3.2 Dental Services

3.2.1. In 2012-13, the total government and non-government expenditure on dental services equalled \$8,336m.

3.2.2. In 2012-13, the Australian Government's contribution to Victoria's dental services totalled \$342m, and the State and Local Government's contribution totalled \$153m, with a total government spend of \$495m.

3.2.3. In 2012, availability of public dentists per 100,000 people was lower in Victoria (4.2) than Australia wide (5.2), and all other states apart from Tasmania (3.8).

3.2.4. The proportion of people waiting for public dentistry for less than 1 month in 2012-13 in Vic was 28.5% (compared to 30.5% Australia wide). Note, both SA and Qld had a lower proportion of people waiting for public dentistry for less than 1 month.

3.3 Indigenous Health

3.3.1. In 2012-13, the proportion of older indigenous Australians who received a health assessment was 17.9%, compared to 30.3% Australia wide. Victoria also had the lowest proportion of all states.

3.3.2. Indeed, Victoria performed below the national average in the proportion of indigenous Australians who received a health check or assessment across all three age groups (children, adults and older), with the proportion assessed being 12.1% (18.8% nationally), 12.5% (19.3% nationally), and 17.9% (30.3% nationally).

3.3.3. The proportion of children who received the Aboriginal and Torres Strait Islander Child Health Check in 2012-13 was 45.5%, compared to the national average of 72%.

3.4 Children's Health

3.4.1. In 2012-13, the proportion of children receiving a fourth year developmental health check, 2012-13 was 29.3% in Victoria, compared to 52.8% Australia wide. Victoria also had the lowest proportion of all states.

3.5 Acute and Primary Health Interface

3.5.1. The number of selected potentially avoidable GP-type presentations to emergency departments has risen consistently, from 542,164 in 2008-09, to 574,470 in 2012-13.

3.5.2. 22.7% of Victorians attending a hospital emergency department thought that the care could have been provided by a GP.

3.6 Chronic Disease Management

3.6.1. The proportion of people with self-reported diabetes who had a GP annual cycle of care in Victoria was 26.2% which is slightly above the national average.

3.6.2. The proportion of people with known diabetes who had a HbA1c (glycated haemoglobin) test in the last 12 months was 79.9%, which was above the national average.

3.6.3. Despite the consistent performance against the above indicators, the proportion of adults with known diabetes in Victoria who have a HbA1c level less than or equal to 7.0 per cent (clinically accepted) was 35.5%, compared to the national average of 50.5%. Victoria was the worst performing state for this indicator.

4. Mental Health

- 4.1. In 2011-12, Victoria had the lowest cost per inpatient bed day for general mental health services – acute units (\$800, compared to Australia \$921), and for public acute hospital with a psychiatric unit/ward – acute units (\$802, compared to Australia \$918).
- 4.2. The Australian Government's real total investment into mental health has risen from an inflation adjusted \$1.761 billion in 200-06, to \$2.532 billion in 2011-12. The majority of this amount (32.8%) is through the PBS, with the other major elements being payment for psychiatrist and psychologist services via the MBS, and other national programs and initiatives.
- 4.3. The Victorian Government contributed \$1.013 billion to specialist mental health in 2011-12, which equated to approximately \$182 per person. Of this total, the allocated proportions were listed as follows:

Public psychiatric hospital	4%
Public acute hospital	27.1%
<i>Total inpatient expenditure</i>	31.1%
Community residential	16.2%
Ambulatory	28.9%
Non-government organisations	8.3%
Indirect	5.5%
Total	100%

- 4.4. Victoria's bed numbers in public psychiatric hospitals, public acute hospitals with psychiatric units or wards and publicly funded community residential units have increased across the board. The 116 public psychiatric beds in Victoria, however, is significantly less than the 902 in NSW, 345 in QLD, 246 in WA and 230 in SA. These differences are balanced out somewhat by Victoria's historically strong commitment to community-based residential units, where the 1,476 beds in 2011-12 dwarfs the available beds in all other states, and consists of more than 62.7% of all available beds in Australia.
- 4.5. Victoria leads the nation with the number of paid carer workers (FTE) with 18.5, followed by 15.9 in NSW.

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