

Under Wraps! Performance Indicators of Western Australian Public Hospitals

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Background

Public hospitals in Western Australia handled 320 000 inpatients, 400 000 emergency attendances and three million outpatient occasions of service in 1994-95. Hospitals are funded to provide accessible hospital care to those who require it, and to provide these services according to recognised standards of quality and in a way that is acceptable to clients, at a total cost of over \$1 billion. The annual performance indicators of public hospitals are meant to inform Parliament and the general public about the overall effectiveness and efficiency of services delivered by hospitals.

What the examination found...

- Few performance indicators reported in 1994-95 provided useful information about either the effectiveness or efficiency of hospital performance.
- Often performance indicators were not clearly related to the overall funding objective of the Hospitals Program and did not cover the full scope of the hospital's services.
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- Some indicators of the quality of hospital care referred to standards but most gave little information on health outcomes and the underlying data was unreliable.
- Performance indicators of acceptability of hospital care were limited in relevance and appropriateness and performance indicators on access to care were under reported.
- Most hospitals did not relate costs to hospital inpatient casemix or include emergency and outpatients services. This made it difficult to compare hospital efficiency.
- So far, Health Department initiatives to improve the quality of hospital performance indicators have had little impact.
- The "Output Based Management" initiative will make it even more important that hospitals identify and report key performance indicators.

What the examination recommended...

Hospitals should:

- Develop and report key effectiveness indicators for services to outpatients, emergency patients, as well as inpatients.
- Report clinical indicators when they reflect significant aspects of services.
- Design and improve key indicators of access to hospital services that are relevant and significant to their operating environment.
- Report efficiency indicators which include all costs and are weighted to reflect casemix.
- Ensure that performance indicators are supported by reliable information systems.

The Health Department should:

- Take the lead in developing more meaningful performance indicators for inpatient, outpatient and emergency patient services.
- Provide information on Statewide comparative performance and benchmarks.
- Clarify in their service agreements with hospitals the link between hospital objectives and the Hospitals Program objective as well as how hospitals' contractual reporting requirements relate to the performance reporting requirements of the FAAA.