



Australian Government
Department of Health and Aged Care

Private Hospital Data Collection Framework – Consultation paper

January 2025



1 Introduction

The private hospital sector is an important part of Australia's health care system. The sector is diverse, with variations in size, location, types of services delivered, business models and agreements with private health insurers and other funders.

The Department is developing a Private Hospital Financial Data Collection Framework, based on the recent Private Hospital Sector Financial Viability Health Check (the Health Check) to enable the Department to better understand the ongoing viability and financial pressures in the private hospital sector.

The Department is seeking feedback from key stakeholders in the sector on the proposed Private Hospital Financial Data Collection Framework requirements.

The Department is also seeking your feedback on Private Health Policy Reform Options and your input would be greatly appreciated. Further information on this consultation is available [here](#).

1.1 Private Hospital Sector Viability Health Check

In early 2024, high-level evidence and stakeholder feedback provided to the Australian Government raised financial viability concerns for the private hospital sector, which could potentially impact the health system and patient outcomes. In response to this, the Department conducted the Health Check to establish a robust evidence base and gain insights into the current state of the private hospital market and the viability of the sector.

As part of the Health Check, a voluntary data request was issued to private hospital operators to better understand the financial performance of the sector and identify preliminary drivers contributing to financial concerns. The Health Check highlighted the lack of comprehensive financial information the Department has access to, to inform visibility of the sector's performance. Building on the Health Check findings, the Department will continue to engage with the sector and collect further financial data to enable effective monitoring of the sector and inform future policy considerations.

2 Private Hospital Financial Data Collection Framework

The proposed Private Hospital Financial Data Collection Framework outlined in this paper is to address key information gaps and assist the Department engage with stakeholders by:

- Collecting financial data from private hospital operators routinely
- Integrate financial data with existing datasets collected by the Department, these include:
 - Hospital Casemix Protocol (HCP) data
 - Private Hospital Data Bureau (PHDB) data
 - Medicare Benefits Schedule (MBS) data
 - the Commonwealth List of Declared Hospitals.
- Engaging with stakeholders through regular workshop groups to streamline data collection and reporting processes.

- Publishing insights on key measures at an aggregated and de-identified level to assist private hospital operators and other stakeholders in making informed business decisions and undertake their own benchmarking.

2.1 Transitional Arrangements: Voluntary Financial Data Request for FY 2024

The Health Check collected financial information to December 2023 from private hospitals. To enable sector trends to continue to be monitored a data collection for FY 2024 is necessary.

The Department is requesting private hospitals to participate in a further voluntary financial data request for FY 2024. In developing the Private Hospital Financial Report (**Attachment A**), the Department has considered the voluntary data request from the Health Check and other existing data collections to reduce the reporting burden. The Private Hospital Financial Report:

- Focuses more on balance sheet information to better understand the financial stability of private hospital operators.
- Includes a short survey on the financial outlook of the organisation to provide operators an opportunity to raise any issues with the Department that are not captured quantitatively.
- Requests basic organisational information to better understand the business structure of the organisation.
- Does not ask for cost information by Major Diagnostic Category (MDC).
- Does not ask for indexation rates from health fund agreements.
- Does not ask for staff sick leave and turnover rates.
- Does not ask for information on the business model.

Private hospital operators are requested to complete the attached Private Hospital Financial Report (**Attachment A**) to the fullest and most accurate extent possible and submit the form by **14 February 2025** through the Data Submission Portal or via email. Further information on how to submit is provided below in the 'How to Respond' section.

The Department also seeks each private hospital operator to estimate the time required to complete the Private Hospital Financial Report. This will help assess the impact of a routine financial data collection process.

Additionally, the Department seeks each private hospital operator's consent to securely retain the information collected during this transitional arrangement for future benchmarking. If consent is not provided, data will be deleted after an assessment is completed. Please refer to the data protection section below and the attached Private Hospital Financial Report for more details.

2.2 Ongoing Routine Financial Data Collection

The Department proposes an ongoing routine information collection from private hospitals to collect a comprehensive dataset, providing a regular holistic overview of the sector and enabling relevant comparisons over the years.

A revised financial report will be introduced as the standard method for reporting financial information to the Department. The Private Hospital Financial Report used in the transitional arrangements for FY 2024 will inform its development.

It is proposed that private hospital operators should submit their financial information to the Department by 31 October annually. We recognise this timeframe aligns with the reporting requirements for public companies and allows the Department to receive timely information about the sector.

We understand the different reporting requirements from various regulatory bodies may duplicate information being collected and increase the reporting burden. As part of the proposed framework, the Department is looking for opportunities to streamline reporting processes for private hospital operators.

The Department also proposes to publish key measures at an aggregated and de-identified level to inform commercial benchmarks and assist stakeholders in making more informed business decisions.

The Department is considering implementing an ongoing financial data collection in 2025, with 31 October 2025 as the deadline for the first mandatory financial data collection for the financial year ending 30 June 2025.

2.3 Data protection

The Department acknowledges that the information sought from private hospital operators contains commercially sensitive information.

In the transitional arrangements, information provided by private hospital operators will:

- Be securely stored on department systems, and not shared across external networks.
- Be used solely for the purposes of monitoring the private hospital sector and to inform policy development.
- Not reported in any form that identifies an operator.
- Be limited to personnel directly involved in analysis who are subject to confidentiality, security and privacy controls.
- Only be disclosed if legally compelled. If legally compelled to disclose the information, the department will:
 - Notify the other party before the disclosure is made.
 - Only disclose the information to the extent reasonably necessary to comply with the legally lawful requirement.
 - Use reasonable efforts to ensure that the information is kept confidential.
 - Follow any reasonable directions of the other party concerning the disclosure.

3 Your feedback

As a key stakeholder in the private hospital sector, the Department is requesting your feedback on the Private Hospital Financial Report and views on the proposed Private Hospital Data Financial Collection Framework.

3.1 About you

Please answer the following questions about yourself:

- a. What is your name?
- b. What is the name of the organisation that you represent?
- c. What is your email address?
- d. What is your role at this organisation?
- e. What best describes your organisation?
 - Private hospital
 - Private health insurer
 - Healthcare provider
 - Landlord
 - Lender
 - Professional or Peak body
 - State/territory government department/agency
 - Regulatory body
 - Investor
 - Other.
- f. In which jurisdiction(s) do you mainly operate:
 - ACT
 - NSW
 - NT
 - QLD
 - SA
 - TAS
 - VIC
 - WA
 - National.

3.2 Questions

3.2.1 The Private Hospital Financial Report

In relation to the Private Hospital Financial Report (Attachment A):

- a. Are there any data points that you do not collect as part of your business operation? If so, can you please provide reason(s) for not collecting these data points?
- b. Which data points do you consider are not of critical importance and could be omitted?
- c. Are there any additional data points that should be included but are currently not captured?

3.2.2 Alignment with existing data collections

As outlined in Section 2.2 Ongoing Routine Financial Data Collection, the Department recognises a variety of data is already collected from private hospital operators and is looking for opportunities to streamline reporting processes.

- a. Do you have any insights on how to best streamline reporting processes to reduce the reporting burden on private hospital operators?
- b. What existing operational data could complement the financial data collection and enhance the understanding of the financial viability of private hospital operators?

3.2.3 Submission process

The Department is intending to implement an ongoing routine financial data collection from private hospital operators (Section 2.2):

- a. Do you agree with the proposed annual frequency of collecting financial data from private hospitals? If not, please indicate your reasons.
- b. Do you have any insights or preferences regarding the format and submission platform for the ongoing routine financial data collection? Please indicate your reasons.
- c. Do you support a copy of audited financial statements being provided to complement the financial data collection? If not, please indicate your reasons.

3.2.4 Basis for routine financial data collection

The Health Check collected financial data from 243 out of 647 hospitals, representing less than 40% of all private hospitals. To collect a comprehensive data and form a holistic overview from the sector, the Department is seeking stakeholders feedback on whether to mandate a requirement for private hospital operators to routinely submit financial data or to continue to collect financial data on a voluntary basis.

- a. Do you consider the routine collection of private hospital financial data should be mandated? If yes, please explain.
- b. Do you consider the routine collection of private hospital financial data should continue to be voluntary? If yes, please explain.
- c. Do you have any comments on an appropriate mechanism for mandating the routine collection of private hospital financial data? A potential mechanism is for the requirement to be a condition of the declaration of a hospital, as provided for under the *Private Health Insurance Act 2007*, Section 121-7, Conditions on declarations of hospitals, and the Private Health Insurance (Health Insurance Business) Rules 2018.
- d. Do you have any concerns about the proposed data security measures as outlined in Section 2.3? If so, please detail your reasons.
- e. Do you have any concerns with the proposed submission deadline of 31 October for annual reporting? If yes, please detail your reasons.
- f. Do you have any comments on the personnel to be responsible for the proposed mandatory reporting?
- g. Do you consider a requirement for mandatory reporting to be determined by 30 June 2025, with 31 October 2025 as the deadline for the submission of the first mandatory report for the financial year ended 30 June 2025 is appropriate? If not, what would be a preferred implementation timeframe and why?

- h. What impact do you anticipate mandating the reporting of financial data will have on your organisation?
- i. For private hospitals that do not submit information by the submission deadline, what proportionate compliance measures by the Department would you suggest? How should the Department escalate enforcement for continued non-compliance?

3.2.5 Public release

Following consultation with the sector the Department proposes to publish key measures at an aggregated and de-identified format to assist stakeholders benchmark performance and make more informed business decisions. In consideration of the data points included in the Private Hospital Financial Report:

- a. What metrics do you consider would be beneficial for stakeholders to be published?
- b. Would the following level of data aggregation provide insightful information for private hospital stakeholders? Please include any other suggested aggregation methods you think would be helpful.
 - i. Size of hospital
 - ii. Type of hospital (For profit/not for profit)
 - iii. Location by jurisdictions
 - iv. Location by MMM
 - v. Hospital category.
- c. Do you have any suggestions on how this information should be presented? Please include any other suggestion.
 - i. Online Excel document
 - ii. Online Word or PDF document
 - iii. Online interactive dashboard.

3.3 How to respond

Participation of the transitional arrangements and responses to this consultation are valuable and appreciated.

The consultation period concludes **14 February 2025**. Feedback can be provided through our [consultation hub](#) or emailed to private.hospitals@health.gov.au.

Completed Private Hospital Financial report for the transitional arrangements can be emailed to private.hospitals@health.gov.au by **14 February 2025**, the Department asks for consideration should be given to password protecting emailed submissions. A response acknowledging receipt will be provided as confirmation. Alternatively, the form can also be submitted to the Department's Data Submission Portal. This portal is the same portal hospitals use to submit the Private Hospital Data Bureau data. The portal can also be used as a drop box to upload hospital financial information. If you are not registered with the Data Submission Portal, please do so as soon as possible to allow time for validation. A user guide (**Attachment B**) is attached.

Given the commercial sensitivity of the information, suppression will apply to all reported data such that no information that identifies any operator will be made public.

Should you have any queries, please contact the Department via email at private.hospitals@health.gov.au.

Thank you in advance for your engagement and participation.