



President's Address

Chris Rex

Outline

- Private Hospitals – Punching Above Our Weight
- Healthcare Reform & its impact on the private sector
- Increasing demand
- Future challenges
- APHA Achievements FY09 & Agenda FY10



Private Hospitals: Punching above our weight

In FY08:

- 742 public hospitals with 56,467 beds treated 4.7 million patients
- 552 private hospitals with 27,768 beds treated 3.1 million patients

Hospitals	Hospitals	Bed Nos	% of Total Beds
Public Acute	742	54,137	64%
Public Psych	20	2330	3%
Private day hospital facilities	272	2151	3%
Private Hospitals	280	25,617	30%
TOTAL	1314	84,235	100%

Source: AIHW Australian Hospital Statistics 2007-08.



Private Hospitals: Punching above our weight

In FY08 private hospitals:

- Treated 40% of all hospital patients (3.1 million);
- Provided 33% of all hospital beds (27,768);
- Performed 64% of all elective surgery (1.1 million);
- Growth in separations – last 10 years:
 - 23.1% in public acute hospitals
 - 66.9% in private hospitals
- If current rates of growth continue in 2021 private hospitals will be treating 50% of all hospital patients

	Elective Surgical Seps	% of Total Elective Surg	Total Seps	% of Total Seps
Public Sector	619,000	36%	4,700,000	60%
Private Sector	1,100,000	64%	3,100,000	40%
TOTAL	1,719,000	100%	7,800,000	100%

Sources: State of our Hospitals June 2009 Report, Department of Health & Ageing



Private Hospitals: Punching above our weight

- Private hospitals provide high-end acute care
- Of the 15.9 million procedures performed in hospitals in FY08; 8.5 million were done in public; 7.4 million in private
- Of the top 10 procedures performed in hospitals in Australia private hospitals treated 36% of admissions in FY08
- Of the 664 procedures & treatments undertaken in Australian hospitals, private hospitals perform 660
- Private hospitals perform:
 - 77% of all knee replacements
 - 63% of all hip replacements
 - 85% of all obesity procedures
 - 70% of all major eye procedures
 - 55% of all major malignant breast conditions
 - 63% of all other major joint replacement & limb reattachment



Private Hospitals: Punching above our weight

Private hospitals employers & investors in healthcare:

- Private hospitals employ 50,000 FTE (approx 82,500 head count)
- The private hospital sector is investing at an average rate of \$0.5b per annum on capital assets.
- Ramsay Health Care currently at mid point of a \$600m capital investment programme
- The private sector spends \$35 million on training each year
- In FY08, Ramsay Health Care:
 - trained **6020** undergraduate health care students; and
 - provided over **2 million** clinical placement hours to undergraduate nursing & medical students



Private Hospitals: Punching above our weight

At what cost?

- \$104b spent on healthcare in Aust in 2007/08
- \$30.8b spent on public hospital services:
 - 39% from Fed Govt (\$12b)
 - 53% from State Govt (\$16b)
 - 8% from non-government sources - PHI benefits/self funded patients (\$2.4b)
- \$7.7b spent on private hospitals:
 - 70.8% from private health insurers (\$5.5b) – of this, \$1.7b comes from PHI rebate.
- Total Medicare Benefits paid for services to private patients in public & private facilities was circa \$1.8b in FY08
- Total PBS benefits paid for prescription drugs in private facilities was circa \$0.75b
- Total cost to taxpayers \$4.25b

(Source: Health Expenditure Australia 2007/08, AIHW)



- Healthcare Reform & its impact on the private sector
- Increasing demand
- Future challenges
- APHA Achievements FY09 & Agenda FY10