



## 7.8 Funding sources for the care of admitted patients

Australian hospitals collect information about the funding source for admitted patient hospitalisations. The information presented in this snapshot relates to hospitalisations for:

- public patients, who are admitted at no charge (publicly funded)
- patients whose stay was either completely or partially funded by private health insurance
- patients funded by other sources (see Glossary for definitions of public, private health insurance and other patients).

The data are drawn from the AIHW's National Hospital Morbidity Database and relate to the funding source reported against each episode of admitted patient care, or hospitalisation (see Glossary).

In 2015–16, of the 10.6 million hospitalisations for admitted patients in public and private hospitals combined:

- 5.3 million, or 51%, were public patients (an average increase of 3.1% per year since 2006–07)
- 4.5 million, or 42%, were at least partially funded by private health insurance (an average increase of 5.6% per year since 2006–07)
- 777,000, or around 7.3%, were funded by other sources, including self-funded patients, Department of Veterans' Affairs patients and compensation claim patients (an average decrease of 0.2% per year since 2006–07).

### Public hospitals

In 2015–16, around 5.2 million hospitalisations were for public patients (83% of all public hospital admissions) and 872,000 (14%) were at least partially funded by private health insurance (Figure 7.8.1). Since 2006–07, public patient hospitalisations increased by 2.8%, on average, each year and hospitalisations funded by private health insurance increased by 9.6%, on average, each year.

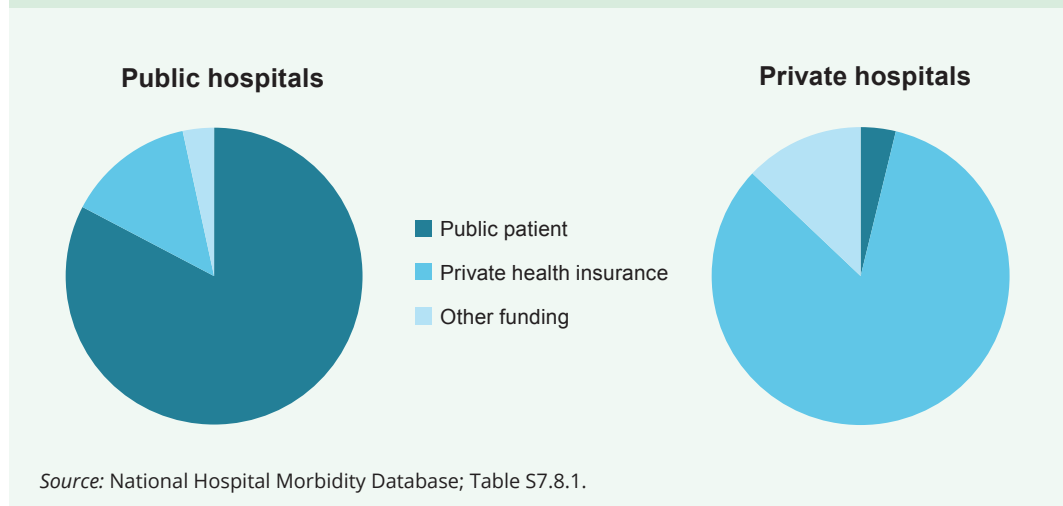
- The majority (85%) of same-day hospitalisations were public patients and 13% were funded through private health insurance.
- Eighty-one per cent (81%) of overnight stay hospitalisations were for public patients while 15% were funded through private health insurance.

## Private hospitals

In 2015–16, around 3.6 million hospitalisations were funded by private health insurance (83% of all private hospital admissions) and 162,500 (3.8%) were public patients (Figure 7.8.1). Since 2006–07, hospitalisations funded by private health insurance increased by 4.9% on average each year, and public patients by an average of 14% each year.

- Eighty-two per cent (82%) of same-day hospitalisations were funded by private health insurance and 4.7% were public patients.
- The majority (86%) of overnight stay hospitalisations were funded by private health insurance, with less than 1.5% for public patients.

**Figure 7.8.1: Proportion of hospitalisations by funding source, public and private hospitals, 2015–16**



## How do public patients and patients funded by private health insurance compare?

In 2015–16:

- patients whose admission to hospital was an emergency were more likely to be publicly funded than funded through private health insurance—74% and 21% of hospitalisations, respectively
- elective admissions were more likely to be funded by private health insurance than publicly funded (56% and 35%, respectively)
- among patients living in *Major cities*, 47% of hospitalisations were public patients and 46% were funded by private health insurance
- among patients living in *Outer regional* areas, 63% of hospitalisations were public patients and 31% were funded by private health insurance—the equivalent figures for patients from *Remote* and *Very remote* areas (combined) were 83% and 14%, respectively



- the majority (62%) of hospitalisations for people living in the highest socioeconomic areas were funded through private health insurance and 31% were for public patients
- among people living in the lowest socioeconomic areas, 66% were hospitalisations for public patients and 27% were funded through private health insurance.

## What is missing from the picture?

Information is not available on the number of hospitalisations for patients who have private health (hospital) insurance but did not use it.

Hospital admissions can be completely or partially funded by private health insurance. The data show only that private health insurance was used as a source for funding hospital admissions; they do not give information about how much funding was provided by private health insurance for each hospitalisation and what proportion of the total cost it represented.

## Where do I go for more information?

More information on the funding of public and private hospital services is available in [Private health insurance use in Australian hospitals 2006–07 to 2015–16](#).

Further information about private health insurance in Australia, including information on hospitalisations funded by private health insurance, can be sourced from the [Australian Prudential Regulation Authority website](#).

