# Definitions

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| **Aids and appliances** | Durable medical goods dispensed to ambulatory patients that are used more than once, for therapeutic purposes, such as glasses, hearing aids, wheelchairs and orthopaedic appliances and prosthetics that are not implanted surgically but are external to the user of the appliance.Excludes prostheses fitted as part of admitted patient care in a hospital. |
| **Australian Government expenditure** | Total expenditure actually incurred by the Australian Government on its own health programs. It does not include the funding provided by the Australian Government to the states and territories by way of grants under section 96 of the Constitution. |
| **Australian Government funding** | The sum of Australian Government expenditure and section 96 grants to states and territories. This includes the 30–40% private health insurance premium rebates. |
| **Benefit-paid pharmaceuticals** | Pharmaceuticals listed in the schedule of the Pharmaceutical Benefits Scheme (PBS) and the Repatriation Pharmaceutical Benefits Scheme (RPBS) for which pharmaceutical benefits have been paid or are payable. Does not include listed pharmaceutical items where the full cost is met from the patient co-payment under the PBS or RPBS. |
| **Capital consumption** | The amount of fixed capital used up each year in the provision of health goods and services (sometimes referred to as depreciation). |
| **Capital expenditure** | Expenditure on fixed assets (for example, new buildings and equipment with a useful life that extends beyond 1 year). This does not include changes in inventories. This term is used in this publication to refer to what the ABS calls gross fixed capital formation. See *Capital formation*. |
| **Capital formation** | Gross fixed capital formation is the value of acquisitions less disposals of new or existing fixed assets. Assets consist of tangible or intangible assets that have come into existence as outputs from processes of production, and that are themselves used repeatedly or continuously in other processes of production over periods of time longer than 1 year. See *Australian national accounts: concepts, sources and methods* (ABS 2000) for further details. |
| **Community health services** | Non–residential health services offered by establishments to patients/clients, in an integrated and coordinated manner in a community setting, or the coordination of health services elsewhere in the community. Such services are provided by, or on behalf of, state and territory governments. Includes, for example:* well baby clinics
* health services provided to particular groups, such as Aboriginal and Torres Strait Islander people, women, youth and migrants, as well as family planning services, alcohol and drug treatment services
* specialised mental health programs delivered in a community setting.
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| **Constant prices** | Constant price expenditure adjusts current prices for the effects of inflation, that is, it aims to remove the effects of inflation. Constant price estimates for expenditure aggregates have been derived using either annually re-weighted chain price indexes or implicit price deflators (IPDs). The reference year for both the chain price indexes and the IPDs is 2011–12 in this report. Constant price estimates indicate what expenditure would have been had2011–12 prices applied in all years. Hence, expenditures in different years can be compared on a dollar-for-dollar basis, using this measure of changes in the volume of health goods and services.  |
| **Current prices** | The term ‘current prices’ refers to expenditures reported for a particular year, unadjusted for inflation. Changes in current price expenditures reflect changes in both price and volume. |
| **Dental services** | Services provided by registered dental practitioners, such as oral and maxillofacial surgery items; orthodontic, pedodontic and periodontic services; cleft lip and palate services; dental assessment and treatment; and other dental items listed in the MBS.  |
| **Health administration** | Activities related to the formulation and administration of government and non-government policy in health and in the setting and enforcement of standards for health personnel and for hospitals, clinics, and so forth. Includes the regulation and licensing of providers of health services.  |
| **Health research** | Research undertaken at tertiary institutions, in private non-profit organisations and in government facilities that has a health socioeconomic objective. Excludes commercially oriented research funded by private business, the costs of which are assumed to be included in the prices charged for the goods and services (for example, medications that have been developed and/or supported by research activities). |
| **Highly specialised drugs** | Under Section 100 of the *National Health Act 1953*, certain drugs can only be supplied to patients through hospitals because only the hospitals can provide the facilities or staff necessary to oversee the appropriate use of the drugs. These drugs are funded by the Australian Government. |
| **Hospital services** | Services provided to a patient who is receiving admitted patient services or non–admitted patient services in a hospital, but *excludes* dental services, community health services, patient transport services, public health activities and health research undertaken within the hospital. Can include services provided off-site, such as hospital in the home, dialysis or other services. |
| **Individuals’ out-of-pocket funding** | Payments by individuals where they meet the full cost of a good or service as well as where they share the cost of goods and services with third-party payers, for example, private health insurance funds or the Australian Government. |
| **Injury compensation insurers** | Workers compensation and compulsory third-party motor vehicle insurers. |
| **Jurisdictions** | State, territory and local governments. |
| **Local government** | A public sector unit where the political authority underlying its function is limited to a local government area or other region within a state or territory, or the functions involve policies that are primarily of concern at the local level.  |
| **Medical durables** | Therapeutic devices, such as glasses, hearing aids and wheelchairs that can be used more than once. |
| **Medical services** | Includes services provided by, or on behalf of, registered medical practitioners that are funded by the Medicare Benefits Schedule (MBS), DVA, compulsory motor vehicle third-party insurance, workers compensation insurance, private health insurance funds, Australian Government premium rebates allocated to medical services, Medicare co-payments and other out-of-pocket payments.Most medical services in Australia are provided on a fee-for-service basis and attract benefits from the Australian Government under Medicare. This includes both private in-hospital medical services and out-of-hospital medical services. It also includes non-MBS medical services, such as the provision of vaccines for overseas travel, as well as some expenditure by the Australian Government under alternative funding arrangements. Excludes medical services provided to public admitted patients in public hospitals and medical services provided to public patients at outpatient clinics in public hospitals. |
| **Medical expenses tax rebate** | Applies in regard to a wide range of health expenditures, not just expenses associated with doctors as the name might suggest. It cannot be specifically allocated to the various areas of health expenditure.Individuals are able to claim a rebate in respect of that part of their eligible personal health expenses that exceeds a threshold in an income year. For the 2011–12 income year, the tax rebate was 20 cents for each $1 by which a taxpayer’s net medical expenses exceeded $2,060 (the threshold).These tax expenditures are a form of funding only. The related expenditures have already been allocated to particular area(s) of health expenditure, but it is not possible to allocate this form of funding to particular health expenditure areas.The Australian Department of the Treasury estimates other tax expenditures in the health area, such as the cost of exempting low-income earners from the Medicare levy. These tax expenditures are not included in the Australian NHA framework. |
| **Medications**  | Benefit-paid pharmaceuticals and other medications. |
| **Nominal expenditure** | Expenditure expressed in terms of current prices. |
| **Other health practitioner services** | Services provided by health practitioners (other than doctors and dentists). These include chiropractors, optometrists, physiotherapists, speech therapists, audiologists, dietitians, podiatrists, homeopaths, naturopaths, practitioners of Chinese medicine and other forms of traditional medicine. |
| **Other medications** | Pharmaceuticals for which no PBS or RPBS benefit was paid.Includes:* pharmaceuticals listed in the PBS or RPBS, the total costs of which are equal to, or less than, the statutory patient contribution for the class of patient
* pharmaceuticals dispensed through private prescriptions that do not fulfil the criteria for payment of benefit under the PBS or RPBS
* over-the-counter medicines including pharmacy-only medicines, aspirin, cough and cold medicines, vitamins and minerals, herbal and other complementary medicines, and a range of medical non-durables, such as condoms, adhesive and non-adhesive bandages.
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| **Other recurrent health services n.e.c.** | Miscellaneous expenditures that could not, at that time, be allocated to the specific health expenditure areas in the matrix.  |
| **Over-the-counter medicines** | Therapeutic medicinal preparations that can be purchased from pharmacies and supermarkets.  |
| **Over-the-counter therapeutic medical non–durables** | Non-prescription therapeutic goods that tend to be single-use items, such as bandages, elastic stockings, condoms and other mechanical contraceptive devices, from pharmacies or supermarkets. |
| **Patient transport services** | Expenditure by organisations primarily engaged in providing transportation of patients by ground or air, along with health (or medical) care. These services are often provided during a medical emergency but are not restricted to emergencies. The vehicles are equipped with lifesaving equipment operated by medically trained personnel. Includes public ambulance services or flying doctor services, such as Royal Flying Doctor Service and Care Flight. Also includes patient transport programs, such as patient transport vouchers or support programs to assist isolated patients with travel to obtain specialised health care. For 2003–04 onwards, this category includes patient transport expenses that are included in the operating costs of public hospitals. |
| **Pharmaceutical Benefits Scheme (PBS)** | A national, government–funded scheme that subsidises the cost of a wide range of pharmaceutical drugs, and that covers all Australians to help them afford standard medications. |
| **Private Health Insurance Incentives Scheme (PHIIS)** | The PHIIS was introduced on 1 July 1997 to encourage more people to take out private health insurance. It provided a subsidy to low-income earners who did, and a tax penalty to high-income earners who did not. Middle-income earners were not the target of this policy and as such were neither eligible for the tax subsidy nor liable to incur a tax penalty, regardless of their private health insurance status. The scheme ended on 31 December 1998. |
| **Private hospital** | A health care provider facility, other than a public hospital, that has been established under state or territory legislation as a hospital or freestanding day procedure unit and authorised to facilitate the provision of hospital services to patients. A private hospital is not defined by whether it is privately owned but by whether it is *not* a public hospital (as defined below). Private hospital expenditure includes expenditures incurred by a private hospital in providing contracted and/or ad hoc treatments for public patients. |
| **Private patient** | A person admitted to a private hospital, or a person admitted to a public hospital who is treated by a doctor of their own choice and/or who has private ward accommodation. This means that the patient will be charged for medical services, food and accommodation. |
| **Public health activities** | Nine types of activities undertaken or funded by the key jurisdictional health departments that address issues related to populations, rather than individuals. These activities comprise:* communicable disease control
* selected health promotion
* organised immunisation
* environmental health
* food standards and hygiene
* breast cancer, cervical and bowel cancer screening
* prevention of hazardous and harmful drug use
* public health research.

These activities do not include treatment services. |
| **Public health services** | Services provided and/or funded by governments that are aimed at protecting and promoting the health of the whole population or specified population subgroups and/or preventing illness or injury in the whole population or specified population subgroups. Public health services do not include treatment services.For 2001–02 onwards, public health services also include departmental costs for the following departmental regulators: Therapeutic Goods Administration, Office of Gene Technology Regulator and the National Industrial Chemicals Notification and Assessment Scheme. These departmental costs are not included in the *National public health expenditure* or *Public health expenditure in Australia* reports. |
| **Public hospital** | A health care provider facility that has been established under state or territory legislation as a hospital or as a freestanding day procedure unit. Public hospitals are operated by, or on behalf of, the government of the state or territory in which they are established and are authorised under that state/territory’s legislation to provide or facilitate the provision of hospital services to patients. Public hospitals are recognised under the NHCAs and include some hospitals, such as some denominational hospitals, that are privately owned. Defence force hospitals are not included in the scope of public hospitals. |
| **Public hospital services** | The balance of public hospital expenditure remaining, after community health services, public health services, non-admitted dental services, patient transport services and health research activities that are undertaken by public hospitals have been removed and reallocated to their own expenditure categories.  |
| **Public patient** | A patient admitted to a public hospital who is treated by doctors of the hospital’s choice and accepts shared ward accommodation if necessary. This means that the patient is not charged. |
| **Real expenditure** | Expenditure that has been adjusted to remove the effects of inflation (for example, expenditure for all years has been compiled using 2011–12 prices). Removing the effects of inflation enables comparisons to be made between expenditures in different years on an equal dollar-for-dollar basis. Changes in real expenditure measure the change in the volume of goods and services produced. |
| **Rebates of health insurance premiums** | Introduced in January 1999, a non–means–tested rebate on private health insurance premiums replaced the PHIIS subsidy. There are two types of rebates of health insurance premiums. The first rebate is where the 30–40% rebate is taken as a reduced premium payable by the individual with private health cover (with the health fund claiming payment from the Australian Government).The second rebate is taken as an income tax rebate, where individuals with private health cover elect to claim the rebate through the tax system at the end of the financial year for the 30–40% rebate, having paid the health funds 100% of their premiums up front. |
| **Recurrent expenditure** | Expenditure incurred by organisations on a recurring basis, for the provision of health goods and services. This excludes capital expenditure. For all years, recurrent expenditure includes capital consumption. |
| **Repatriation Pharmaceutical Benefits Scheme (RPBS)** | Provides assistance to eligible veterans (with recognised war- or service-related disabilities) and their dependants for pharmaceuticals listed on the PBS and a supplementary repatriation list, at the same cost as patients entitled to the concessional payment under the PBS. |
| **Specific purpose payments (SPPs)** | Australian Government payments to the states and territories under the provisions of section 96 of the Constitution, used for purposes specified in agreements between the Australian Government and individual state and territory governments. Some are conditional on states and territories incurring a specified level or proportion of expenditure from their own resources. The SPP associated with the National Healthcare Agreement, implemented from 1 July 2009, provides payments to state and territory governments that are to be spent only within the sector described e.g. within the health sector. In addition, there are National partnership payments under National partnership agreements that are targeted to specific areas of health expenditure.  |
| **State and territory dental services** | School dental programs, community dental services and hospital dental programs funded by state and territory health authorities. |