

Cost Benefit Analysis for the Toowoomba Hospital Preliminary Business Case

Assessing the costs and benefits of options for improving hospital capacity



LOCATION

Toowoomba, QLD

CLIENT

Darling Downs Health and Hospital Service

COST-BENEFIT ANALYSIS

BUSINESS CASE DEVELOPMENT

Background

Darling Downs Health is facing challenges with the existing Toowoomba Hospital. As demand for health services increase from the community, pressures are being put on the health sector. Given the constraints of the existing hospital site, Darling Downs Health were looking to investigate potential options to expand capacity at an off-site location in addition to the traditional expansion of the existing site.

Expanding the existing site had a number of limitations and risks but would be expected to be a more cost effective solution. The vision for the greenfield site was a master planned health and knowledge precinct at Baillie Henderson Hospital campus, north of the Toowoomba CBD.

Our role

NineSquared was engaged to undertake a cost-benefit analysis of the proposed site selection of Toowoomba Hospital. The cost-benefit analysis evaluated potential sites and project options to provide decision makers with the appropriate resources to make an informed investment decision. The CBA estimated the additional benefits to the community and patients of the hospital that would flow from expansion in overall bed capacity.

To evaluate these benefits, NineSquared estimated a number of benefits including:

- the benefit of reductions in mortality and morbidity resulting from the hospital being able to treat more patients,
- reductions in the cost of transferring patients to other hospitals because of capacity issues, and
- the benefits associated with more renal patients being treated closer to their place of residence.

Impacts to infection rates, staff satisfaction and improvements in health outcomes were also captured quantifiably in the analysis.

As a result of NineSquared's involvement, a successful Preliminary Business Case was delivered. The economic analysis provided decision makers with headline statistics including benefit cost ratio and net present value. Various staging options were analysed to determine which provided the appropriate level of care to match demand and the associated economic implications.

Our work was reviewed by Darling Downs Hospital and Health Service, Queensland Health and Building Queensland. The economic analysis recommended that the preferred option move to the Detailed Business Case phase.

FOR FURTHER INFORMATION

For more information, find one of our experts at ninesquared.com.au/people