

Projects

Economic Evaluation of Ipswich Hospital Redevelopment Detailed Business Case

Cost-Benefit Analysis for a proposed Ipswich Hospital Redevelopment



LOCATION

Ipswich, QLD

CLIENT

Building Queensland

COST-BENEFIT ANALYSIS

Background

West Moreton Health is the fastest growing hospital and health service in Queensland. The region is experiencing rapid growth with the population forecast to more than double from 286,000 to 587,600 by 2036. The community is culturally, economically and geographically diverse, with lower social determinants of health than the Queensland average, resulting in proportionately higher acuity, burden of disease and health care demand.

Ipswich Hospital is the primary hospital for the West Moreton Health catchment and provides services at Clinical Services Capability Framework (CSCF) levels 4 and 5. West Moreton Health services are predominantly delivered at Ipswich Hospital and Ipswich Health Plaza (community health services).

Due to the growing population and aging of facilities, a redevelopment of the Ipswich Hospital Precinct was identified. This redevelopment included the delivery of a new mental health facility, provision of a MRI suite and the purchase and refurbishment of facilities for community health and administration functions.

Our role

NineSquared was engaged to undertake a Cost-Benefit Analysis for a proposed Ipswich Hospital Redevelopment Stage 1A. As part of a wider business case submission, a Cost-Benefit Analysis for three development options were conducted which evaluated potential health and efficiency benefits against capital and whole of life costs. The analysis was conducted using both Service Related Group (SRG) and Disease Related Group (DRG).

Typically, health benefits are captured improvements in capacity which allow for more people to be treated at a high level of care. This may be measured via disability weights and the value of a statistical life. While this process is well documented, there were unique elements of this project which required

additional stakeholder engagement. As an example, it was important to understand how the hospital would respond when faced with greater demand for care when compared to the availability of treatment spaces. It was originally expected that this would lead to the mental health facility being unable to meet demand. However, engagement with staff at Ipswich Hospital found that the operational flow would eventually result in changes in other wards. The economic analysis was tailored to capture this operational flow to more appropriately represent the issues associated with a lack of investment.

NineSquared worked closely with the project manager, social impact evaluation team and the financial/commercial consultant to ensure consistency in approach and inputs between each work stream. As a result of this process, Stage 1A has successfully moved to the construction phase with works currently underway.

FOR FURTHER INFORMATION

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