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## **Rationing of Hospital Services in the Australian Health System**

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This article reports on the rationing in the Australian hospital sector and explains why it has been undertaken. It also briefly overviews the Australian health system in order to provide a necessary background for the issue of rationing itself. Rationing of hospital services has occurred because governments in Australia have limited hospital sector resources trying to ensure the containment of their health budgets. The resources available to hospitals have been insufficient to ensure that the supply of services meets the demand for such services. Therefore, in order to contain hospital budgets rationing has been required. Medicare, the universal health insurance system, assures that access to public hospital services is on the basis of clinical needs. However, due to the federal nature of government in Australia, the available services are determined by health system structural interrelationships and direct government regulation. For example, services provided in the community sector, and funded by the Commonwealth government, are prime candidates for being removed from the hospital sector by State/Territory governments. Similarly, expensive services with a wide range of usage are candidates for regulation to contain costs.

**Key words:** assessment of health care needs; Australia; budgets; economics, hospital; health services administration; health system agencies; hospitals