

National Health Reform Public hospital funding

Local hospital network report November 2012 Townsville Hospital and Health Service

Issued by the Administrator of the National Health Funding Pool
under section 240 of the *National Health Reform Act 2011*

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National Health Reform public hospital funding – Local hospital network report

Townsville Hospital and Health Service, November 2012

This report is issued by the Administrator of the National Health Funding Pool under section 240 of the *National Health Reform Act 2011*.

This report shows the National Health Reform (NHR) payments made by the Commonwealth and Queensland to the Townsville Hospital and Health Service for November 2012 as part of the *National Health Reform Agreement*.

The Townsville Hospital and Health Service is the local hospital network covering Townsville and the north western region of Queensland. See [Townsville Hospital and Health Service public hospitals and service providers](#).

Local hospital networks and National Health Reform

A local hospital network (LHN) is an organisation that provides public hospital services in accordance with the *National Health Reform Agreement* (the Agreement). A local hospital network can contain one or more hospitals, and is usually defined as a business group, geographical area or community. Every Australian public hospital is part of a local hospital network.

Note: The term 'local hospital network' is a national term. Some states and territories use their own local terminology to describe these networks, such as local health districts, health organisations, and hospital and health services.

Under the Agreement, local hospital networks receive NHR funding for the following public hospital services:

- All admitted and non-admitted services
- All emergency department services provided by a recognised emergency department
- Other outpatient, mental health, sub-acute services and other services that could reasonably be considered a public hospital service.

Note: Local hospital networks also receive funding from other sources, including the Commonwealth, states and territories, and third parties for the provision of other specific functions and services outside the scope of the Agreement, for example, dental services, primary care, home and community care, residential aged care and pharmaceuticals. For further information on total funding to a particular local hospital network, contact the Department of Health in the relevant state or territory to view the service agreement for that local hospital network.

Reference information

The data in this report can be viewed in conjunction with information shown on the *MyHospitals* website (www.myhospitals.gov.au) which provides information on hospitals throughout Australia.

The financial information outlined in the following report represents NHR payments. NHR payments are when NHR funding is deposited into a state pool account or state managed fund and is paid out of the state pool account by the Administrator, or is paid out of state managed fund by the state or territory.

For the basis of NHR payments, see the *Basis for National Health Reform payments* explanation in the Queensland report for November 2012, see [Queensland report, November 2012](#).

For the basis of the Commonwealth contribution to NHR funding, see [Basis of Commonwealth funding 2012-13](#).

Report tables

This report includes the following tables:

Table 1 – Commonwealth and Queensland NHR payments to the Townsville Hospital and Health Service, November 2012

Table 2 – Estimated monthly, YTD and annual NWAU for the Townsville Hospital and Health Service, November 2012

Table 1 – Commonwealth and Queensland NHR payments to the Townsville Hospital and Health Service, November 2012

Table 1a – NHR payments, November 2012

This table shows the NHR payments made by the Commonwealth and Queensland to the Townsville Hospital and Health Service by service category and contribution for November 2012.

The data is divided into service category and associated Commonwealth and state or territory contribution for each amount. For further information on total funding to a particular local hospital network, contact the Department of Health in the relevant state or territory to view the service agreement for that local hospital network.

Service category	Total NHR payments (ex GST) (\$)	GST (\$)	Commonwealth NHR payments (ex GST) (\$)	State/territory NHR payments (ex GST) (\$)
Acute admitted - public	22,285,699	0	8,415,404	13,870,295
Acute admitted - private	2,717,837	0	1,026,295	1,691,542
Non-admitted	5,765,737	0	2,177,226	3,588,511
Emergency department	2,987,372	0	1,128,075	1,859,297
Total ABF payments (Pool)	33,756,645	0	12,747,000	21,009,645
Mental health	2,535,047	0		
Small rural & metro hospitals	4,194,047	0		
Sub-acute	1,804,302	0		
Teaching, training & research	1,779,395	0		
Other	0	0		
Total Block payments (SMF)	10,312,791	0		
Total NHR payments	44,069,436	0		

See explanatory notes following table 1b.

Table 1b – NHR payments YTD, November 2012

Following on from table 1a, this table shows the year-to-date (YTD) NHR payments made by the Commonwealth and Queensland to the Townsville Hospital and Health Service as at November 2012.

Service category	Total NHR payments YTD (ex GST) (\$)	GST YTD (\$)	Commonwealth NHR payments YTD (ex GST) (\$)	State/territory NHR payments YTD (ex GST) (\$)
Acute admitted - public	120,475,318	0	42,077,540	78,397,778
Acute admitted - private	14,692,483	0	5,131,537	9,560,946
Non-admitted	31,169,270	0	10,886,265	20,283,005
Emergency department	16,149,574	0	5,640,445	10,509,130
Total ABF payments (Pool)	182,486,645	0	63,735,786	118,750,859
Mental health	13,500,126	0		
Small rural & metro hospitals	22,267,827	0		
Sub-acute	9,675,754	0		
Teaching, training & research	9,489,084	0		
Other	0	0		
Total Block payments (SMF)	54,932,791	0		
Total NHR payments	237,419,436	0		

Total ABF payments (Pool) represents NHR payments made by the Administrator from the state pool account to the local hospital network (LHN).

Total Block payments (SMF) represents NHR payments made by the state or territory from the state managed fund (SMF) to the local hospital network.

Note: The grey shaded areas in the table above reflect that block payments made to local hospital networks cannot at this stage be identified by source of funding (state, territory or Commonwealth) when paid from state managed funds.

Payments in these tables are GST exclusive. The majority of government funding to local hospital networks is not subject to GST. However in some cases, hospital funding to non-government entities does attract GST, for example, denominational hospitals, privately and commercially owned health facilities, or any other non-government third party provider of health services or related supplies.

For the basis of NHR payments, see the *Basis for National Health Reform payments* explanation in the Queensland report for November 2012, see [Queensland report, November 2012](#).

Table 2 – Estimated monthly, YTD and annual NWAU for the Townsville Hospital and Health Service, November 2012

This table shows the estimated activity for activity based funding services expressed as National Weighted Activity Units (NWAU) for November 2012, the associated cumulative year-to-date (YTD) NWAU, and the total estimated annual NWAU for the Townsville Hospital and Health Service.

NHR funding amounts and service volumes are provided by states and territories as service *estimates* at the start of each financial year, and may continue to be refined during the course of the year. These *estimates* form the basis of monthly reporting of service volumes until *actual* service numbers become available.

The estimated annual NWAU for the Townsville Hospital and Health Service was provided to the Administrator as a basis for determining Commonwealth NHR activity based funding. Current month NWAU estimates accumulate through the year-to-date (YTD) NWAU to equal the annual NWAU at the end of the financial year.

Activity based funding (ABF) service category	Estimated NWAU delivered in current month	Estimated NWAU delivered YTD	Estimated annual NWAU 2012-13
Acute admitted - public	4,922	24,608	59,058
Acute admitted - private	600	3,001	7,202
Non-admitted	1,273	6,366	15,279
Emergency department	660	3,299	7,917
Total	7,455	37,274	89,457

An NWAU is a measure of health service activity expressed as a common unit. It provides a way of comparing and valuing each public hospital service, whether they are admissions, emergency department presentations or outpatient episodes, by weighting them for their clinical complexity. The average hospital service is worth one NWAU – the most intensive and expensive activities are worth multiple NWAU, the simplest and least expensive are worth fractions of an NWAU.

Monthly NHR payments relate to the cash needs of public hospitals and do not necessarily reflect the volume of services to be delivered in the month.

For more information on the NWAU explanation and basis, see [National Health Reform Reporting](#).

For the basis of NHR payments, see the *Basis for National Health Reform payments* explanation in the Queensland report for November 2012, see [Queensland report, November 2012](#).

Townsville Hospital and Health Service public hospitals and service providers

The Townsville Hospital and Health Service is the local hospital network covering Townsville and the north western region of Queensland.

For the purposes of National Health Reform public hospital funding arrangements, this network is made up of the following public hospitals and service providers:

- Ayr Hospital
- Charters Towers Hospital
- Home Hill Hospital
- Hughenden Hospital
- Ingham Hospital
- Joyce Palmer Health Service
- Magnetic Island Health Service Centre
- Richmond Hospital
- Townsville Hospital