



Administrator
National Health
Funding Pool

National Health Reform
Public Hospital Funding

National Report
January 2018

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National Health Reform public hospital funding National report – January 2018

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 is prepared on a cash basis. It shows monthly and year-to-date (YTD) National Health Reform (NHR) funding and payments at an aggregated national level for January 2018.

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Local hospital networks and National Health Reform

A local hospital network (LHN) is an organisation that provides public hospital services in accordance with the Agreement. An LHN 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 an LHN.

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, LHNs receive funding in 2017-18 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: LHNs 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 LHN, contact the Department of Health in the relevant state or territory to view the service agreement for that LHN.

Note: Amounts shown in the monthly reports do not include funding received by Victoria from New South Wales as contributions for Albury Wodonga Health.

Reference information

The financial information outlined in the following report is categorised as:

- *NHR funding* – when the Commonwealth or state or territory government pays NHR funding into a state pool account or state managed fund.
- *NHR payments* – when NHR funding that has been deposited into a state pool account or state managed fund is paid out of the state pool account by the Administrator, or is paid out of the state managed fund by the state or territory.

For the basis of state and territory NHR payments, see *Basis for National Health Reform payments* explanation in the relevant state or territory report for January 2018, see [State or territory reports](#).

For the basis of the Commonwealth contribution to NHR funding, see [Basis of Commonwealth NHR funding, 2017-18](#).

NHR funding and payments

Table 1 – NHR funding and payments for each state and territory – January 2018

This table shows NHR funding and payments for each state and territory for January 2018.

State/territory	NHR funding (\$)	NHR payments (\$)	NHR funding YTD (\$)	NHR payments YTD (\$)
NSW	1,318,635,338	1,318,635,343	8,172,584,926	8,172,584,931
VIC	947,345,951	947,345,951	6,795,504,728	6,795,504,727
QLD	1,173,517,750	1,173,489,081	6,688,056,612	6,687,819,758
WA	128,860,103	128,860,103	2,247,753,553	2,247,753,564
SA	369,199,816	274,454,987	2,043,117,487	1,976,729,256
TAS	134,126,528	134,135,341	700,503,037	700,503,037
ACT	88,666,387	88,666,387	645,900,708	645,900,708
NT	95,361,808	95,360,784	667,532,621	667,525,491
Total	4,255,713,680	4,160,947,977	27,960,953,671	27,894,321,472

Differences between NHR funding and NHR payments for a state or territory can occur for several reasons, such as having funds remaining in its state pool account at the end of the month, drawing down on available funds from previous months, or having an overdraft in its state pool account at the end of the month.

NHR funding and payments shown in this table include GST where applicable.

Commonwealth and state or territory NHR funding components are detailed in the following tables.

For more information, see [National Health Reform funding and payments](#).

NHR funding by funding source

Table 2a – NHR funding by funding source for each state and territory – January 2018

This table shows NHR funding by the source of funds for each state and territory for January 2018.

Sources of NHR funding are separated into Commonwealth funding, Own state or territory funding (where a state or territory provides its own funding) and Funding from other state or territory (where other states or territories contribute cross-border funding towards the cost of their residents being treated in the provider state or territory).

State/territory	NHR funding by source			
	Commonwealth NHR funding (\$)	Own state/territory NHR funding (\$)	NHR funding from other state/territory (\$)	Total NHR funding (\$)
NSW	501,634,357	811,500,981	5,500,000	1,318,635,338
VIC	410,468,213	532,377,737	4,500,000	947,345,951
QLD	329,469,314	839,148,436	4,900,000	1,173,517,750
WA	176,914,074	-48,053,972	0	128,860,103
SA	108,833,878	260,365,938	0	369,199,816
TAS	33,639,341	100,487,188	0	134,126,528
ACT	30,244,387	50,472,000	7,950,000	88,666,387
NT	21,426,951	73,934,857	0	95,361,808
Total	1,612,630,515	2,620,233,164	22,850,000	4,255,713,680

See explanatory notes following table 2b.

Table 2b – NHR funding by funding source for each state and territory YTD – January 2018

Following on from table 2a, this table shows year-to-date (YTD) NHR funding by the source of funds for each state and territory as at January 2018.

State/territory	NHR funding by source			
	Commonwealth NHR funding YTD (\$)	Own state/territory NHR funding YTD (\$)	NHR funding from other state/territory YTD (\$)	Total NHR funding YTD (\$)
NSW	3,511,440,496	4,622,644,430	38,500,000	8,172,584,926
VIC	2,873,277,494	3,890,727,233	31,500,000	6,795,504,728
QLD	2,306,285,199	4,347,471,413	34,300,000	6,688,056,612
WA	1,238,398,521	1,009,355,032	0	2,247,753,553
SA	761,837,144	1,281,280,343	0	2,043,117,487
TAS	235,475,384	465,027,653	0	700,503,037
ACT	211,710,708	378,540,000	55,650,000	645,900,708
NT	149,988,658	517,543,963	0	667,532,621
Total	11,288,413,603	16,512,590,068	159,950,000	27,960,953,671

NHR funding shown in these tables includes GST where applicable.

For more information, see [National Health Reform funding and payments](#).

NHR funding by funding type

Table 3a – NHR funding by funding type for each state and territory – January 2018

This table shows NHR funding for each state and territory by funding type and source for January 2018. NHR funding can be activity-based funding (ABF), block funding or other funding, such as public health funding, cross-border, interest or overdeposits.

Sources of NHR funding are separated into Commonwealth funding, Own state or territory funding (where a state or territory provides its own funding) and Funding from other state or territory (where other states or territories contribute cross-border funding towards the cost of their residents being treated in the provider state or territory).

State/ territory	NHR funding type	Commonwealth NHR funding (\$)	Own state/territory NHR funding (\$)	NHR funding from other state/territory (\$)	Total NHR funding (\$)
NSW	ABF	431,600,354	726,390,795	0	1,157,991,149
	Block	59,704,661	67,531,380	0	127,236,041
	Other	10,329,342	17,578,805	5,500,000	33,408,147
	Total	501,634,357	811,500,981	5,500,000	1,318,635,338
VIC	ABF	357,230,284	463,913,033	0	821,143,317
	Block	45,068,306	67,574,673	0	112,642,979
	Other	8,169,623	890,031	4,500,000	13,559,655
	Total	410,468,213	532,377,737	4,500,000	947,345,951
QLD	ABF	287,208,828	707,153,326	0	994,362,153
	Block	35,801,215	123,966,442	0	159,767,657
	Other	6,459,271	8,028,668	4,900,000	19,387,939
	Total	329,469,314	839,148,436	4,900,000	1,173,517,750
WA	ABF	150,172,697	179,201,247	0	329,373,943
	Block	23,254,608	-227,255,218	0	-204,000,610
	Other	3,486,770	0	0	3,486,770
	Total	176,914,074	-48,053,972	0	128,860,103
SA	ABF	91,992,044	240,000,000	0	331,992,044
	Block	14,583,846	20,200,000	0	34,783,846
	Other	2,257,987	165,938	0	2,423,925
	Total	108,833,878	260,365,938	0	369,199,816
TAS	ABF	27,721,993	25,750,053	0	53,472,046
	Block	5,234,926	74,737,125	0	79,972,050
	Other	682,422	10	0	682,432
	Total	33,639,341	100,487,188	0	134,126,528
ACT	ABF	27,442,825	45,346,000	0	72,788,825
	Block	2,272,872	3,526,000	0	5,798,872
	Other	528,691	1,600,000	7,950,000	10,078,691
	Total	30,244,387	50,472,000	7,950,000	88,666,387
NT	ABF	19,428,106	24,526,583	0	43,954,690
	Block	1,676,933	49,407,250	0	51,084,183
	Other	321,912	1,023	0	322,935
	Total	21,426,951	73,934,857	0	95,361,808

State/ territory	NHR funding type	Commonwealth NHR funding (\$)	Own state/territory NHR funding (\$)	NHR funding from other state/territory (\$)	Total NHR funding (\$)
Total ABF funding		1,392,797,131	2,412,281,037	0	3,805,078,167
Total Block funding		187,597,367	179,687,651	0	367,285,018
Total Other funding		32,236,018	28,264,477	22,850,000	83,350,494
Grand Total		1,612,630,515	2,620,233,164	22,850,000	4,255,713,680

See explanatory notes following table 3b.

Table 3b – NHR funding by funding type for each state and territory YTD – January 2018

Following on from table 3a, this table shows year-to-date (YTD) NHR funding for each state and territory by funding type and source for January 2018. NHR funding can be activity-based funding (ABF), block funding or other, such as public health funding, cross-border, interest or overdeposits.

State/ territory	NHR funding type	Commonwealth NHR funding YTD (\$)	Own state/territory NHR funding YTD (\$)	NHR funding from other state/territory YTD (\$)	Total NHR funding YTD (\$)
NSW	ABF	3,021,202,475	3,839,343,381	0	6,860,545,856
	Block	417,932,625	660,611,120	0	1,078,543,746
	Other	72,305,395	122,689,929	38,500,000	233,495,324
	Total	3,511,440,496	4,622,644,430	38,500,000	8,172,584,926
VIC	ABF	2,500,611,989	3,373,115,212	0	5,873,727,201
	Block	315,478,143	516,933,253	0	832,411,396
	Other	57,187,362	678,769	31,500,000	89,366,131
	Total	2,873,277,494	3,890,727,233	31,500,000	6,795,504,728
QLD	ABF	2,010,461,793	3,649,643,205	0	5,660,104,998
	Block	250,608,507	641,591,355	0	892,199,862
	Other	45,214,899	56,236,853	34,300,000	135,751,752
	Total	2,306,285,199	4,347,471,413	34,300,000	6,688,056,612
WA	ABF	1,051,208,877	791,059,448	0	1,842,268,325
	Block	162,782,255	218,295,584	0	381,077,839
	Other	24,407,389	0	0	24,407,389
	Total	1,238,398,521	1,009,355,032	0	2,247,753,553
SA	ABF	643,944,309	1,148,000,000	0	1,791,944,309
	Block	102,086,925	132,231,390	0	234,318,315
	Other	15,805,910	1,048,953	0	16,854,864
	Total	761,837,144	1,281,280,343	0	2,043,117,487
TAS	ABF	194,053,952	212,050,122	0	406,104,074
	Block	36,644,480	252,968,707	0	289,613,187
	Other	4,776,952	8,823	0	4,785,775
	Total	235,475,384	465,027,653	0	700,503,037
ACT	ABF	192,099,773	340,895,000	0	532,994,773
	Block	15,910,101	26,445,000	0	42,355,101
	Other	3,700,834	11,200,000	55,650,000	70,550,834
	Total	211,710,708	378,540,000	55,650,000	645,900,708
NT	ABF	135,996,744	171,686,083	0	307,682,828
	Block	11,738,530	345,850,750	0	357,589,280
	Other	2,253,384	7,130	0	2,260,513
	Total	149,988,658	517,543,963	0	667,532,621
Total ABF funding		9,749,579,911	13,525,792,451	0	23,275,372,363
Total Block funding		1,313,181,567	2,794,927,159	0	4,108,108,726
Total Other funding		225,652,125	191,870,457	159,950,000	577,472,582
Grand Total		11,288,413,603	16,512,590,068	159,950,000	27,960,953,671

ABF funding represents Acute admitted, Non-admitted, Emergency department, Sub-acute, and Admitted mental health service categories, which are funded through the National Health Funding Pool and subsequently paid to local hospital networks.

Block funding represents Non-admitted mental health, Small rural hospitals, Teaching, training and research, and Other non-admitted categories, which are funded through state managed funds and subsequently paid to local hospital networks.

Other funding represents other funding sources which are transacted through the National Health Funding Pool, such as public health funding, cross-border, interest or overdeposits, and subsequently paid to state or territory health departments (with the exception of cross-border funding which can be paid to state or territory health departments or to local hospital networks).

NHR funding shown in these tables includes GST where applicable.

For more information, see [National Health Reform funding and payments](#).

Estimated monthly, YTD and annual activity

States and territories provide service volume *estimates* at the start of each financial year, and if required, can continue to refine these estimates during the course of the year. These *estimates* form the basis of monthly reporting of service volumes until *actual* service numbers become available. These estimates are expressed as National Weighted Activity Units (NWAU).

States and territories provide estimated annual NWAU to the Administrator as a basis for determining the Commonwealth activity-based funding. Current month NWAU estimates accumulate through the year-to-date NWAU, to be equal to the annual NWAU at the end of the financial year.

States and territories may also provide activity information relating to the delivery of other public hospital functions funded.

Table 4 – Estimated monthly, YTD and annual NWAU by each state and territory – January 2018

This table shows estimated hospital activity for each state and territory for activity-based funding services expressed as NWAU for the current month, year-to-date (YTD) and total estimated annual NWAU.

State/territory	Estimated NWAU delivered/funded in current month	Estimated NWAU delivered/funded YTD	Estimated annual NWAU 2017-18
NSW	218,986	1,531,180	2,626,084
VIC	179,836	1,229,521	2,087,640
QLD	146,699	1,013,601	1,733,806
WA	64,906	493,196	841,706
SA	47,050	342,173	582,364
TAS	10,891	82,711	142,543
ACT	11,528	86,584	153,649
NT	11,873	88,294	152,848
Total	691,768	4,867,260	8,320,640

Note: Queensland has revised the purchased NWAU estimates as part of the mid-year revision to LHN Service Agreements. The revised NWAU are yet to be reflected in the Administrator reporting due to the timing of adjusting the data in the National Data Model. Therefore the NWAU in the Administrator reporting may be different to the NWAU in the published Service Agreements

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, weighted for 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 delivered in the month.

For more information on the NWAU calculation, see [Calculation of NWAU](#).