



Administrator
National Health
Funding Pool

National Health Reform
Public Hospital Funding

Northern Territory Report
December 2015

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National Health Reform public hospital funding Northern Territory report – December 2015

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 for the Northern Territory for December 2015 as part of the *National Health Reform Agreement*.

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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 terminology to describe these networks, such as local health districts, health organisations, and hospital and health services.

Under the Agreement, LHNs receive 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: 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 NT Department of Health to view the service agreement for that LHN.

Basis for National Health Reform payments – Northern Territory, December 2015

For the basis of the Commonwealth contribution to NHR funding, see [Basis of Commonwealth NHR funding, 2015-16](#).

The basis used to determine NHR payments to LHNs in the Northern Territory for December 2015 was advised by the NT Department of Health to be as follows:

The annual funding allocation for the Top End and Central Australian Health and Hospital Services of Northern Territory is determined on a historical basis for both the activity based funding (ABF) and block service streams, supplemented by a level of growth based on Northern Territory Government Wage and Consumer Price Index parameters. Projected activity increases are not budgeted for and both local hospital networks are required to meet demand increases from within existing budgets supplemented by National Health Reform Agreement efficient growth payments.

Variations to monthly payments to the Northern Territory LHNs are made based on cash requirements. Cash requirements are impacted by the Northern Territory Salary payment cycle and other monthly variations, such as contractual obligation payment cycles which the LHNs are engaged in.

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.

State pool account transactions

Table 1a – State pool account transactions – Northern Territory, December 2015

This table shows funding paid into the Northern Territory state pool account by the Commonwealth, the Northern Territory or other states/territories, and payments out of the state pool account to LHNs, the state managed fund, the NT Department of Health or the state pool accounts of other states/territories for December 2015.

NHR funding by source	Paid into state pool account (\$)	Paid out of state pool account				Total paid out (\$)
		To Local hospital networks (\$)	To State Managed Fund (\$)	To state health department (\$)	To state pool (other State) (\$)	
Commonwealth ABF funding	13,084,491	13,084,491				13,084,491
Commonwealth Block funding	1,139,341		1,139,341			1,139,341
Commonwealth Other funding	311,051			311,051		311,051
Total C'wealth funding	14,534,883	13,084,491	1,139,341	311,051		14,534,883
NT funding	24,527,926	24,526,583		0	0	24,526,583
Other state/territory funding	0		0	0		0
Total	39,062,810	37,611,074	1,139,341	311,051	0	39,061,467

See definitions and explanatory notes following table 1b.

Table 1b – State pool account transactions YTD – Northern Territory, December 2015

Following on from table 1a, this table shows year-to-date (YTD) funding paid into the Northern Territory state pool account by the Commonwealth, the Northern Territory or other states/territories, and payments out of the state pool account to LHNs, the state managed fund, the NT Department of Health or the state pool accounts of other states/territories as at December 2015.

NHR funding by source	Paid into state pool account (\$)	Paid out of state pool account				Total paid out YTD (\$)
		To Local hospital networks YTD (\$)	To State Managed Fund YTD (\$)	To state health department YTD (\$)	To state pool (other State) YTD (\$)	
Commonwealth ABF funding	78,295,107	78,295,107				78,295,107
Commonwealth Block funding	6,836,048		6,836,048			6,836,048
Commonwealth Other funding	1,866,308			1,866,308		1,866,308
Total C'wealth funding	86,997,463	78,295,107	6,836,048	1,866,308		86,997,463
NT funding	147,167,492	147,159,500		0	0	147,159,500
Other state/territory funding	0		0	0		0
Total	234,164,955	225,454,607	6,836,048	1,866,308	0	234,156,963

Commonwealth ABF funding represents Acute admitted, Non-admitted, Emergency department, Sub-acute, and Admitted mental health service categories, which are funded by the Commonwealth through the state pool account and subsequently paid to LHNs.

Commonwealth Block funding represents Non-admitted Mental health, Small rural hospitals, Teaching, training & research, and Other non-admitted categories, which are funded by the Commonwealth and paid to the state managed fund.

Commonwealth Other funding represents other amounts funded by the Commonwealth, transacted through the state pool account and subsequently paid to state or territory health departments. This currently represents the Commonwealth contribution to public health.

NT funding represents funding contributions paid by the Northern Territory into its own state pool account, and subsequently paid to LHNs within the state, to the Northern Territory health department and/or to other state pool accounts.

Other state/territory funding represents contributions paid to Northern Territory by other states and territories for cross-border activity.

Note: The grey shaded areas in these tables reflect cells that are not applicable for a particular 'paid out' column. For example, Commonwealth block funding is only paid to state managed funds and not to local hospital networks or state or territory health departments.

NHR funding and payments shown in these tables include GST where applicable. For more information, see [National Health Reform funding and payments](#).

State managed fund transactions

Table 2a – State managed fund transactions – Northern Territory, December 2015

This table shows funding paid into the Northern Territory state managed fund by the Commonwealth and the Northern Territory, and payments out of the state managed fund to LHNs and other provider organisations for December 2015.

NHR funding by source	Paid into state managed fund (\$)	Paid out of state managed fund		
		To local hospital networks (\$)	To Other (\$)	Total paid out (\$)
Commonwealth Block funding	1,139,341			1,139,341
State/territory Block funding	37,568,250			37,568,250
Total	38,707,591	38,707,591	0	38,707,591

See explanatory notes below table 2b.

Table 2b – State managed fund transactions YTD – Northern Territory, December 2015

Following on from table 2a, this table shows year-to-date (YTD) funding paid into the Northern Territory state managed fund by the Commonwealth and the Northern Territory, and YTD payments out of the state managed fund to LHNs and other provider organisations as at December 2015.

NHR funding by source	Paid into state managed fund YTD (\$)	Paid out of state managed fund YTD		
		To local hospital networks YTD (\$)	To Other YTD (\$)	Total paid out YTD (\$)
Commonwealth Block funding	6,836,048			6,836,048
State/territory Block funding	224,489,500			224,489,500
Total	231,325,548	231,325,548	0	231,325,548

Block funding represents Non-admitted mental health, Small rural hospitals, Teaching, training & research, and Other non-admitted categories.

Commonwealth Block funding represents Commonwealth block funding contributions paid into the state managed fund from the state pool account, and block payments out of the state managed fund to LHNs and other provider organisations.

State/territory Block funding represents Northern Territory block funding contributions into the state managed fund, and block payments out of the state managed fund to LHNs and other provider organisations.

Note: The grey shaded areas in these tables reflect that these block payments cannot at this stage be identified by funding source (state, territory or Commonwealth contribution).

NHR funding and payments shown in these tables include GST where applicable.

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

NHR funding and payments by service category

Table 3 – NHR funding and payments by service category – Northern Territory, December 2015

This table shows NHR funding and payments by service category on both a monthly and year-to-date (YTD) basis for the Northern Territory for December 2015. NHR funding and payments are separated into the following service categories – activity-based funding (ABF), block funding, and other funding.

Service category	NHR funding (\$)	NHR payments (\$)	NHR funding YTD (\$)	NHR payments YTD (\$)
ABF				
Acute admitted	26,508,913	26,508,913	158,856,134	158,856,134
Admitted mental health	1,692,058	1,692,058	10,139,753	10,139,753
Sub-acute	1,120,131	1,120,131	6,731,339	6,731,339
Emergency department	4,310,780	4,310,780	25,780,333	25,780,333
Non-admitted	3,979,191	3,979,191	23,947,048	23,947,048
Total ABF (Pool)	37,611,074	37,611,074	225,454,607	225,454,607
Block				
Small rural hospitals	4,919,218	5,004,172	29,619,765	30,219,686
Teaching, training & research	915,878	921,095	5,504,903	5,400,895
Non-admitted mental health	588,343	498,172	3,556,064	3,060,151
Other non-admitted services	32,284,153	32,284,153	192,644,816	192,644,816
Total Block (SMF)	38,707,591	38,707,591	231,325,548	231,325,548
Other				
Public health funding	311,051	311,051	1,866,308	1,866,308
Overdeposit	0	0	0	0
Cross border	0	0	0	0
Interest	1,343	0	7,992	0
Total Other (Pool)	312,394	311,051	1,874,300	1,866,308
Grand Total	76,631,060	76,629,717	458,654,455	458,646,463

Total ABF (Pool) is an aggregate of both Commonwealth and state or territory NHR funding and payments for activity-based funding (ABF) which is transacted through the state pool account.

Total Block (SMF) is an aggregate of both Commonwealth and state or territory NHR funding and payments for block funding which is transacted through the state managed fund (SMF).

Total Other (Pool) represents other funding and payments transacted through the state pool account, including public health funding, overdeposits, cross-border funding and payments, and interest.

State and territory cross-border payments can either be:

- Paid to the relevant state or territory's LHNs – included within ABF and/or block payments in the above table, or
- Reimbursed to the relevant state or territory where the state or territory's LHNs are already being funded for the cost of treating cross-border patients – shown in the Cross-border row under Other in the above table.

NHR funding and payments shown in these tables include GST where applicable.

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

NHR contributions by local hospital network

Table 4a – NHR contributions by local hospital network – Northern Territory, December 2015

This table shows NHR contributions (from state, territory and Commonwealth sources) made to each LHN in the Northern Territory during December 2015.

NHR contributions to LHNs are separated into an activity-based funding (ABF) component and a block component.

Local hospital network	ABF component (ex GST) (\$)	Block component (ex GST) (\$)	Total NHR payments (ex GST) (\$)
Central Australia Health Service	14,275,780	9,471,605	23,747,385
Top End Health Service	23,335,294	29,235,987	52,571,281
Total	37,611,074	38,707,591	76,318,665

See explanatory notes below table 4b.

Table 4b – NHR contributions by local hospital network YTD – Northern Territory, December 2015

This table shows YTD NHR contributions (from state, territory and Commonwealth sources) made to each LHN in the Northern Territory as at December 2015.

NHR contributions to LHNs are separated into an activity-based funding (ABF) component and a block component.

Local hospital network	ABF component YTD (ex GST) (\$)	Block component YTD (ex GST) (\$)	Total NHR payments YTD (ex GST) (\$)
Central Australia Health Service	83,726,486	59,246,672	142,973,158
Top End Health Service	141,728,121	172,078,876	313,806,997
Total	225,454,607	231,325,548	456,780,155

NHR contributions in this table are GST exclusive to enable comparability of NHR payments in each LHN report.

Note: This table excludes GST. The majority of government funding to LHNs 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 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 (YTD) 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 5 – Estimated monthly, YTD and annual NWAU by local hospital network – Northern Territory, December 2015

This table shows estimated state or territory hospital activity for activity-based funding services expressed as NWAU for December 2015, the associated cumulative year-to-date (YTD), and total estimated annual NWAU for each LHN in the Northern Territory.

Local hospital network	Estimated NWAU delivered in current month	Estimated NWAU delivered YTD	Estimated annual NWAU 2015-16
Central Australia Health Service	3,349	20,610	43,242
Top End Health Service	6,412	39,071	77,475
Total	9,761	59,681	120,717

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 calculation, see [Calculation of NWAU](#).