



**Administrator**  
National Health  
Funding Pool

National Health Reform  
Public Hospital Funding

**Queensland Report**  
**February 2017**



# National Health Reform public hospital funding Queensland report – February 2017

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 Queensland for February 2017 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 Queensland Department of Health to view the service agreement for that LHN.

## Basis for National Health Reform payments – Queensland, February 2017

For the basis of the Commonwealth contribution to NHR funding, see [Basis of Commonwealth NHR funding, 2016-17](#).

The basis used to determine NHR payments to LHNs in Queensland for February 2017 was advised by the Queensland Department of Health to be as follows:

*Service agreements between the Department of Health and each Hospital and Health Service (HHS) are based on the Department's funding and purchasing models. In broad terms, the funding model determines the price at which the department purchases services from HHSs, and the purchasing model determines the volume of services that are purchased.*

*In terms of the funding model:*

*35 of the largest public hospitals are funded through the Queensland Activity Based Funding (ABF) model, which sets prices at a disaggregated level for each type of public hospital service. The Queensland ABF model is based largely on the national ABF model, but includes a number of modifications to reflect Queensland priorities.*

*Where an HHS achieves activity above the NWAU target set through the Service Agreement the NHR growth NWAU value at the State price is paid to HHSs.*

*The remaining public hospitals, predominantly small regional and rural hospitals, and specialist mental health facilities are funded through block funding arrangements which take account of hospital size and location. These are based on the National Efficient Cost Determination with some minor modifications for the actual expenditure for the service.*

*Most non-hospital services (e.g. preventive health, primary and community health) are funded based on historical funding levels. However, some services, such as oral health and breast screening, are funded based on a price per unit of output.*

## **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 – Queensland, February 2017**

This table shows funding paid into the Queensland state pool account by the Commonwealth, Queensland or other states/territories, and payments out of the state pool account to LHNs, the state managed fund, and the Queensland Department of Health or the state pool accounts of other states/territories for February 2017.

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	263,595,801	263,595,801				263,595,801
Commonwealth Block funding	34,335,458		34,335,458			34,335,458
Commonwealth Other funding	6,213,143			6,213,143		6,213,143
<b>Total C<sup>o</sup>mwealth funding</b>	<b>304,144,402</b>	<b>263,595,801</b>	<b>34,335,458</b>	<b>6,213,143</b>		<b>304,144,402</b>
<b>QLD funding</b>	<b>388,025,978</b>	<b>387,993,296</b>		<b>0</b>	<b>0</b>	<b>387,993,296</b>
<b>Other state/territory funding</b>	<b>0</b>		<b>0</b>	<b>0</b>		<b>0</b>
<b>Total</b>	<b>692,170,380</b>	<b>651,589,097</b>	<b>34,335,458</b>	<b>6,213,143</b>	<b>0</b>	<b>692,137,698</b>

See definitions and explanatory notes following table 1b.

**Table 1b – State pool account transactions YTD – Queensland, February 2017**

Following on from table 1a, this table shows year-to-date (YTD) funding paid into the Queensland state pool account by the Commonwealth, Queensland or other states/territories, and payments out of the state pool account to LHNs, the state managed fund, the Queensland Department of Health or the state pool accounts of other states/territories as at February 2017.

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	2,247,864,993	2,247,864,993				2,247,864,993
Commonwealth Block funding	274,683,668		274,683,668			274,683,668
Commonwealth Other funding	49,705,141			49,705,141		49,705,141
<b>Total C'wealth funding</b>	<b>2,572,253,802</b>	<b>2,247,864,993</b>	<b>274,683,668</b>	<b>49,705,141</b>		<b>2,572,253,802</b>
<b>QLD funding</b>	<b>3,565,161,815</b>	<b>3,564,898,873</b>		<b>0</b>	<b>0</b>	<b>3,564,898,873</b>
<b>Other state/territory funding</b>	<b>0</b>		<b>0</b>	<b>0</b>		<b>0</b>
<b>Total</b>	<b>6,137,415,617</b>	<b>5,812,763,866</b>	<b>274,683,668</b>	<b>49,705,141</b>	<b>0</b>	<b>6,137,152,675</b>

**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.

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

**Other state/territory funding** represents contributions paid to Queensland 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 – Queensland, February 2017**

This table shows funding paid into the Queensland state managed fund by the Commonwealth and Queensland, and payments out of the state managed fund to LHNs and other provider organisations for February 2017.

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	34,335,458			34,335,458
State/territory Block funding	69,882,369			69,882,369
<b>Total</b>	<b>104,217,827</b>	<b>104,217,827</b>	<b>0</b>	<b>104,217,827</b>

See explanatory notes below table 2b.

**Table 2b – State managed fund transactions YTD – Queensland, February 2017**

Following on from table 2a, this table shows year-to-date (YTD) funding paid into the Queensland state managed fund by the Commonwealth and Queensland, and YTD payments out of the state managed fund to LHNs and other provider organisations as at February 2017.

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	274,683,668			274,683,668
State/territory Block funding	628,929,635			628,929,635
<b>Total</b>	<b>903,613,303</b>	<b>903,613,303</b>	<b>0</b>	<b>903,613,303</b>

**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 Queensland 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 – Queensland, February 2017**

This table shows NHR funding and payments by service category on both a monthly and year-to-date (YTD) basis for Queensland for February 2017. 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 (\$)
<b>ABF</b>				
Acute admitted	411,271,305	411,271,305	3,668,474,514	3,668,474,514
Admitted mental health	34,865,442	34,865,442	311,060,261	311,060,261
Sub-acute	38,104,430	38,104,430	338,672,000	338,672,000
Emergency department	85,497,628	85,497,628	763,402,413	763,402,413
Non-admitted	81,850,292	81,850,292	731,154,679	731,154,679
<b>Total ABF (Pool)</b>	<b>651,589,097</b>	<b>651,589,097</b>	<b>5,812,763,866</b>	<b>5,812,763,866</b>
<b>Block</b>				
Small rural hospitals	52,424,967	52,148,121	451,774,738	449,559,974
Teaching, training & research	23,183,329	23,183,329	205,028,851	205,028,851
Non-admitted mental health	28,001,778	28,330,899	241,602,835	244,235,802
Other non-admitted services	607,753	555,477	5,206,878	4,788,675
<b>Total Block (SMF)</b>	<b>104,217,827</b>	<b>104,217,827</b>	<b>903,613,303</b>	<b>903,613,303</b>
<b>Other</b>				
Public health funding	6,213,143	6,213,143	49,705,141	49,705,141
Overdeposit	0	0	0	0
Cross border	0	0	0	0
Interest	32,682	0	262,942	0
<b>Total Other (Pool)</b>	<b>6,245,825</b>	<b>6,213,143</b>	<b>49,968,083</b>	<b>49,705,141</b>
<b>Grand Total</b>	<b>762,052,749</b>	<b>762,020,067</b>	<b>6,766,345,252</b>	<b>6,766,082,310</b>

**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 – Queensland, February 2017**

This table shows NHR contributions (from state, territory and Commonwealth sources) made to each LHN in Queensland during February 2017.

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) (\$)
Cairns and Hinterland Hospital and Health Service	38,546,418	6,691,906	45,238,324
Central Queensland Hospital and Health Service	22,989,737	5,988,960	28,978,697
Central West Hospital and Health Service	0	2,068,677	2,068,677
Children's Health Queensland Hospital and Health Service	31,410,442	1,396,431	32,806,873
Darling Downs Hospital and Health Service	25,183,205	12,244,466	37,427,671
Gold Coast Hospital and Health Service	71,100,641	5,752,485	76,853,125
Mackay Hospital and Health Service	16,183,314	4,082,572	20,265,886
Mater Misericordiae Health Service Brisbane	28,979,998	747,926	29,727,923
Metro North Hospital and Health Service	135,808,774	10,789,988	146,598,761
Metro South Hospital and Health Service	124,277,441	13,842,388	138,119,830
North West Hospital and Health Service	5,517,331	2,878,933	8,396,263
South West Hospital and Health Service	0	5,051,568	5,051,568
Sunshine Coast Hospital and Health Service	53,010,551	4,063,974	57,074,525
Torres and Cape Hospital and Health Service	0	5,349,876	5,349,876
Townsville Hospital and Health Service	42,174,709	9,459,275	51,633,984
West Moreton Hospital and Health Service	23,366,647	9,604,713	32,971,360
Wide Bay Hospital and Health Service	30,141,891	4,128,897	34,270,788
<b>Total</b>	<b>648,691,097</b>	<b>104,143,034</b>	<b>752,834,132</b>

See explanatory notes below table 4b.

## Table 4b – NHR contributions by local hospital network YTD – Queensland, February 2017

This table shows YTD NHR contributions (from state, territory and Commonwealth sources) made to each LHN in Queensland as at February 2017.

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) (\$)
Cairns and Hinterland Hospital and Health Service	359,520,670	58,032,970	417,553,640
Central Queensland Hospital and Health Service	202,615,729	51,797,421	254,413,150
Central West Hospital and Health Service	0	17,833,710	17,833,710
Children's Health Queensland Hospital and Health Service	297,343,230	12,257,612	309,600,842
Darling Downs Hospital and Health Service	222,523,781	105,748,445	328,272,226
Gold Coast Hospital and Health Service	630,618,594	50,219,767	680,838,361
Mackay Hospital and Health Service	152,003,232	35,339,067	187,342,298
Mater Misericordiae Health Service Brisbane	252,756,635	6,614,511	259,371,145
Metro North Hospital and Health Service	1,215,673,156	94,211,306	1,309,884,462
Metro South Hospital and Health Service	1,086,699,530	120,335,861	1,207,035,391
North West Hospital and Health Service	49,452,751	24,853,594	74,306,345
South West Hospital and Health Service	0	43,548,700	43,548,700
Sunshine Coast Hospital and Health Service	469,461,872	35,326,149	504,788,021
Torres and Cape Hospital and Health Service	0	46,120,363	46,120,363
Townsville Hospital and Health Service	372,827,483	81,933,674	454,761,157
West Moreton Hospital and Health Service	204,443,501	82,981,942	287,425,442
Wide Bay Hospital and Health Service	271,548,040	35,796,761	307,344,801
<b>Total</b>	<b>5,787,488,203</b>	<b>902,951,852</b>	<b>6,690,440,054</b>

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 – Queensland, February 2017**

This table shows estimated state or territory hospital activity for activity-based funding services expressed as NWAU for February 2017, the associated cumulative year-to-date (YTD), and total estimated annual NWAU for each LHN in Queensland.

Local hospital network	Estimated NWAU delivered in current month	Estimated NWAU delivered YTD	Estimated annual NWAU 2016-17
Cairns and Hinterland Hospital and Health Service	8,168	65,348	98,022
Central Queensland Hospital and Health Service	4,520	36,158	54,237
Children's Health Queensland Hospital and Health Service	5,565	44,524	66,786
Darling Downs Hospital and Health Service	5,351	42,805	64,207
Gold Coast Hospital and Health Service	14,901	119,208	178,813
Mackay Hospital and Health Service	3,429	27,434	41,152
Mater Misericordiae Health Service Brisbane	5,743	45,928	68,757
Metro North Hospital and Health Service	26,904	215,234	322,851
Metro South Hospital and Health Service	23,771	190,165	285,247
North West Hospital and Health Service	953	7,624	11,436
Sunshine Coast Hospital and Health Service	10,153	81,225	121,837
Townsville Hospital and Health Service	8,507	68,054	102,081
West Moreton Hospital and Health Service	4,993	39,942	59,913
Wide Bay Hospital and Health Service	5,978	47,824	71,736
<b>Total</b>	<b>128,936</b>	<b>1,031,473</b>	<b>1,547,075</b>

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](#).