



**Administrator**  
National Health  
Funding Pool

# 2014-15 Reconciliation Framework

July 2015

# Document Control Sheet

## Document Information

Document Name	2014-15 Reconciliation Framework
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## Change History

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## Approval

Title	Administrator of the National Health Funding Pool
Name	Bob Sendt
Signature	
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Title	NHFB Chief Executive Officer
Name	Lynton Norris
Signature	
Date	10 July 2015

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# 1 Legislative basis

As set out in section 238(1)(a) of the *National Health Reform Act 2011* and associated state national health reform legislation, the Administrator of the National Health Funding Pool (Administrator) is required to calculate and advise the Commonwealth Treasurer of the amounts to be paid by the Commonwealth into the National Health Funding Pool (Pool) and each State Pool account. This responsibility includes advising on any reconciliation of those amounts based on subsequent actual service delivery.

The *National Health Reform Agreement* (Agreement) further details the reconciliation and adjustment requirements and guidelines for those public hospital functions funded by the Commonwealth on an activity basis to local hospital networks (LHNs), specifically clauses B59 to B64.

**Note:** throughout this document any reference to:

- 'clauses' relates to the *National Health Reform Agreement*, and
- 'state' relates to states and territories.

## 2 Context

This document specifies the reconciliation and adjustment processes for calculating Commonwealth funding for the 2014-15 financial year and should be read in conjunction with the following Administrator documents:

- Rolling Three Year Data Plan covering the period 2014-15 to 2016-17,
- *Business rules for determining hospital services eligible for Commonwealth funding volumes 1 and 2<sup>1</sup>*, and
- Methodology for the calculation of Commonwealth National Health Funding Pool contributions.

**Note:** 2014-15 is the first year where Commonwealth funding is based on an efficient growth funding model.

Previous years (2012-13 and 2013-14) were a transition period, in which the Commonwealth provided funding to states equivalent to the amount that would previously have been paid through the National Healthcare Specific Purpose Payment (clause A33).

The Framework will be reviewed and updated annually, however the fundamental principles and intentions should not alter significantly between financial years - ensuring consistency across periods.

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<sup>1</sup> These volumes relate to the 2012-13 six-monthly and annual periods respectively. The broad principles of data matching and assessing Commonwealth funding eligibility are consistent for 2013-14. Therefore, these documents can be reviewed in the context of subsequent years until a new volume is issued.

### 3 Background

The Agreement introduced new funding arrangements for Australian public hospital services.

Both Commonwealth and state contributions are made prospectively, based on the estimated activity that is negotiated in Service Agreements between each state and its LHNs. Each state is required to provide confirmed aggregate weighted and estimated service volumes for each LHN prior to the start of each financial year (clause B74). These estimates serve as the basis for calculating the Commonwealth's funding contribution to each state for the activity based funding component of funding under the Agreement.

A key feature of the Agreement is Commonwealth funding of actual activity. Commonwealth funding is predominantly driven by activity and the intention of the Agreement is that funding is provided in a timely and efficient manner.

The prospective Commonwealth payments are followed by states submitting data on actual patient level services delivered for all hospital services funded by the Commonwealth on an activity basis. Reconciliation between estimated and actual service volumes is then performed to ensure that all LHNs receive the correct Commonwealth contribution based on activity delivered.

Clauses A6 and A7 state that the Commonwealth will not fund patient services if the same service, or any part of the same service, is funded through the Medicare Benefits Schedule (MBS), Pharmaceutical Benefits Scheme (PBS) or any other Commonwealth program, with some specified exceptions. This will be achieved by comparing state patient level data with the relevant Commonwealth datasets. Where there is a match, these services will be reviewed to determine whether they remain eligible for Commonwealth activity based funding.

The assessment of Commonwealth funding eligibility as part of the reconciliation process also includes the *"exclusion of services paid for by the Commonwealth via other funding streams"* (clause B63).

## 4 Activity based funding in 2014-15

As part of national health reform arrangements, a nationally consistent framework of activity based funding is in operation. Activity based funding is a system that funds public hospital services based on the number of services provided to patients and the efficient price of delivering those services. Each year the Independent Hospital Pricing Authority (IHPA) develops and publishes the criteria for the hospital services and functions eligible for Commonwealth activity based funding under clauses A9 to A26 of the Agreement.

Reconciliation activities relate only to those public hospital services funded by the Commonwealth on an activity basis (clauses B63 and B64). This is enabled by the ability to fund, capture and report on a volume or activity basis (i.e. National Weighted Activity Unit (NWAU)). Commonwealth activity based funding is calculated and provided on this basis via the Pool and based on agreed LHN Service Agreements.

The reconciliation process does not include:

- Block funding, which in 2014-15 was based on IHPA's National Efficient Cost Determination (clause A33b of the Agreement), and
- Public Health Funding, which is an amount based on the former National Healthcare Specific Purpose Payment funding of specific national initiatives, including public health, youth health services and essential vaccines (service delivery) (clause A33a of the Agreement).

In 2014-15, in accordance with Clause A33c of the Agreement and IHPA NEP Determination 2014-15, activity based funding includes the following services:

- acute admitted services
- emergency department services
- non-admitted services
- admitted mental health services<sup>2</sup>
- sub-acute and non-acute admitted services<sup>3</sup>.

These service categories have not changed from those applicable in 2013-14.

Activity levels in 2014-15 will be used as the base year (or previous year) service volumes for calculation of 2015-16 growth under clause A34.

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<sup>2</sup> Covers acute admitted separations with Major Diagnostic Categories 19 (Mental diseases and disorders) and 20 (Alcohol/drug use and alcohol/drug induced organic mental disorders) and any patients who have recorded psychiatric care days.

<sup>3</sup> Admitted sub-acute and non-acute dataset specification includes the collection and reporting of additional metadata which forms part of the broader Admitted patient care National Minimum Dataset (NMDS) (source: <http://meteor.aihw.gov.au/content/index.phtml/itemId/496358>).

## 5 Reconciliation process overview

The reconciliation process is conducted to determine the actual volume of services delivered by LHNs (and thereby states) for Commonwealth payment purposes.

Clauses B59 to B64 of the Agreement set out the requirements relating to the reconciliation of actual hospital activity on a six-month and annual basis each year, in arrears and for each LHN within each state.

To enable the Administrator to conduct reconciliation activities in a complete and timely manner and in order to attract a Commonwealth funding contribution for each eligible public hospital service delivered on an activity basis, states must provide all relevant data (clause B64) in the following timeframes as indicated in clauses B59 and B63 of the Agreement.

- 2014-15 six-month data (July to December 2014) by 31 March 2015 and
- 2014-15 annual data (July 2014 to June 2015) by 30 September 2015.

The NWAU attributable to the activity data will be calculated (Section 6) and reconciled to the NWAU estimate used to calculate the Commonwealth funding contribution for the relevant period (Section 7). Adjustments will be made to the Commonwealth's funding contribution to LHNs (and therefore to states) for any difference between the actual and estimated NWAU (Section 8).

The reconciliation of services delivered in the previous year affects the Commonwealth contribution in the current year, due to the timelines for data provision and funding adjustments in the Agreement (see Section 10 for an illustration of the reconciliation timeline and major milestones in relation to 2014-15). It is important that actual activity levels are determined and the correct Commonwealth funding is provided to LHNs (and thereby states) based on the actual volume of services delivered by each LHN in 2014-15.

The reconciliation process will also provide a valuable opportunity for states to review actual activity levels, and will be a useful indicator to assist in forecasting estimated activity in future years.

# 6 National Weighted Activity Unit (NWAU) calculation

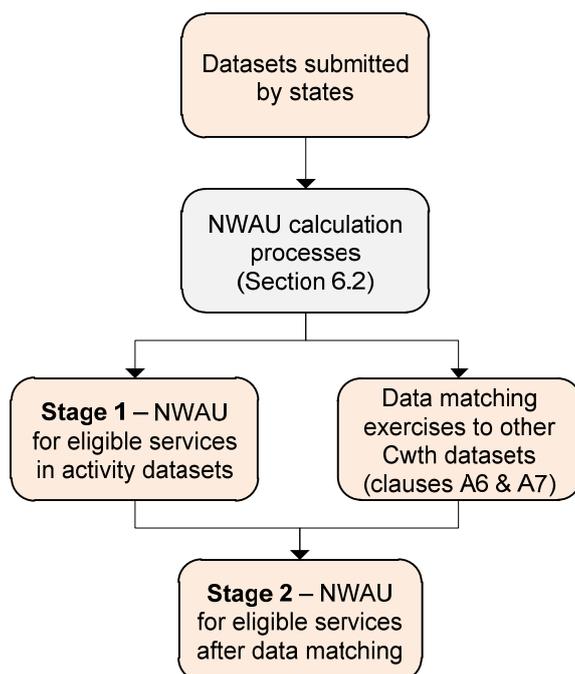
Data on actual patient level services delivered, as provided by states, will be used as the basis for the calculation of NWAU and subsequent adjustment and payment of the Commonwealth activity based funding contribution.

**Note:** NWAU is the ‘currency’ that is used as a measure of health service activity expressed as a common unit, against which the national efficient price is paid. It provides a way of comparing and valuing each public hospital service, by weighting it for its clinical complexity.

## 6.1 Stages

NWAU will be calculated in two broad stages outlined below and illustrated in Figure 1, within each reconciliation period, with results communicated to states for each stage.

**Figure 1: NWAU calculation stages**



### Stage 1 – NWAU for all eligible services in activity datasets

NWAU will be calculated based on the activity datasets provided by states, after appropriate validations and data preparation steps and before any adjustments are made based on eligibility of hospital services due to data matching exercises with other Commonwealth datasets, based on clauses A6 and A7 of the Agreement.

## **Stage 2 – NWAU for eligible services after data matching activities**

NWAU will be calculated for the hospital services considered eligible for Commonwealth funding as a result of the data matching exercises (to other Commonwealth datasets) necessary to satisfy clauses A6 and A7 of the Agreement. This will mean matched records for each dataset may be excluded from the calculation of NWAU.

The difference between the NWAU figures calculated in Stage 1 and in Stage 2 for each dataset will equate to the activity considered as 'matched' and therefore potentially ineligible for Commonwealth activity based funding.

## **6.2 Process**

The following steps provide a high-level summary of the processes involved in the calculation of NWAU as part of the Administrator's reconciliation activities.

### **A. Submission**

Activity datasets are to be provided by states within the specified timeline for each period (outlined in Section 5); via the provision mechanisms outlined the Administrator's *Three Year Data Plan 2014-15 to 2016-17*.

The Administrator will prompt jurisdictions for the provision of relevant data via correspondence in the Administrator's and National Health Funding Body (NHFB) jurisdictional committees and in relevant discussions with jurisdictions.

### **B. Validation**

Upon provision, the datasets will be validated by existing validation capability and specified validation rules. The validation processes include:

1. Data submission receipt and validation by Australian Institute of Health and Welfare's (AIHW) *Validata* as per dataset specifications (i.e. format, field sequence and specification etc.).
2. Regrouping of data by IHPA
3. IHPA providing a validation report to the NHFB.

### **C. Identify activity based funded hospitals/providers**

As outlined in Section 4, the Administrator's reconciliation process only relates to activity based funded services. The data provided by states may cover a wider range of hospitals/providers than those regarded as activity based funded. To ensure that the Administrator uses data relating only to those hospitals and providers that are in-scope for activity based funding, the list of 2014-15 activity based funded providers will be used as per state advice. The advice will also outline within which LHN each hospital and provider sits.

Any subsequent alterations to the activity based funded hospital list for the 2014-15 financial year, need to be advised to the Administrator as soon as possible for the change to be reflected in the relevant reconciliation process.

See Appendix A for a list of the 2014-15 activity based funded hospitals and providers by state and LHN as advised by each relevant state.

This list of activity based funded hospitals will be compared to the 2014-15 list of hospitals in the National Efficient Cost (NEC) as determined and advised by IHPA<sup>4</sup> and used in the calculation of Block funding. This comparison is made to ensure that hospitals are not funded under both block and activity based funding.

See 'Step G' and Table 1 below for the Administrator's decision principles relating to activity based funded hospitals.

#### **D. Patient/aggregate level data usage**

As part of the state advice outlined in 'Step C' above, states will also advise whether patient level and/or aggregate level data should be used for each respective provider (depending on state data provision) for non-admitted and emergency department/services data.

This advice will be used to identify the relevant national health reform in-scope services and functions that are eligible to receive Commonwealth activity based funding.

Any subsequent alterations to the use of patient/aggregate level data for the 2014-15 financial year need to be advised to the Administrator as soon as possible for the change to be reflected in the relevant reconciliation process.

See Section 6.2 Step G and Table 1 for the Administrator's decision principles for the use of patient and aggregate level data.

#### **E. In-scope hospital services (determined by IHPA)**

Clauses A9 to A26 of the Agreement state that IHPA is responsible for determining the scope of services eligible for Commonwealth funding.

This determination is conveyed annually in IHPA's National Efficient Price (NEP) Determination for public hospital services eligible for Commonwealth funding. The NEP Determination in relation to 2014-15 can be located on the IHPA website at [www.iHPA.gov.au/internet/iHPA/publishing.nsf/Content/national-efficient-price-determination-10](http://www.iHPA.gov.au/internet/iHPA/publishing.nsf/Content/national-efficient-price-determination-10).

#### **F. Assessment of the General List of eligible services (advised by IHPA)**

As per clause A12 of the Agreement, IHPA defines the 'General List' of hospital services eligible for Commonwealth funding. IHPA then assesses proposals from states for individual services to be included under that General List. The final General List is then forwarded to the Administrator for Commonwealth funding purposes.

As directed and advised by IHPA, the in-scope services identified as belonging to in-scope hospitals will then be subject to an assessment of the applicability of services contained in the General List.

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<sup>4</sup> See Appendix A of IHPA's *2014-15 National Efficient Cost Determination*, located at: <http://www.iHPA.gov.au/internet/iHPA/publishing.nsf/Content/nec-determination-2014-15-html-appendix-a>

The evaluation of each individual service is conducted by IHPA, with the Administrator and the NHFB advised of a matrix of in-scope services by LHN and Tier 2 clinic (for non-admitted services) and whether they are considered eligible for Commonwealth funding.

## **G. Administrator's decision principles**

To undertake the successful and accurate calculation of NWAU, it is necessary for the Administrator to apply certain decision principles. These decision principles are outlined in Table 1.

**Table 1: Administrator’s NWAU calculation decision principles**

Component	Decision principle
Activity based funded hospitals list	Any hospitals included in the activity datasets provided by states but <b>not</b> listed on the 2014-15 list of activity based funded hospitals advised by states (see Appendix A) will <b>not</b> be included in the final calculation of NWAU for Commonwealth funding purposes.
Activity based funded hospitals and comparison to Block funded hospitals	If a hospital is included in the activity based funded hospital list advised by the state (see Appendix A) <b>and</b> in the 2014-15 list of National Efficient Cost hospitals as determined and advised by IHPA <sup>5</sup> , the respective hospital will be removed from the activity based funded hospital list and will <b>not</b> be included in the final calculation of NWAU for Commonwealth funding purposes as Commonwealth funding was already provided for this hospital under the Block funding stream in 2014-15.
Use of aggregate / patient level data	<p>Data for a number of hospitals may be included in both the patient level data collection and the aggregate level data collection for Emergency and Non-Admitted Services.</p> <p>Where states have provided both aggregate and patient level data for relevant datasets, the Administrator will consult and use advice provided from the relevant state regarding the appropriate dataset to utilise.</p> <p>Where the state has <b>not</b> provided advice on the use of patient or aggregate level data and:</p> <ul style="list-style-type: none"> <li>• The hospital <b>did</b> submit patient level data - the Administrator will use the patient level data due to the greater level of detail contained in this dataset in comparison to the aggregate data.</li> <li>• The hospital <b>did not</b> submit patient level data (i.e. only provided aggregate level data) - the Administrator will use the aggregate level data. Noting the aggregate data do not contain information about indigenous status, remoteness of the patient, or if the service relates to a Department of Veterans’ Affairs (DVA) or compensable patient, and therefore loadings cannot be applied.</li> </ul> <p>Where the state provides blank, ‘NA’ or N/A’ in its response, the Administrator will exclude the Emergency and Non-admitted records (if any) for that hospital from the calculation of NWAU.</p>
State identification	The hospital state will be derived from the first digit of the hospital’s establishment ID.

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<sup>5</sup> See Appendix A of IHPA’s *2014-15 National Efficient Cost Determination* (see Footnote 4. for website link).

Component	Decision principle
Incomplete records	<p>Clause B64 states “In order to attract a Commonwealth funding contribution for each public hospital service provided on an activity basis, states must ensure that all data relevant to the funding of that service have been provided”.</p> <p>A record is considered incomplete in the following circumstances within the specified datasets:</p> <ul style="list-style-type: none"> <li>• Acute admitted and admitted mental health – if any one of the following occurs – includes an invalid Diagnosis Related Group (DRG) code, missing the admission date, or missing the discharge date.</li> <li>• Sub-acute services – missing the admission date or discharge date.</li> <li>• Emergency – if it does not include a valid Urgency Related Group (URG) code or a valid Urgency Disposition Group (UDG) code<sup>6</sup>.</li> <li>• Non-admitted services – if it does not include a valid Tier 2 clinic code.</li> </ul>
Private patients in private hospitals	<p>‘Private patients in private hospital’ records are not eligible for activity based funding. State patient level datasets submitted containing these records will be removed prior to the NWAU calculation.</p>
Assigning NWAU to sub-acute services	<p>The following rules are applied to sub-acute care services:</p> <ul style="list-style-type: none"> <li>• if the SNAP class is missing then ANSNAP<sup>7</sup>_V3 is assigned a missing value,</li> <li>• if the SNAP class is 3 digit then ANSNAP_V3 is assigned a value of '3-999', and</li> <li>• if the SNAP class is 4 digit but it is not a valid SNAPV3 then ANSNAP_V3 is assigned a value of '3-999'.</li> </ul> <p>In the above circumstances Care type price weights will be applied.</p> <p>If there is a mismatch between the APC Care type and ANSNAP classification Care type, these records will be assigned a value of ‘3-999’ and will receive an NWAU using Care type price weights.</p> <p>If one of the palliative care phases has an error SNAP class, then all SNAP classes relating to that separation will be assigned to ‘3-999’. This ensures that the separation is funded on a consistent basis - only Care type or only ANSNAP, but not both.</p>

<sup>6</sup> As per Table 9, page 34 of IHPA’s 2014-15 National Pricing Model Technical Specifications (see footnote number 8 for website link) which states UDG is “derived from DSS [dataset specification] variables: type of visit to Emergency Department, triage category, and episode end status”.

<sup>7</sup> ANSNAP: Australian National Sub acute and Non-Acute Patient.

Component	Decision principle
Exclusion of services paid via other Commonwealth funding streams	<p>Where the Commonwealth funding source can be clearly identified for the respective record in the activity datasets provided by states, these will be excluded from the final calculation of NWAU for Commonwealth funding purposes.</p> <p>This is conducted under the principle of clause B63 “... <i>Variations for the service volume reconciliation will include, but not be limited to, ... the exclusion of services paid for by the Commonwealth via other funding streams ...</i>”.</p>
DVA and Compensable patients	<p>In IHPA’s <i>2014-15 National Pricing Model Technical Specification</i><sup>8</sup>, in relation to acute admitted (Section 2.1.3) DVA and compensable services are considered out of scope of funding.</p> <p>DVA and compensable patients in relation to Emergency care and Non-admitted services should also be considered out of scope of funding, and therein not eligible for a Commonwealth contribution.</p> <p>This is consistent with the reconciliation approach taken in 2012-13 and 2013-14.</p>
No data provided	<p>Where activity data are not provided by a jurisdiction in relation to the six-month reconciliation period, the Administrator has determined that the actual services delivered for each LHN within that jurisdiction will be set to equal the estimated activity for that six-month period. This will mean the consequential six-month reconciliation adjustment will equal zero.</p>
Clause A17 assessment of eligibility	<p>Under clause A17 requirements, IHPA has determined a list of services which would not normally be considered a public hospital service, but which IHPA is satisfied were provided by a particular hospital in 2010. These are outlined Appendix A of IHPA’s <i>2014-15 NEP Determination</i><sup>9</sup>.</p> <p>For the six-month reconciliation period, these services (for the identified LHNs) will be included in the NWAU calculation if the respective state has recorded the service as an eligible Tier 2 clinic (i.e. an eligible class 10 or 20 etc.). If the service is recorded as an ineligible Tier 2 service, these A17 services will not be included in the NWAU calculation.</p>
LHN changes between years	<p>If there is an LHN change (for example merger, deletion, splitting or restructure of LHNs) requested by a state, with appropriate documentation, the reconciliation adjustment impact relating to the previous LHN structure (which was applicable in the reconciliation year) will be applied to the new LHN structure (which is applicable in the current funding year).</p>

<sup>8</sup> See Footnote 8. for website link.

<sup>9</sup> Available at <http://www.ihoa.gov.au/internet/ihoa/publishing.nsf/Content/nep-determination-2014-15-html~appendix~appendix-a~category-a>.

## H. Exclusion of services paid via other Commonwealth funding streams

This step reflects the intent of a component of clause B63 of the Agreement, which states “... *Variations for the service volume reconciliation will include, but not be limited to, ... the exclusion of services paid for by the Commonwealth via other funding streams ...*”.

Where the Commonwealth funding source can be clearly identified for the respective record in the activity datasets provided by states, these will be excluded from the final calculation of NWAU for Commonwealth funding purposes.

This step is also included in the Administrator’s decision principles outlined in Table 1.

The exclusion of services in this step in comparison to Step J is outlined below:

- Step H – exclusion of services funded by other Commonwealth programs based on activity datasets provided by states (clause B63).
- Step J – exclusion of services funded by other Commonwealth programs based on data matching activities to other Commonwealth datasets (clauses A6 and A7).

## I. NWAU calculation – stage 1

As outlined in Section 6.1, there are two broad NWAU calculation stages for each reconciliation period – one prior to data matching activities envisaged under clauses A6 and A7 of the Agreement and described in ‘Step J’ and one following data matching activities as per ‘Step K’. The NWAU calculation processes for both are the same, with the only difference being the activity considered as ‘matched’ to other relevant Commonwealth datasets and therefore considered ineligible for Commonwealth funding.

In-scope and eligible services data will then be used to calculate NWAU by running the relevant data elements for these services through the IHPA NWAU calculator codes, price weights and reference files. Unique NWAU calculators are used for each activity stream and classification. The 2014-15 NWAU calculators<sup>10</sup> and 2014-15 National Pricing Model Technical Specification<sup>11</sup> are published on the IHPA website for transparency of the calculation process.

It is important that the calculation of NWAU for the Administrator’s reconciliation processes is based precisely on the formula developed by IHPA to ensure accuracy and transparency of calculations.

States are able to access the NWAU calculators published on IHPA’s website to calculate consistent NWAU figures.

Given the volume and characteristics of the data, SAS software is necessary as the mechanism for conducting the calculations. Access to the IHPA SAS NWAU calculator codes for each financial year and activity based funding service category has been granted by IHPA to the NHFB (to assist in the operation of the Administrator’s functions).

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<sup>10</sup> <http://www.ihoa.gov.au/internet/ihoa/publishing.nsf/Content/nwau-calculators-2014-15>

<sup>11</sup> <http://www.ihoa.gov.au/internet/ihoa/publishing.nsf/Content/npm-tech-spec-2014-15-html>

The Administrator and the NHFB will liaise with IHPA to ensure the NWAU calculation approach and basis, is consistent between both parties in each reconciliation period.

As part of the Administrator's reconciliation processes, NWAU will be calculated in the groupings outlined in Section 6.3.

## **J. Data matching activities (clauses A6 and A7)**

As per clauses A6 and A7 of the Agreement, it is necessary for the Administrator to evaluate if activity based hospital services are eligible for Commonwealth funding under the 'data matching' requirements, where activity datasets will be compared to MBS and PBS claims data to evaluate if there are any matches. These services will then be reviewed to determine whether they remain eligible for Commonwealth activity based funding.

Refer to the Administrator's Business Rules document for further information.

For 2014-15, the Administrator has determined that the MBS and PBS data matching process remains 'proof-of-concept'. If and when it is 'switched-on' the Administrator will forewarn jurisdictions, including analysis of the transitional impacts of data matching (for example impacts to reconciliation activities, past year funding, growth funding, data requirements etc.). This will be shared with jurisdictions prior to implementing data matching activities.

## **K. NWAU calculation – stage 2**

NWAU calculation as per 'Step I' will be conducted, incorporating the outcomes of the data matching activities conducted in 'Step J'.

## **L. Advice to jurisdictions**

States will be advised of the outcomes and associated documentation relating to their jurisdiction each reconciliation period, including:

- Structured reconciliation and data matching (where relevant) outcomes document. This document will outline a high level summary of the data submission, data preparation, NWAU calculation (pre and post data matching) and data matching outcomes at an aggregate state level. This type of presentation provides a good snapshot of the outcomes. Further detail regarding each hospital and LHN will be provided via a separate mechanism (detailed below).
- State summary of the NWAU calculation by each activity based funded hospital and LHN, including the total number of services, number of in-scope services and number of NWAU for each service category.
- Each state's data by each record item including the NWAU (inclusive of loadings), activity based funding flag, in-scope flag and cross border flag, where applicable.

In addition, a summary of in-scope cross-border services and NWAU for each state will be provided nationally and may be used to assist with transacting the state component of cross-border services.

## **M. Data resubmission (if required)**

To ensure Commonwealth contribution calculations (including reconciliation outcomes) are as robust as possible, the Administrator may consider requests from jurisdictions to resubmit data. Resubmissions may be desired to correct errors, anomalies or omissions in the previous data provided or any other relevant circumstance.

Outlined below is a high-level protocol for data resubmissions.

### **1. Flag intention to request resubmission of data with NHFB**

As early as possible the relevant jurisdiction will flag its intention to request the Administrator's approval for it to resubmit data to the NHFB, including discussing the reason behind the resubmission request.

The reconciliation (see Section 5) and adjustment (see Section 8.1) time frames should be considered by jurisdictions and the NHFB in this step.

### **2. NHFB will continue to work with the jurisdiction**

The NHFB will continue to liaise with the jurisdiction to track the progress of and the suitability of the data.

### **3. Formal data resubmission request sent to the Administrator**

If data resubmission is desired by the jurisdiction, a formal request from an appropriate jurisdictional official will need to be provided to the Administrator. This request must include which dataset(s) is requested to be resubmitted and the rationale for the resubmission.

### **4. Administrator will consider the resubmission request**

Under the Agreement the Administrator is not obliged to accept data resubmissions; however the Administrator has discretion to allow data resubmissions if they do not compromise the timeliness and quality of the reconciliation process and consequential Commonwealth contribution calculations.

In assessing whether resubmission is appropriate, the Administrator (or the NHFB on behalf of the Administrator) will discuss with IHPA the ability and timelines for data validation. Data cannot be incorporated into reconciliation activities without this validation process; therefore the ability of IHPA to validate ad-hoc data is essential.

### **5. Administrator responds to the resubmission request**

Based on the assessment in step 4, the Administrator will respond to the relevant jurisdiction. This response could be either:

#### **a) Resubmission is supported in this circumstance**

Along with the response the Administrator will provide a timeline for data resubmission. This timeline is needed to ensure there is sufficient time for the associated processing, validation, and reconciliation calculations to occur and for these be included in the Commonwealth contribution calculation. This timeline must be met.

#### **b) Resubmission is not supported in this circumstance**

The Administrator's response will include the rationale for the resubmission not being supported, and any follow up or remedial action that can be taken.

## **6. Data are collated and resubmitted (if step 5a occurs)**

The jurisdiction will address and correct the issue that instigated the resubmission and will resubmit the relevant data to the Administrator. The jurisdiction will develop strategies to mitigate the need occurring in future data submissions.

## **7. Advise other jurisdictions**

If the resubmission impacts other jurisdictions, for example the reconciliation adjustment timelines are deferred, the Administrator will advise the other jurisdictions accordingly.

Depending on the ability and timelines of the reconciliation process, the Administrator may elect to offer all jurisdictions the opportunity to resubmit relevant datasets, where they view this as necessary. This opportunity is not guaranteed and is at the discretion of the Administrator.

## **6.3 NWAU calculation groupings**

NWAU will be calculated in total for the following groupings:

### **Each service category**

Activity datasets and IHPA NWAU calculator codes are constructed separately for each activity stream and classification, and as such NWAU will be calculated separately for each activity based funding service category to ensure calculations are conducted in the most accurate manner.

In addition, this level of detail is necessary for the accurate determination of growth funding as per clauses A34, A35, A36 and A38.

### **Each LHN**

Commonwealth activity based funding contributions are calculated and allocated by an NWAU figure for each LHN (incorporating service category detail); therefore the actual number of NWAU delivered by each LHN is required for Commonwealth payment purposes. This figure will be an aggregate of the actual NWAU for each service category for each LHN.

Appendix A outlines the list of LHNs within each state and the activity based funded hospitals within them.

### **Each state**

The aggregate of actual LHN NWAU in each state is required to calculate the actual percentage of Commonwealth contribution rate of the NEP for each state.

**Note:** The NEP is a base price calculated by IHPA as a benchmark to guide governments about the level of funding which would meet the average cost of providing activity based acute care services in public hospitals across Australia. The NEP is based on the projected average cost of an NWAU after the deduction of specified Commonwealth funded programs.

The NEP for 2014-15 is \$5,007 per NWAU.

## 7 Reconciliation to estimates

Commonwealth activity based funding is initially calculated and allocated based on an estimated NWAU figure for each LHN within each state, which is provided prior to the commencement of the relevant financial year by states within the required timeframe and with the level of content under clauses B73 and B74. It is the role of the states as public hospital system managers to set LHN NWAU estimates, which must be reflected in agreed LHN Service Agreements (clause A36). These estimates are used to calculate the Commonwealth contribution to LHNs (and thereby states) for activity based funding. These activity estimates may be altered during the course of the financial year as per clauses B50, B51 and B57.

Once actual activity data are received and the NWAU calculation is finalised as per section 6, the outcome will be used to reconcile the relevant NWAU estimate and Commonwealth funding contribution previously paid for the period. The estimates used in this process are outlined below.

### Six-month reconciliation

For the six-month reconciliation, the calculated actual NWAU for each LHN will be reconciled against the six-month NWAU estimate provided by the relevant state for each LHN. The six-month NWAU estimate used will be:

- The six-month NWAU estimate provided by states for reconciliation purposes on or before 15 November, or
- Where a six-month estimate is not advised by a state, a calculated 50 per cent of the most recent annual NWAU provided by the state, or
- Where an NWAU estimate is only provided at aggregate LHN and aggregate service category level, the most recent service category estimate will be proportioned against the LHNs within the state. Fifty (50) per cent of the calculated LHN service category estimate will be used for six-month reconciliation.

### Annual reconciliation

For the annual reconciliation, the actual NWAU for each LHN will be reconciled against the latest annual NWAU estimate provided by the relevant state and used in the Commonwealth contribution calculation for 2014-15.

## 8 Adjustment process

Clauses B59 to B61 require Commonwealth contributions to LHNs to be adjusted in arrears, based on the actual volume of services provided by LHNs.

This Commonwealth payment adjustment process ensures that Commonwealth funding is provided:

- to LHNs (and states) based on the actual activity delivered
- accurately to each LHN and based on payment calculations which underpin the Commonwealth's funding calculation as per clause B56
- to ensure that each LHN receives the correct amount of Commonwealth activity based funding that reflects the agreed scope, type and mix of activity based funded services it provided.

As per clause A60, states determine the amount they pay to their LHNs. This may include, as a result of the reconciliation process, meeting the balance of the cost of delivering public hospital services and functions over and above the Commonwealth contribution to LHNs.

The adjustment process is designed to provide transparency of actual activity and ensure Commonwealth funding contributions to LHNs are based on this actual activity.

### 8.1 Timing of adjustments

Any adjustments to Commonwealth payments arising from the reconciliation process will be spread equally across payments for a subsequent quarter (clause B62).

Figure 2 reflects the intended reconciliation and adjustment timeline under the Agreement. However, the Administrator reserves the right to alter the adjustment timeline where circumstances occur that make it difficult to achieve without compromising the quality of the calculations. Jurisdictions will be advised accordingly whenever there is a change in the timelines.

- For the six-month reconciliation period July to December, adjustments to Commonwealth payments are spread equally over the three months July to September.

Due to delays in data submission, the Administrator has determined that the six-month reconciliation adjustment for July to December 2014 will occur in the three month period August to October 2015.

- For the annual period July 2014 to June 2015, adjustments to Commonwealth payments are scheduled to be spread equally over the three months January to March 2016.

**Figure 2: Intended reconciliation and adjustment timeline under the Agreement (six-month and annual respectively)**

2014-15											2015-16									
Reconciliation period											Adjustment									
J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M
J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M

Section 10 outlines the reconciliation timeline and major milestones relating to the 2014-15 period.

## 8.2 Calculation process

### Six-month process

The following steps describe the calculation of adjustments for the six-month reconciliation process.

#### Reconciled NWAU

- a) A state's LHN funding will be calculated for each service category based on the six-month estimated NWAU (estimates identified in section 7). Each six-month service category estimate is multiplied by the NEP for 2014-15 (\$5,007) and the Commonwealth contribution percentage for that service category for that jurisdiction.
- b) For each LHN in a state, the amount that should have been paid for each service category based on the six-month actual NWAU (relating to July to December 2014) will be calculated.

#### Model.

- c) The difference between the revised Commonwealth contribution to each LHN identified in step a) and the Commonwealth contribution paid based on estimates identified in step b) is the six-month reconciliation adjustment to be effected.
- d) If the reconciliation adjustment identified in step d) is a negative amount that would reduce that LHN's Commonwealth contribution for the relevant three month period to below zero, the reconciliation adjustment cannot be fully effected in the identified (three month) period. In these circumstances, the Administrator has determined that the reconciliation adjustment period for the impacted LHN will be extended until the reconciliation adjustment can be recovered from future months' payments to that LHN. If there is any amount of six-month reconciliation adjustment yet to be recovered at the time of the annual reconciliation, this amount will be incorporated into the annual reconciliation adjustment (see annual process below).
- e) The amount for each LHN identified in step d) (and step e), if required is spread evenly over the relevant adjustment period (outlined in Section 8.1) with any rounding differences made up in the final month of the adjustment period.
- f) Other adjustments to 2015-16 Commonwealth contributions may also be made, as outlined in the Administrator's *Determination 02: Adjustments to Commonwealth Funding* under the National Health Reform Agreement. These may include changes to LHN NWAU estimates, NEC and NEP Determinations and/or other adjustments as allowed for under the Agreement. However for transparency purposes, adjustments resulting from the six-month reconciliation calculation will be identified separately in the 2015-16 funding model.

## Annual process

The following steps enable the calculation of the annual reconciliation adjustment.

### Reconciled NWAU

- a) For each LHN in a state, the amount that should have been paid for each service category based on the annual actual NWAU will be calculated.

### Model

- b) The annual reconciliation adjustment, being the difference between the amounts calculated for each LHN in steps a) and b) will be determined.
- c) As with the six-month process, if the amount identified in step c) is a negative amount that would reduce an LHN's Commonwealth contribution for the relevant three month period to below zero, the reconciliation adjustment cannot be fully effected in the identified (three month) period. In these circumstances, the Administrator has determined that the reconciliation adjustment period for that LHN will be extended until the reconciliation adjustment can be recovered from future months' payments to that LHN. However the adjustment period will not extend past the end of the following financial year (in this case June 2016). If an outstanding amount exists at the end of the following financial year, this amount will need to be recovered either from another LHN within the state or be repaid by the state. The Administrator will seek advice from the state on the preferred recovery mechanism if this circumstance arises.
- d) The amount for each LHN identified in step c) (and step d), if required) is spread evenly over the relevant adjustment period (outlined in section 8.1) with any rounding differences made up in the final month of the adjustment period.
- e) Other adjustments to 2015-16 Commonwealth contributions may also be made, as outlined in the Administrator's *Determination 02: Adjustments to Commonwealth Funding* under the National Health Reform Agreement. These may include changes to LHN NWAU estimates, NEC and NEP Determinations and/or other adjustments as allowed for under the Agreement. However for transparency purposes, adjustments resulting from the annual reconciliation calculation will be identified separately in the 2015-16 funding model.

## 8.3 Advice to jurisdictions

States will be advised in advance of any Commonwealth payment adjustments arising from the six-month and annual reconciliations to enable analysis of any cash flow impacts to LHNs.

## 9 Back-casting

Back-casting is a requirement under clause A40, where the effect of any significant changes to classification or costing methodologies determined by IHPA must be back-cast to the year prior when calculating growth funding.

This back-casting requirement is intended to ensure that changes between years are correctly accounted for and that Commonwealth growth funding is not adversely impacted by known changes in the national pricing and cost model over consecutive years. This includes changes to, between and within activity based funding and Block funding streams.

Activity-based funding back-casting and growth calculations and recalculations are conducted at the stages identified in Figure 3 below.

### Figure 3: Back-casting calculation stages

1. Based on estimated activity for both the base and growth years (years 0 and 1)
2. Based on actual annual activity for the base year (year 0) and estimated activity for the growth year (year 1)
3. Based on actual annual activity for both the base and growth years (years 0 and 1).

### 9.1 Back-casting for estimated activity

Each year IHPA determines back-casting information for each state and service category, where relevant, in its National Efficient Price and National Efficient Cost Determinations. This information is utilised to calculate the 2015-16 Commonwealth contribution, based on estimated 2014-15 and 2015-16 activity levels (i.e. stage 1 in Figure 3).

For further information refer to Section 8.9 'Back-casting' in the Administrator's *Growth and Funding Guarantees* document<sup>12</sup>.

### 9.2 Back-casting for actual activity

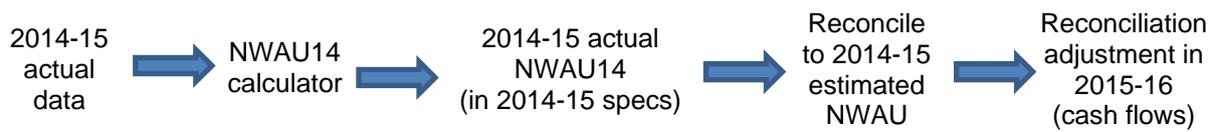
Once annual data on actual hospital services delivered on an activity basis in 2014-15 are received from states and are processed through the necessary NWAU validation and assessment processes, the 2015-16 Commonwealth contribution will be recalculated (Stage 2 in Figure 3). This will provide a more accurate estimate of the growth funding payable in 2015-16.

There are two parts in the calculation process once actual annual data are received – one in relation to reconciliation activities for that year (2014-15, processes outlined within this document), and the other for growth calculations for the subsequent year (2015-16). The NWAU calculation steps are the same for both parts; however the NWAU calculation itself for each part is a separate process. The NWAU calculation in relation to each part is highlighted in Figures 4 and 5 below.

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<sup>12</sup><http://www.publichospitalfunding.gov.au/Media/2014/05/Growth%20and%20Funding%20Guarantees.pdf>.

**Figure 4: Part 1 (2014-15 reconciliation activities)**



**Figure 5: Part 2 (2015-16 growth calculation process)**

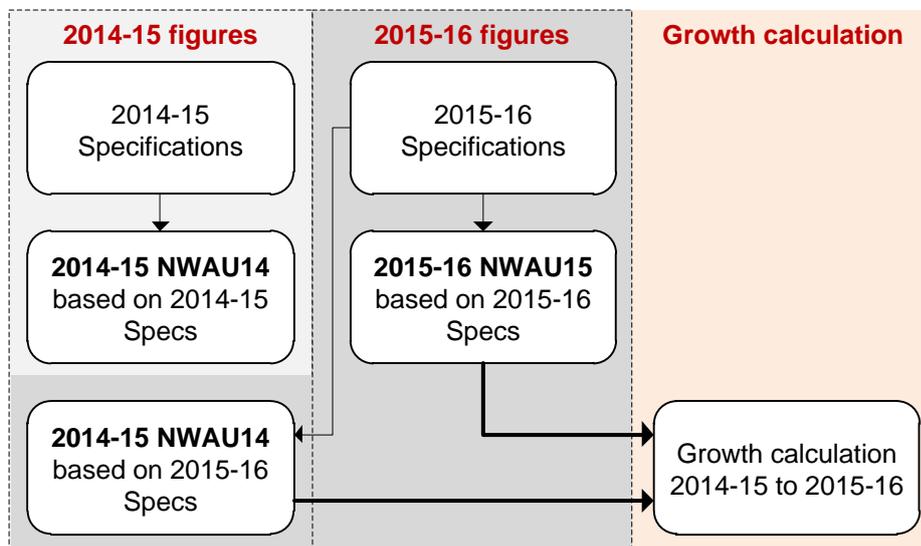
The actual 2014-15 data are processed through the NWAU15 calculator to determine the 'value' of the 2014-15 activity as if it were delivered in 2015-16. This process, ensures any scope changes between 2014-15 and 2015-16 are captured and applied to the complete 2014-15 data.

The specific technical details will continue to be finessed and it is acknowledged that the successful ongoing operation of this process requires collaboration with jurisdictions and IHPA.



The back-casting and growth calculation based on annual actual activity is illustrated in Figure 6 below.

**Figure 6: Back-casting and growth calculation for actual activity**

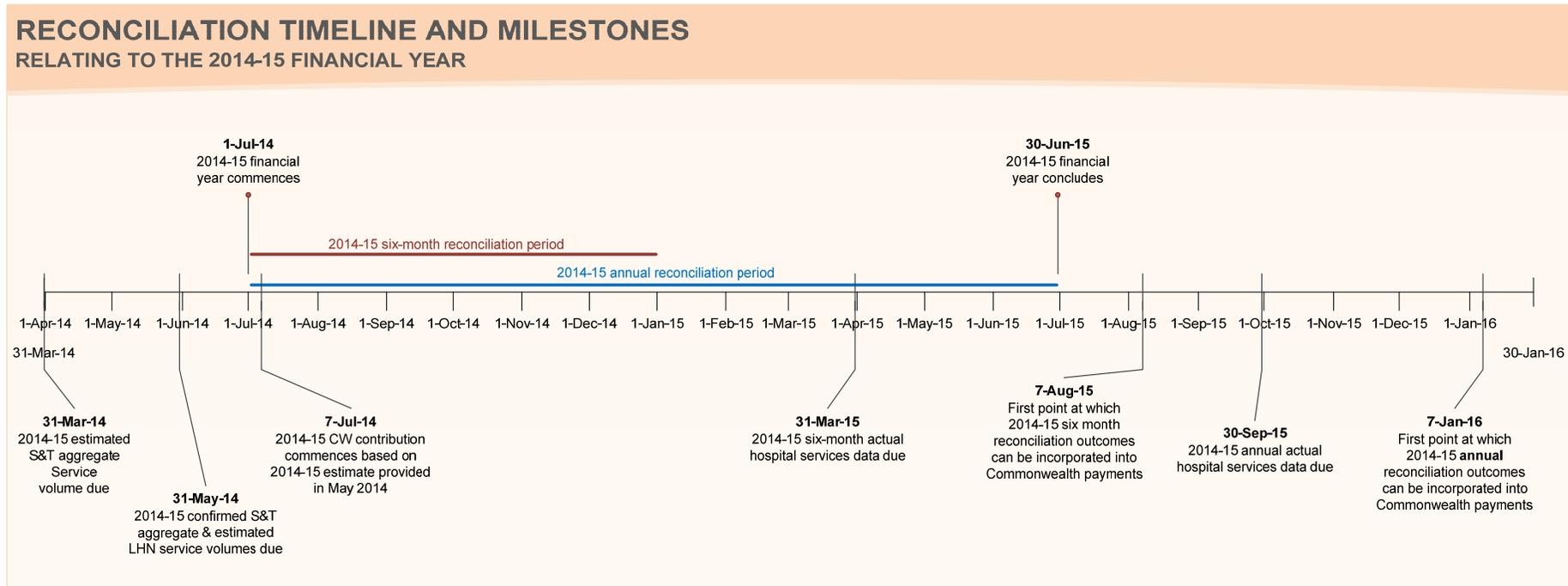


The final stage of calculating funding for the growth year is based on actual annual activity for both the base and growth years (i.e. Stage 3 in Figure 3). This will occur from October 2016, as 2015-16 actual annual data are due to the Administrator by 30 September 2016. Refer to the Administrator's *Growth and Funding Guarantees* document for further information on this calculation.

# 10 Timeline

The following illustrates the intended reconciliation and adjustment timeline and major milestones in relation to 2014-15 under the Agreement.

**Figure 8: 2014-15 Reconciliation timeline**



# Appendix A: Activity based funded hospitals in 2014-15

Table 2 below outlines the list of the 2014-15 activity based hospitals by state and LHN, as advised by each relevant state.

**Table 2: 2014-15 activity based hospitals by state and LHN**

S/T	LHN	Hospital
ACT	ACT Local Hospital Network	Calvary Public Hospital
		Canberra Hospital
NSW	Central Coast LHD	Gosford
		Long Jetty
		Woy Woy
		Wyong
	Far West LHD	Broken Hill
	Hunter New England LHD	Armidale
		Belmont
		Calvary Mater
		Hunter New England Mater Mental Health Service
		John Hunter
		Kurri Kurri
		Maitland
		Manning
	Tamworth	
	Illawarra Shoalhaven LHD	Coledale
		David Berry
		Port Kembla
		Shellharbour
		Shoalhaven
		Wollongong
	Mid North Coast LHD	Coffs Harbour
		Kempsey
		Port Macquarie
	Murrumbidgee LHD	Griffith
		Mercy Care Centre Albury
		Mercy Care Centre Young
		Wagga Wagga
	Nepean Blue Mountains LHD	Blue Mountains
		Hawkesbury
		Nepean
		Springwood
	Northern NSW LHD	Ballina
Grafton		
Lismore		
Murwillumbah		
The Tweed		

<b>S/T</b>	<b>LHN</b>	<b>Hospital</b>
NSW (cont.)	Northern Sydney LHD	Greenwich
		Hornsby
		Macquarie
		Manly
		Mona Vale
		Neringah
		Royal North Shore
		Royal Rehabilitation
		Ryde
	South Eastern Sydney LHD	Calvary
		Prince of Wales
		Royal for Women
		St George
		Sutherland
		Sydney/ Sydney Eye
	South Western Sydney LHD	Waverley War Memorial
		Bankstown
		Bowral
		Braeside
		Camden
		Campbelltown
		Fairfield
	Liverpool	
	Southern NSW LHD	Batemans Bay
		Bega
		Bourke Street Health Service
		Goulburn
		Moruya
	St Vincent's Health Network	Queanbeyan
		Sacred Heart Hospice
		St Joseph's Auburn
	Sydney Children's Hospitals Network	St Vincent's
		Children's Hospital Westmead
	Sydney LHD	Sydney Children's
		Balmain
		Canterbury
Concord		
Royal Prince Alfred		
Western NSW LHD	RPAH Institute of Rheumatology & Orthopaedics	
	Bathurst	
	Dubbo	
	Lourdes Dubbo	
Western Sydney LHD	Orange	
	Auburn	
	Blacktown	
	Cumberland	
	Mount Druitt	
Westmead		

<b>S/T</b>	<b>LHN</b>	<b>Hospital</b>
NT	Central Australia Health Service	Alice Springs Hospital
	Top End Health Service	Katherine District Hospital
		Royal Darwin Hospital
QLD	Cairns and Hinterland	Atherton Hospital
		Cairns Base Hospital
		Cairns Central Day Hospital
		Cairns Day Surgery
		Cairns Private Hospital
		Innisfail Hospital
		Mareeba Hospital
		The Cairns Clinic
	Central Queensland	Gladstone Hospital
		Hillcrest - Rockhampton Private Hospital
		Marie Stopes International Rockhampton
		Mater Misericordiae Hospital Gladstone
		Mater Misericordiae Hospital Rockhampton
		Mater Misericordiae Hospital Yeppoon
		Rockhampton Hospital
	Children's Health Queensland	Royal Children's Hospital
	Darling Downs	Clifton Co-Operative Hospital Ltd
		Kingaroy Hospital
		South Burnett Private Hospital
		St Andrew's Toowoomba Hospital
		St Vincent's Hospital
		Toowoomba Hospital
		Toowoomba Surgicentre
	Warwick Hospital	
	Gold Coast	Allamanda Private Hospital
		Currumbin Clinic
		Gold Coast University Hospital
		Icon Cancer Care Southport
		John Flynn Private Hospital
		Marie Stopes International Southport
		Pacific Private Day Hospital
		Pindara Day Procedure Centre
		Pindara Private Hospital
		Robina Hospital
		Robina Procedure Centre
		Short Street Day Surgery
		South Coast Digestive Diseases Centre
		Southport Day Hospital
	Spendelove Private Hospital	
	Vision Centre Day Surgery	
	Mackay	Mackay Base Hospital
		Mackay Specialist Day Hospital
Mater Misericordiae Day Unit		
Mater Misericordiae Hospital Mackay		
North Mackay Private Hospital		
Proserpine Hospital		

<b>S/T</b>	<b>LHN</b>	<b>Hospital</b>	
QLD (cont.)	Mater	Mater Adult Hospital	
		Mater Children's Hospital	
		Mater Mothers' Hospital	
	Metro North	Brisbane Private Hospital	
		Caboolture Hospital	
		Caboolture Private Hospital	
		Chermside Day Hospital	
		Chermside Dialysis Clinic	
		Eye-Tech Day Surgeries	
		Holy Spirit Northside	
		Icon Cancer Care Chermside	
		Icon Cancer Care Wesley	
		Marie Stopes International Bowen Hills	
		Montserrat Day Hospitals Gaythorne	
		Montserrat Day Hospitals Indooroopilly	
		New Farm Clinic	
		North Lakes Day Hospital	
		North West Private Hospital	
		Northside Endoscopy Service	
		Pacific Day Surgery Centre	
		Peninsula Eye Hospital	
		Peninsula Private Hospital	
		Pine Rivers Private Hospital	
		Queensland Eye Hospital	
		Redcliffe Hospital	
		Rivercity Private Hospital	
		Royal Brisbane & Women's Hospital	
		Spring Hill Clinic	
		Spring Hill Specialist Day Hospital	
		St Andrew's War Memorial Hospital	
		T & G Day Surgery Unit	
		The Prince Charles Hospital	
		The Wesley Centre for Hyperbaric Medicine	
		The Wesley Hospital	
		Toowong Private Hospital	
		Metro South	Belmont Private Hospital
			Brisbane Endoscopy Services
	Canossa Private Hospital		
	Eastern Endoscopy Centre		
	Eye-Tech Day Surgeries Southside		
	Greenslopes Day Surgery		
	Greenslopes Private Hospital		
	Icon Cancer Care South Brisbane		
	Logan Endoscopy Services		
	Logan Hospital		
	Mater Private Hospital Brisbane		
	Mater Private Hospital Redland		
Mater Women's & Children's Private Health Services			
Princess Alexandra Hospital			
Queen Elizabeth II Jubilee Hospital			
Redland Hospital			

<b>S/T</b>	<b>LHN</b>	<b>Hospital</b>
QLD (cont.)	Metro South (cont.)	Southside Endoscopy Centre
		St Vincent's Private Hospital Brisbane
		Sunnybank Private Hospital
	North West	Mount Isa Base Hospital
	Sunshine Coast	Buderim Gastroenterology Centre
		Caloundra Hospital
		Caloundra Private Clinic
		Eden Rehabilitation Hospital
		Gympie Hospital
		Gympie Private Hospital
		Kawana Private Hospital
		Nambour Day Surgery
		Nambour General Hospital
		Nambour Selangor Private Hospital
		Noosa Hospital
		Noosa Surgical and Endoscopy Centre
		Sunshine Coast Day Surgery
		Sunshine Coast Haematology & Oncology Clinic
		Sunshine Coast University Private Hospital
	The Sunshine Coast Private Hospital	
	Townsville	Icon Cancer Care Townsville
		Marie Stopes International Townsville
		Mater Hospital Pimlico
		Mater Women's and Children's Hospital Hyde Park
		North Queensland Day Surgical Centre
		The Townsville Hospital
		Townsville Day Surgery
	West Moreton	Ipswich Day Hospital
		Ipswich Hospital
		Roderick Street Day Surgery
		St Andrew's - Ipswich Private Hospital
	Wide Bay	Bundaberg Base Hospital
		Friendly Society Private Hospital
Hervey Bay Hospital		
Hervey Bay Surgical Hospital		
Maryborough Hospital		
Mater Misericordiae Hospital Bundaberg		
St Stephen's Hospital Hervey Bay		
St Stephen's Private Hospital		
SA		Central Adelaide
		Pregnancy Advisory Centre
		Royal Adelaide Hospital - Hampstead Rehabilitation Centre
		St Margarets Rehabilitation Centre
		The Queen Elizabeth Hospital
		The Royal Adelaide Hospital

<b>S/T</b>	<b>LHN</b>	<b>Hospital</b>
SA (cont.)	Country Health SA	Gawler Health Service
		Mount Barker District Soldiers 'Memorial Hospital
		Mount Gambier and Districts Health Service
		Murray Bridge Soldiers Memorial Hospital
		Port Augusta Hospital and Regional Health Services
		Port Lincoln Health Services
		Port Pirie Regional Health Service
		Riverland General Hospital
		Whyalla Hospital and Health Services
	Northern Adelaide	Lyell McEwin Hospital
		Oakden Hospital
		Modbury Hospital
	Southern Adelaide	Flinders Medical Centre
Noarlunga Health Service		
Repatriation Hospital		
Southern Districts War Memorial Hospital		
Women's and Children's Health Network (SA)	Women's and Children's Hospital	
TAS	Tasmanian Health Organisation - North	Launceston General Hospital
	Tasmanian Health Organisation - North West	North West Regional Hospital
	Tasmanian Health Organisation - South	Royal Hobart Hospital
VIC	Albury Wodonga Health	Albury Wodonga Health - Wodonga Campus
	Alfred Health (VIC)	Caulfield Hospital
		Sandringham Hospital
		The Alfred
	Austin Health (VIC)	Austin Health - Austin Hospital
		Austin Health - Heidelberg Repatriation Hospital
		Royal Talbot Rehabilitation Centre
	Bairnsdale Regional Health Service	Bairnsdale Regional Health Service
	Ballarat Health Services	Ballarat Health Services - Queen Elizabeth Centre
		Ballarat Health Services (Base Hospital)
	Barwon Health	Barwon Health - Geelong Hospital Campus
		Barwon Health - McKellar Centre Campus
	Bass Coast Regional Health	Bass Coast Regional Health
	Benalla and District Memorial Hospital	Benalla Health
	Bendigo Health Care Group	Bendigo Health Care Group - Anne Caudle Campus
		Bendigo Health Care Group - Bendigo Hospital
	Calvary Healthcare Bethlehem Ltd	Calvary Healthcare Bethlehem Ltd
	Castlemaine Health	Castlemaine Health
	Central Gippsland Health Service	Central Gippsland Health Service (Maffra)
		Central Gippsland Health Service (Sale)
	Colac Area Health	Colac Area Health
	Djerriwarrh Health Service (VIC)	Djerriwarrh Health Service - Bacchus Marsh
		Djerriwarrh Health Services - Melton Health
East Grampians Health Service	East Grampians Health Service - Ararat	
	East Grampians Health Service - Willaura Campus	

<b>S/T</b>	<b>LHN</b>	<b>Hospital</b>
VIC (cont.)	Eastern Health (VIC)	Angliss Hospital
		Box Hill Hospital
		Healesville & District Hospital
		Maroondah Hospital
		Peter James Centre
		Yarra Ranges Health
	Echuca Regional Health	Echuca Regional Health
	Gippsland Southern Health Service	Gippsland Southern Health Service - Korumburra Campus
		Gippsland Southern Health Service - Leongatha Campus
	Goulburn Valley Health	Goulburn Valley Health - Tatura Campus
		Goulburn Valley Health - Waranga Campus
		Goulburn Valley Health (Shepparton Campus)
	Kyabram and District Health Service	Kyabram & District Health Services
	Latrobe Regional Hospital	Latrobe Regional Hospital
	Maryborough District Health Service	Maryborough District Health Service (Dunolly)
		Maryborough District Health Service (Maryborough)
	Melbourne Health	Orygen Inpatient Unit
		Royal Melbourne Hospital - City Campus
		Royal Melbourne Hospital - Royal Park Campus
	Mercy Public Hospital Inc. (VIC)	Mercy Health- O'Connell Family Centre Campus
		Mercy Hospital for Women
		Werribee Mercy Hospital
	MTAA Superannuation Fund (Mildura Base Hospital)	Mildura Base Hospital - Mildura Campus
	Northeast Health Wangaratta	Northeast Health Wangaratta
	Northern Health (VIC)	Broadmeadows Health Service
		Bundoora Extended Care Centre
		Craigieburn Health Service
		The Northern Hospital
	Peninsula Health (VIC)	Frankston Hospital
		Golf Links Road Rehabilitation Centre
		Rosebud Hospital
		The Mornington Centre
	Peter MacCallum Cancer Institute (VIC)	Peter MacCallum Cancer Institute
	Portland District Health	Portland District Health
	Royal Children's Hospital (Melbourne)	The Royal Children's Hospital
	Royal Victorian Eye and Ear Hospital	The Royal Victorian Eye and Ear Hospital
Royal Women's Hospital (Melbourne)	The Royal Women's Hospital	
	Womens Sandringham	
South West Healthcare (VIC)	South West Healthcare - Camperdown	
	Southwest Health Care - Warrnambool	
Southern Health (VIC)	Casey Hospital	
	Cranbourne Integrated Care Centre	
	Dandenong Hospital	
	Kingston Centre	
	Monash Medical Centre - Clayton Campus	
	Monash Medical Centre - Moorabbin Campus	

<b>S/T</b>	<b>LHN</b>	<b>Hospital</b>
	St Vincent's Hospital (Melbourne) Limited	St George's Health Service
		Caritas Christi Hospice
		St Vincent's Hospital (Melbourne) Ltd
	Stawell Regional Health	Stawell Regional Health
	Swan Hill District Health	Swan Hill District Health
		Swan Hill District Hospital [Nyah]
	Virtual LHN	Virtual LHN
	West Gippsland Healthcare Group	West Gippsland Healthcare Group
	Western District Health Service (VIC)	Western District Health Service - Hamilton
		Western District Health Service - Peshurst
	Western Health (Vic)	Sunbury Day Hospital
		Sunshine Hospital
		Western Hospital
Williamstown Hospital		
Wimmera Health Care Group	Wimmera Health Care Group -Dimboola	
	Wimmera Health Care Group - Horsham	
<b>S/T</b>	<b>LHN</b>	<b>Hospital</b>
WA	Child Adolescent Health Service (WA)	Princess Margaret Hospital
	North Metropolitan Health Service (WA)	Joondalup Health Campus
		King Edward Memorial Hospital
		Osborne Park Hospital
		Sir Charles Gairdner Hospital
		Swan Districts Hospital
	Notional Local Hospital Network (Royal Street)	Heartbeat – Bentley-Armadale Medicare Local and Silverchain Western Australia.
		St John of God Healthcare Mt Lawley
	South Metropolitan Health Service (WA)	Armadale Kelmscott Memorial Hospital
		Bentley Health Service
		Fiona Stanley Hospital
		Fremantle Hospital and Health Service
		Fremantle-Kaleeya Hospital
		Peel Health Campus
		Rockingham General Hospital
		Royal Perth (Rehab) Hospital
		Royal Perth Hospital
	WA Country Health Service	Albany Hospital
		Broome Hospital
Bunbury Hospital		
Busselton Hospital		
Geraldton Hospital		
Hedland Health Campus		
Kalgoorlie Hospital		
St John of God Health Care Bunbury		

## Appendix B: Postcodes that span states

Table 3 below outlines the 15 postcodes that span more than one state. Where the patient's SLA is not available, the state will be determined by the state with the largest proportion of that postcode's population, using the ABS population distribution data, outlined below. See Table 1 for the associated Administrator's decision principle.

**Table 3: Postcodes that span over more than one state with no valid SLA**

Postcode	State postcode spans	Determined state	Population proportion of relevant state
0872	NT, SA and WA	NT	80%
2406	NSW and QLD	NSW	84%
2540	ACT and NSW	NSW	99%
2611	ACT and NSW	ACT	100%
2618	ACT and NSW	NSW	76%
2620	ACT and NSW	NSW	98%
3644	NSW and VIC	VIC	80%
3691	NSW and VIC	VIC	100%
3707	NSW and VIC	VIC	96%
4375	NSW and QLD	QLD	100%
4377	NSW and QLD	QLD	100%
4380	NSW and QLD	QLD	100%
4383	NSW and QLD	QLD	71%
4385	NSW and QLD	QLD	93%
4825	NT and QLD	QLD	98%