



Administrator
National Health
Funding Pool

2015-16 Reconciliation Framework

July 2016

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Document Control Sheet

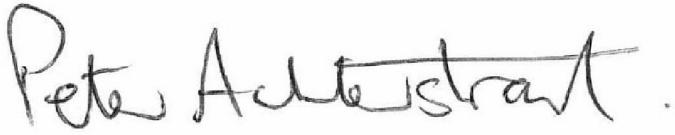
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1. Legislative basis

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 National Health Reform (NHR) funding for the 2015-16 financial year and should be read in conjunction with the following Administrator documents:

- Three Year Data Plan covering the period 2015-16 to 2017-18,
- *Business rules for determining hospital services eligible for Commonwealth funding volumes 1 and 2¹*, and
- Methodology for the calculation of Commonwealth National Health Funding Pool contributions.

Note: 2014-15 was the first year where Commonwealth NHR funding was 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 (clauses A32 and 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.

¹ These volumes relate to the 2012-13 six-monthly and annual periods respectively. The broad principles of data matching and assessing Commonwealth NHR 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 service volumes for each LHN prior to the start of each financial year (clause B74). These aggregate weighted service volumes 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 NHR funding of actual activity. Commonwealth NHR 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 NHR 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 2015-16

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 2015-16 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 2015-16, in accordance with Clause A33c of the Agreement and IHPA NEP Determination 2015-16, activity based funding includes the following services:

- acute admitted services
- admitted mental health services²
- sub-acute and non-acute admitted services³
- emergency department services and
- non-admitted services.

These service categories have not changed from those applicable in 2014-15.

Activity levels in 2015-16 will be used as the base year (or previous year) service volumes for calculation of 2016-17 growth under clause A34.

² 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), admitted patients under care type 11 and any patients who have recorded psychiatric care days.

³ 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/588098>).

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 NHR 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.

- 2015-16 six-month data (July to December 2015) by 31 March 2016 and
- 2015-16 annual data (July 2015 to June 2016) by 30 September 2016.

The NWAU attributable to the activity data will be calculated (Section 6) and reconciled to the NWAU estimate used to calculate the Commonwealth NHR 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 2015-16). It is important that actual activity levels are determined and the correct Commonwealth NHR funding is provided to LHNs (and thereby states) based on the actual volume of services delivered by each LHN in 2015-16.

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

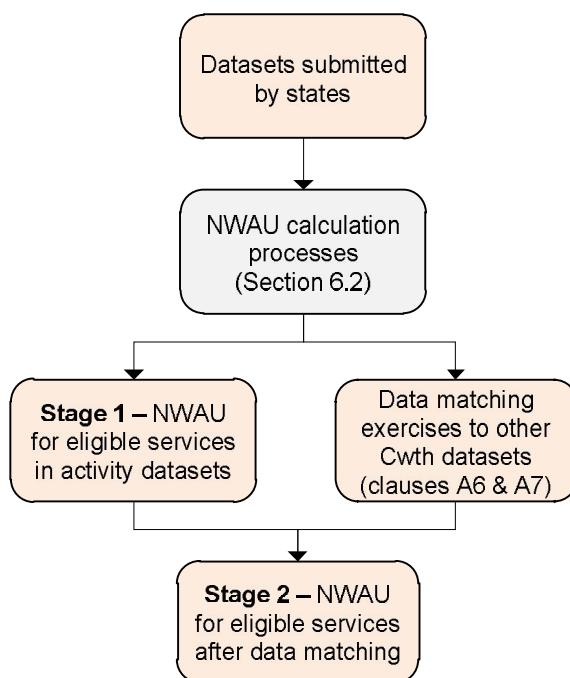
Data on actual patient level services delivered, as provided by states, will be used as the basis for the calculation of NWAU and subsequent adjustment and payment of the Commonwealth activity based funding contribution.

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 NHR 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 2015-16 to 2017-18*.

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

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 2015-16 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 2015-16 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 2015-16 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 2015-16 list of hospitals in the National Efficient Cost (NEC) as determined and advised by IHPA⁴ 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 calculation parameters 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 2015-16 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 ‘Step G’ and Table 1 below for the Administrator’s calculation parameters 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 NHR funding.

This determination is conveyed annually in IHPA’s National Efficient Price (NEP) Determination for public hospital services eligible for Commonwealth NHR funding. The NEP Determination in relation to 2015-16 can be located on the IHPA website at <https://www.ihpau.gov.au/publications/national-efficient-price-determination-2015-16>.

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 NHR 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 NHR 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.

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 NHR funding.

G. Administrator’s calculation parameters

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

⁴ See Appendix A of IHPA’s 2015-16 National Efficient Cost Determination, located at:
<https://www.ihpau.gov.au/publications/national-efficient-price-determination-2015-16>

Table 1: Administrator's NWAU calculation parameters

Component	Calculation parameter
Activity based funded hospitals list	Any hospitals included in the activity datasets provided by states but not listed on the 2015-16 list of activity based funded hospitals advised by states (see Appendix A) will not be included in the final calculation of NWAU for Commonwealth NHR funding purposes.
Activity based funded hospitals and comparison to Block funded hospitals	Unless otherwise advised by the state, if a hospital is included in the activity based funded hospital list advised by the state (see Appendix A) and in the 2015-16 list of National Efficient Cost hospitals as determined and advised by IHPA ⁵ , the respective hospital will be removed from the activity based funded hospital list and will not be included in the final calculation of NWAU for Commonwealth NHR funding purposes as Commonwealth NHR funding was already provided for this hospital under the Block funding stream in 2015-16.
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 not provided advice for an ABF hospital on the use of patient or aggregate level data and:</p> <ul style="list-style-type: none"> • The hospital did 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. • The hospital did not submit patient level data (i.e. only provided aggregate level data) - the Administrator will use the aggregate level data. Noting the aggregate data does 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. <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.

⁵ See Appendix A of IHPA's 2015-16 National Efficient Cost Determination

Component	Calculation parameter
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"> • 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. • Sub-acute services – missing the admission date or discharge date. • Emergency – if it does not include a valid Urgency Related Group (URG) code or a valid Urgency Disposition Group (UDG) code⁶. • Non-admitted services – if it does not include a valid Tier 2 clinic code.
Private patients in private hospitals	'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.
Assigning NWAU to sub-acute services	<p>The following rules are applied to sub-acute care services:</p> <ul style="list-style-type: none"> • If the sub-acute service has a missing or invalid ANSNAP⁷_V3 value it is assigned an error code. • Sub-acute services with an error code and not relating to paediatric patients are processed as an acute service. • Sub-acute services rendered to paediatric patients are processed as a sub-acute service. • Sub-acute services with a valid SNAP class are merged with the palliative care dataset. • If the service has palliative care phases, then each phase is processed as a separate sub-acute service with the phase start and end dates used as the admission and separation dates, respectively. • If the service has no palliative care phases, the service is processed as a sub-acute service using the supplied dates.

⁶ As per Table 15, page 45 of IHPA's 2015-16 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”.

⁷ ANSNAP: Australian National Sub acute and Non-Acute Patient.

Component	Calculation parameter
	This ensures that the separation is funded on a consistent basis – only using DRG or ANSNAP classification, but not both.
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 (through identification in the combined Submission A and B data), these will be excluded by the Administrator from the final calculation of NWAU for Commonwealth NHR funding purposes.</p> <p>This is conducted under the principle of clause B63.</p>
DVA and Compensable patients	<p>In IHPA's <i>2015-16 National Pricing Model Technical Specification</i>⁸, 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, 2013-14 and 2014-15.</p>
Erroneous or no data provided	<p>Where erroneous or no data are provided in the activity datasets provided by jurisdictions, these will be excluded by the Administrator from the final calculation of NWAU for Commonwealth NHR funding purposes.</p> <p>This is conducted under the principle of clause B63.</p> <p>Further, where activity data are not provided, or erroneous data are 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>

⁸ Available at <https://www.ihpau.gov.au/publications/national-pricing-model-technical-specifications-2015-16>.

Component	Calculation parameter
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>2015-16 NEP Determination</i>⁹.</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>
Admitted Mental Health	<p>For the 2015-16 year, the IHPA data specifications required mental health admissions to be assigned "care type 11". However, the IHPA NWAU15 calculator did not take this in to account and all records with care type 11 were assigned zero NWAU. The IHPA advised that the solution was to replace care type 11 with care type 1.</p>

⁹ Available at <https://www.ihsa.gov.au/publications/national-efficient-price-determination-2015-16>.

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 NHR funding purposes.

This step is also included in the Administrator’s calculation parameters 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 NHR 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 2015-16 NWAU calculators¹⁰ and *2015-16 National Pricing Model Technical Specification*¹¹ 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).

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.

¹⁰ <https://www.ihpa.gov.au/what-we-do/national-weighted-activity-unit-nwau-calculators-2015-16>

¹¹ <https://www.ihpa.gov.au/publications/national-pricing-model-technical-specifications-2015-16>

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 NHR 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 Rules¹² document for further information.

For 2015-16, 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 (including both Block funded and ABF services, as required) 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.

¹² *Business rules for determining hospital services eligible for Commonwealth funding volumes 1 &2*
Available at: <http://www.publichospitalfunding.gov.au/publications/operational-documents>

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 (or the NHFB on behalf of 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 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 2015-16 is \$4,971 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 NHR funding contribution previously paid for the period. The estimates used in this process are outlined below.

7.1 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.

7.2 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 2015-16.

8. Adjustment process

Clauses B59 to B61 require Commonwealth NHR funding 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 NHR 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 NHR 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.
- For the annual period July 2015 to June 2016, adjustments to Commonwealth payments are scheduled to be spread equally over the three months January to March 2017.

Due to delays in data submissions or similar, the Administrator can determine the six-month or annual reconciliation adjustment to occur in a later three month period, or can extend the reconciliation period.

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

2015-16												2016-17											
Reconciliation period												Adjustment											
J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J
J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J

Section 10 outlines the reconciliation timeline and major milestones relating to the 2015-16 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 2015-16 (\$4,971) and the Commonwealth contribution percentage as at December 2015 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 2015) 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 c) 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 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.
- f) Other adjustments to 2016-17 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 2016-17 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 what was already paid to the LHN will be determined.

- c) As with the six-month process, if the amount identified in step b) 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 2017). 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 b) (and step c), 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 2016-17 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 2016-17 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 NEP and NEC Determinations. This information is utilised to calculate the 2016-17 Commonwealth contribution, based on estimated 2015-16 and 2016-17 activity levels (i.e. stage 1 in Figure 3).

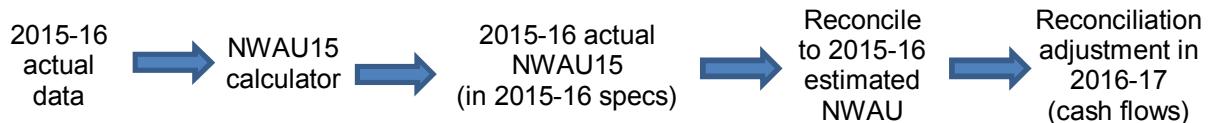
For further information refer to Section 8.9 'Back-casting' in the Administrator's *Growth and Funding Guarantees* document¹³.

9.2 Back-casting for actual activity

Once annual data on actual hospital services delivered on an activity basis in 2015-16 are received from states and are processed through the necessary NWAU validation and assessment processes, the 2016-17 Commonwealth contribution will be recalculated (Stage 2 in Figure 3). This will provide a more accurate estimate of the growth funding payable in 2016-17.

There are two parts in the calculation process once actual annual data are received – one in relation to reconciliation activities for that year (2015-16, processes outlined within this document), and the other for growth calculations for the subsequent year (2016-17). 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.

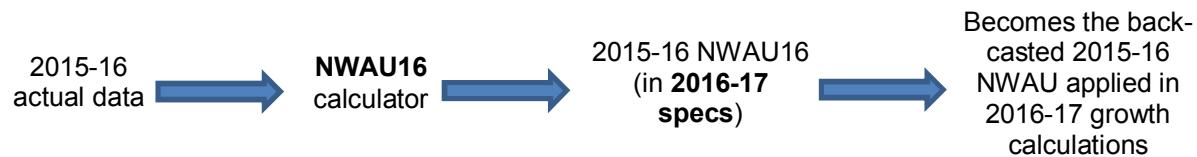
Figure 4: Part 1 (2015-16 reconciliation activities)



¹³Growth and Funding Guarantees are available at: <http://www.publichospitalfunding.gov.au/publications/operational-documents>

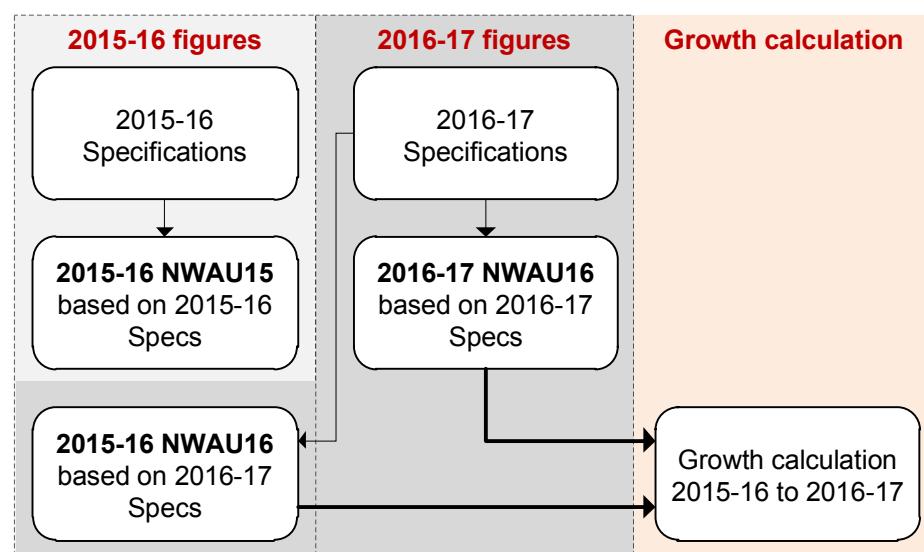
Figure 5: Part 2 (2016-17 growth calculation process)

The actual 2015-16 data are processed through the NWAU16 calculator to determine the 'value' of the 2015-16 activity as if it were delivered in 2016-17. This process ensures any scope changes between 2015-16 and 2016-17 are captured and applied to the complete 2015-16 data.



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



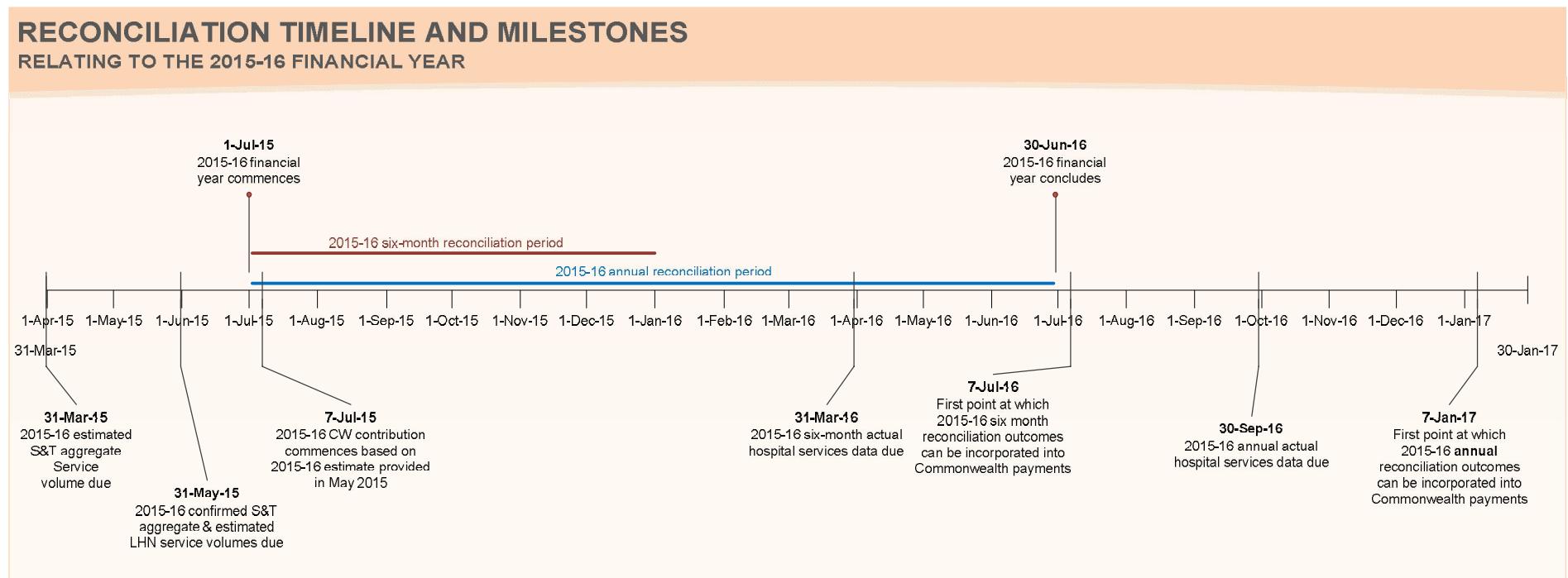
The final stage of calculating funding for the growth year is based on actual annual activity for both the base and growth years (i.e. Stage 3 in Figure 3). This will occur from October 2017, as 2016-17 actual annual data are due to the Administrator by 30 September 2017. Refer to the Administrator's *Growth and Funding Guarantees*¹⁴ document for further information on this calculation.

¹⁴ Available at: <http://www.publichospitalfunding.gov.au/publications/operational-documents>

10. Timeline

The following illustrates the intended reconciliation and adjustment timeline and major milestones in relation to 2015-16 under the Agreement.

Figure 8: 2015-16 Reconciliation timeline



Appendix A: Activity based funded hospitals in 2015-16

Table 2 below outlines the list of the 2015-16 activity based hospitals by state and LHN, as advised by each relevant state.

Table 2: 2015-16 activity based hospitals by state and LHN

S/T	LHN	Hospital
ACT	ACT Local Hospital Network	Calvary Public Hospital
		Canberra Hospital
NSW	Albury	Albury Campus
		Gosford
		Long Jetty
		Woy Woy
		Wyong
	Far West LHD	Broken Hill
NSW	Hunter New England LHD	Armidale
		Belmont
		Calvary Mater
		Cessnock District Hospital
		Hunter New England Mater Mental Health Service
		Inverell District Hospital
		John Hunter
		Kurri Kurri
		Maitland
		Manning
		Moree District Hospital
		Singleton District Hospital
		Tamworth
	Illawarra Shoalhaven LHD	Coledale
		David Berry
		Port Kembla
		Shellharbour
		Shoalhaven
		Wollongong
NSW	Mid North Coast LHD	Coffs Harbour
		Kempsey
		Macksville District Hospital
		Port Macquarie
	Murrumbidgee LHD	Deniliquin Hospital
NSW	Nepean Blue Mountains LHD	Griffith
		Mercy Care Centre Albury
		Mercy Care Centre Young
		Wagga Wagga
	Northern NSW LHD	Blue Mountains
NSW	Nepean Blue Mountains LHD	Hawkesbury
		Lithgow Integrated Health Service
	Nepean	Nepean
NSW	Northern NSW LHD	Springwood
		Ballina
	Casino and District Memorial Hospital	Casino and District Memorial Hospital
NSW	Grafton	Grafton

S/T	LHN	Hospital
NSW (cntd)	Northern NSW LHD (cntd)	Lismore Maclean District Hospital Murwillumbah The Tweed
	Northern Sydney LHD	Greenwich Hornsby Macquarie Manly Mona Vale Neringah Royal North Shore Royal Rehabilitation Ryde
	NSW Contracted Services	NSW Contracted Services
	South Eastern Sydney LHD	Calvary Prince of Wales Royal for Women St George Sutherland Sydney/ Sydney Eye Waverley War Memorial
	South Western Sydney LHD	Bankstown Bowral Braeside Camden Campbelltown Fairfield Liverpool
	Southern NSW LHD	Batemans Bay Bega Bourke Street Health Service Cooma Hospital & Health Service Goulburn Moruya Queanbeyan
	St Vincent's Health Network	Sacred Heart Hospice St Joseph's Auburn St Vincent's
	Sydney Children's Hospitals Network	Children's Hospital Westmead Sydney Children's
	Sydney LHD	Balmain Canterbury Concord Royal Prince Alfred RPAH Institute of Rheumatology & Orthopaedics
	Western NSWLHD	Bathurst Cowra District Hospital Dubbo Forbes District Hospital Lourdes Dubbo

S/T	LHN	Hospital
NSW (cntd)	Western NSWLHD (cntd)	Mudgee Health Service
		Orange
		Parkes District Hospital
	Western Sydney LHD	Auburn
		Blacktown
		Cumberland
NT	Central Australia Health Service	Mount Druitt
		Westmead
	Top End Health Service	Alice Springs Hospital
		Tennant Creek Hospital
QLD	Cairns and Hinterland	Katherine District Hospital
		Royal Darwin Hospital
		Atherton Hospital
		Cairns and Hinterland Hospital and Health Service
		Cairns Base Hospital
		Cairns Central Day Hospital
		Cairns Day Surgery
		Cairns Private Hospital
		Innisfail Hospital
	Central Queensland	Mareeba Hospital
		The Cairns Clinic
		Central Queensland Hospital and Health Service
		Emerald Hospital
		Gladstone Hospital
		Hillcrest – Rockhampton Private Hospital
		Marie Stopes International Rockhampton
		Mater Misericordiae Hospital Gladstone
Children's Health Queensland	Children's Health Queensland	Mater Misericordiae Hospital Rockhampton
		Mater Misericordiae Hospital Yeppoon
		Rockhampton Hospital
		Children's Health Queensland Hospital and Health Service
		Lady Cilento Children's Hospital
		Clifton Co-Operative Hospital Ltd
		Dalby Hospital Health Service
		Darling Downs Hospital and Health Service
		Kingaroy Hospital
Darling Downs		South Burnett Private Hospital
Darling Downs	St Andrew's Toowoomba Hospital	
	St Vincent's Hospital	
	Toowoomba Hospital	
	Toowoomba Surgicentre	
	Warwick Hospital	
	Allamanda Private Hospital	
	Currumbin Clinic	
	Gold Coast Hospital and Health Service	
	Gold Coast University Hospital	
Gold Coast	Gold Coast	Icon Cancer Care Southport
		John Flynn Private Hospital
		Marie Stopes International Southport
		Pacific Private Day Hospital

S/T	LHN	Hospital
QLD (cntd)	Gold Coast (cntd)	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 Hospital and Health Service Mackay Specialist Day Hospital Mater Misericordiae Day Unit Mater Misericordiae Hospital Mackay North Mackay Private Hospital Proserpine Hospital
	Mater	Mater Adult 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 Metro North Hospital and Health Service 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

S/T	LHN	Hospital
QLD (cntd)	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
		Metro South Hospital and Health Service
		Princess Alexandra Hospital
		Queen Elizabeth II Jubilee Hospital
		Redland Hospital
		Southside Endoscopy Centre
		St Vincent's Private Hospital Brisbane
		Sunnybank Private Hospital
	North West	Mount Isa Base Hospital
		North West Hospital and Health Service
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 Hospital and Health Service
		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
		Townsville Hospital and Health Service
West Moreton		Ipswich Day Hospital
		Ipswich Hospital
		Roderick Street Day Surgery
		St Andrew's – Ipswich Private Hospital

S/T	LHN	Hospital
QLD (cntd)	West Moreton (cntd)	West Moreton Hospital and Health Service
	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
		Wide Bay Hospital and Health Service
SA	Central Adelaide	Central Adelaide Local Health Service
		Glenside Hospital
		Pregnancy Advisory Centre
		Royal Adelaide Hospital – Hampstead Rehabilitation Centre
		St Margarets Rehabilitation Centre
		The Queen Elizabeth Hospital
		The Royal Adelaide Hospital
	Central Office Services	Central Office Services
	Country Health SA	Country Health SA Local Health Services
		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
		South Coast District Hospital
		Whyalla Hospital and Health Services
TAS	Northern Adelaide	Lyell McEwin Hospital
		Modbury Hospital
		Northern Adelaide Local Health Services
		Oakden Hospital
	Southern Adelaide	Flinders Medical Centre
		Noarlunga Health Service
		Repatriation Hospital
		Southern Adelaide Local Health Service
		Southern Districts War Memorial Hospital
VIC	Women's and Children's Health Network (SA)	Women's And Children's Health Service
		Women's and Children's Hospital
	Tasmanian Health Organisation – North	Launceston General Hospital
	Tasmanian Health Organisation – North West	North West Regional Hospital
	Tasmanian Health Organisation – South	Royal Hobart Hospital
	Albury Wodonga Health	Albury Wodonga Health – Wodonga Campus
	Alfred Health (VIC)	Caulfield Hospital
		Sandringham Hospital
		The Alfred

S/T	LHN	Hospital
VIC (cntd)	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
	Eastern Health (VIC)	Angliss Hospital Box Hill Hospital Healesville & District Hospital Maroondah Hospital Peter James Centre Wantirna Health 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	Mercy Health- O'Connell Family Centre Campus Orygen Inpatient Unit Royal Melbourne Hospital – City Campus Royal Melbourne Hospital – Royal Park Campus
	Mercy Public Hospital Inc. (VIC)	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

S/T	LHN	Hospital
VIC (cntd)	Northern Health (VIC) (cntd)	Craigieburn Health Service
		The Northern Hospital
	Peninsula Health (VIC)	Frankston Hospital
		Golf Links Road Rehabilitation Cetnre
		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
	St Vincent's Hospital (Melbourne) Limited	Caritas Christi Hospice
		St George's Health Service
		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 – Penshurst
	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
WA	Child Adolescent Health Service (WA)	Princess Margaret Hospital
	North Metropolitan Health Service (WA)	Graylands Hospital
		Joondalup Health Campus
		King Edward Memorial Hospital
		Osborne Park Hospital
		Selby Authorised Lodge
		Sir Charles Gairdner Hospital
		State Forensic Mental Health Service
		Swan Districts Hospital
	Notional Local Hospital Network (Royal Street)	Albany Community Hospice
		Bethesda Hospital
		Fresenius Medical Care, Coolbellup
		Fresenius Medical Care, Warwick
		Heartbeat – Bentley-Armadale Medicare Local and Silverchain Western Australia.

S/T	LHN	Hospital
WA (cntd)	Notional Local Hospital Network (Royal Street) (cntd)	Kimberley Satellite Dialysis Centre
		Midland Dialysis Centre
		Silverchain Western Australia
		St John of God Health Care Geraldton
		St John of God Health Care Murdoch
		St John of God Healthcare Mt Lawley
		Warburton Dialysis Room
	South Metropolitan Health Service (WA)	Armadale Kelmscott Memorial Hospital
		Bentley Health Service
		Fiona Stanley Hospital
		Peel Health Campus
		Rockingham General 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
		Derby Hospital
		Esperance Hospital
		Kununurra Hospital
		Nickol Bay Hospital

Appendix B: Postcodes that span states

Table 3 below outlines the 15 postcodes that span more than one state. The process for determining a patient's state, for the purpose of cross-border patient flow calculation, is as follows:

- The patient's postcode will be used to determine patient state.
- Where the patient's postcode is not available or not valid, the patient SA2 code will be used to determine state.
- Where the patient's postcode and SA2 are not available or not valid, the patient state will be determined by the hospital state with the exception of postcodes that span over more than one state (Table 3) where the patient state will be determined by the state with the largest proportion of that postcode's population.

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%