



Administrator
National Health
Funding Pool

National Health Reform
Public Hospital Funding

Queensland Report
April 2018

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National Health Reform public hospital funding Queensland report – April 2018

This report is issued by the Administrator of the National Health Funding Pool under section 240 of the *National Health Reform Act 2011*.

This report is prepared on a cash basis. It shows monthly and year-to-date (YTD) National Health Reform (NHR) funding and payments for Queensland for April 2018 as part of the *National Health Reform Agreement*.

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Local hospital networks and National Health Reform

A local hospital network (LHN) is an organisation that provides public hospital services in accordance with the Agreement. An LHN can contain one or more hospitals, and is usually defined as a business group, geographical area or community. Every Australian public hospital is part of an LHN.

Note: The term 'local hospital network' is a national term. Some states and territories use their own terminology to describe these networks, such as local health districts, health organisations, and hospital and health services.

Under the Agreement, LHNs receive funding for the following public hospital services:

- All admitted and non-admitted services
- All emergency department services provided by a recognised emergency department
- Other outpatient, mental health, sub-acute services and other services that could reasonably be considered a public hospital service.

Note: LHNs also receive funding from other sources, including the Commonwealth, states and territories, and third parties for the provision of other specific functions and services outside the scope of the Agreement, for example dental services, primary care, home and community care, residential aged care and pharmaceuticals. For further information on total funding to a particular LHN, contact the Queensland Department of Health to view the service agreement for that LHN.

Basis for National Health Reform payments – Queensland, April 2018

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

The basis used to determine NHR payments to LHNs in Queensland for April 2018 was advised by the Queensland Department of Health to be as follows:

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

In terms of the funding model:

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

83 public hospitals, predominantly small regional and rural hospitals, and 4 specialist mental health facilities are funded through block funding arrangements which take account of hospital size and location. These are based on 2015-16 reported expenditure (net of depreciation) indexed to 2017-18 levels.

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

The purchasing model determines the volume and value of services that the Department agrees to purchase from each HHS through the service agreement. The model reflects key priority areas for investment which is informed through a range of planning models, growth projections and performance objectives for each HHS.

Reference information

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

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

State pool account transactions

Table 1a – State pool account transactions – Queensland, April 2018

This table shows funding paid into the Queensland state pool account by the Commonwealth, Queensland or other states/territories, and payments out of the state pool account to LHNs, the state managed fund, and the Queensland Department of Health or the state pool accounts of other states/territories for April 2018.

NHR funding by source	Paid into state pool account (\$)	Paid out of state pool account				Total paid out (\$)
		To Local hospital networks (\$)	To State Managed Fund (\$)	To state health department (\$)	To state pool (other State) (\$)	
Commonwealth ABF funding	281,568,267	281,568,267				281,568,267
Commonwealth Block funding	41,434,240		41,434,240			41,434,240
Commonwealth Other funding	6,466,807			6,466,807		6,466,807
Total C^owealth funding	329,469,314	281,568,267	41,434,240	6,466,807		329,469,314
QLD funding	476,141,280	473,012,101		0	3,100,000	476,112,101
Other state/territory funding	4,900,000		0	4,900,000		4,900,000
Total	810,510,594	754,580,367	41,434,240	11,366,807	3,100,000	810,481,414

See definitions and explanatory notes following table 1b.

Table 1b – State pool account transactions YTD – Queensland, April 2018

Following on from table 1a, this table shows year-to-date (YTD) funding paid into the Queensland state pool account by the Commonwealth, Queensland or other states/territories, and payments out of the state pool account to LHNs, the state managed fund, the Queensland Department of Health or the state pool accounts of other states/territories as at April 2018.

NHR funding by source	Paid into state pool account (\$)	Paid out of state pool account				Total paid out YTD (\$)
		To Local hospital networks YTD (\$)	To State Managed Fund YTD (\$)	To state health department YTD (\$)	To state pool (other State) YTD (\$)	
Commonwealth ABF funding	2,866,432,642	2,866,432,642				2,866,432,642
Commonwealth Block funding	363,645,178		363,645,178			363,645,178
Commonwealth Other funding	64,615,320			64,615,319		64,615,319
Total C'wealth funding	3,294,693,141	2,866,432,642	363,645,178	64,615,319		3,294,693,140
QLD funding	5,106,185,245	5,074,851,529		0	31,000,000	5,105,851,529
Other state/territory funding	49,000,000		0	49,000,000		49,000,000
Total	8,449,878,385	7,941,284,172	363,645,178	113,615,319	31,000,000	8,449,544,669

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

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

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

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

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

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

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

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

State managed fund transactions

Table 2a – State managed fund transactions – Queensland, April 2018

This table shows funding paid into the Queensland state managed fund by the Commonwealth and Queensland, and payments out of the state managed fund to LHNs and other provider organisations for April 2018.

NHR funding by source	Paid into state managed fund (\$)	Paid out of state managed fund		
		To local hospital networks (\$)	To Other (\$)	Total paid out (\$)
Commonwealth Block funding	41,434,240			41,434,240
State/territory Block funding	66,347,393			66,347,393
Total	107,781,633	107,781,633	0	107,781,633

See explanatory notes below table 2b.

Table 2b – State managed fund transactions YTD – Queensland, April 2018

Following on from table 2a, this table shows year-to-date (YTD) funding paid into the Queensland state managed fund by the Commonwealth and Queensland, and YTD payments out of the state managed fund to LHNs and other provider organisations as at April 2018.

NHR funding by source	Paid into state managed fund YTD (\$)	Paid out of state managed fund YTD		
		To local hospital networks YTD (\$)	To Other YTD (\$)	Total paid out YTD (\$)
Commonwealth Block funding	363,645,178			363,645,178
State/territory Block funding	872,888,267			872,888,267
Total	1,236,533,446	1,236,533,446	0	1,236,533,446

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

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

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

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

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

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

NHR funding and payments by service category

Table 3 – NHR funding and payments by service category – Queensland, April 2018

This table shows NHR funding and payments by service category on both a monthly and year-to-date (YTD) basis for Queensland for April 2018. NHR funding and payments are separated into the following service categories – activity-based funding (ABF), block funding, and other funding.

Service category	NHR funding (\$)	NHR payments (\$)	NHR funding YTD (\$)	NHR payments YTD (\$)
ABF				
Acute admitted	483,869,158	483,869,158	5,088,852,467	5,088,852,467
Admitted mental health	40,409,764	40,409,764	429,104,513	429,104,513
Sub-acute	36,274,070	36,274,070	382,901,744	382,901,744
Emergency department	95,656,696	95,656,696	1,008,780,107	1,008,780,107
Non-admitted	98,370,679	98,370,679	1,031,645,340	1,031,645,340
Total ABF (Pool)	754,580,367	754,580,367	7,941,284,172	7,941,284,172
Block				
Small rural hospitals	49,736,040	49,736,040	598,486,541	598,486,541
Teaching, training & research	23,102,515	23,102,515	276,133,401	276,133,401
Non-admitted mental health	33,736,136	33,736,136	350,264,519	350,264,519
Other non-admitted services	1,206,942	1,206,942	11,648,985	11,648,985
Total Block (SMF)	107,781,633	107,781,633	1,236,533,446	1,236,533,446
Other				
Public health funding	6,466,807	6,466,807	64,615,320	64,615,319
Overdeposit	0	0	0	0
Cross border	8,000,000	8,000,000	80,000,000	80,000,000
Interest	29,179	0	333,715	0
Total Other (Pool)	14,495,986	14,466,807	144,949,035	144,615,319
Grand Total	876,857,986	876,828,807	9,322,766,653	9,322,432,936

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

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

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

State and territory cross-border payments can either be:

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

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

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

NHR contributions by local hospital network

Table 4a – NHR contributions by local hospital network – Queensland, April 2018

This table shows NHR contributions (from state, territory and Commonwealth sources) made to each LHN in Queensland during April 2018.

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

Local hospital network	ABF component (ex GST) (\$)	Block component (ex GST) (\$)	Total NHR payments (ex GST) (\$)
Cairns and Hinterland Hospital and Health Service	46,830,482	7,823,950	54,654,431
Central Queensland Hospital and Health Service	25,384,542	6,512,760	31,897,302
Central West Hospital and Health Service	0	2,196,512	2,196,512
Children's Health Queensland Hospital and Health Service	34,551,678	1,955,106	36,506,784
Darling Downs Hospital and Health Service	29,544,411	11,647,276	41,191,687
Gold Coast Hospital and Health Service	81,919,148	6,163,759	88,082,907
Mackay Hospital and Health Service	19,443,933	4,378,191	23,822,124
Mater Misericordiae Health Service Brisbane	32,381,215	786,354	33,167,569
Metro North Hospital and Health Service	158,744,815	12,357,435	171,102,250
Metro South Hospital and Health Service	136,819,763	13,641,812	150,461,574
North West Hospital and Health Service	6,638,384	2,937,623	9,576,007
Queenslad Virtual LHN	1,957,110	0	1,957,110
South West Hospital and Health Service	0	5,049,690	5,049,690
Sunshine Coast Hospital and Health Service	68,257,701	4,480,785	72,738,487
Torres and Cape Hospital and Health Service	0	5,582,129	5,582,129
Townsville Hospital and Health Service	48,701,692	8,919,282	57,620,974
West Moreton Hospital and Health Service	26,822,221	9,127,960	35,950,181
Wide Bay Hospital and Health Service	33,345,152	4,142,373	37,487,525
Total	751,342,246	107,702,997	859,045,243

See explanatory notes below table 4b.

Table 4b – NHR contributions by local hospital network YTD – Queensland, April 2018

This table shows YTD NHR contributions (from state, territory and Commonwealth sources) made to each LHN in Queensland as at April 2018.

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

Local hospital network	ABF component YTD (ex GST) (\$)	Block component YTD (ex GST) (\$)	Total NHR payments YTD (ex GST) (\$)
Cairns and Hinterland Hospital and Health Service	493,898,706	89,884,843	583,783,548
Central Queensland Hospital and Health Service	271,641,166	74,502,163	346,143,329
Central West Hospital and Health Service	0	24,981,991	24,981,991
Children's Health Queensland Hospital and Health Service	365,415,069	21,373,889	386,788,957
Darling Downs Hospital and Health Service	314,044,246	132,981,987	447,026,233
Gold Coast Hospital and Health Service	864,615,679	71,674,534	936,290,214
Mackay Hospital and Health Service	205,322,146	50,225,594	255,547,741
Mater Misericordiae Health Service Brisbane	345,111,547	9,398,929	354,510,475
Metro North Hospital and Health Service	1,668,792,675	142,872,510	1,811,665,185
Metro South Hospital and Health Service	1,436,979,276	157,213,297	1,594,192,573
North West Hospital and Health Service	70,523,337	33,519,244	104,042,581
Queensland Virtual LHN	3,927,100	0	3,927,100
South West Hospital and Health Service	0	57,429,397	57,429,397
Sunshine Coast Hospital and Health Service	721,514,704	51,810,347	773,325,050
Torres and Cape Hospital and Health Service	0	63,487,131	63,487,131
Townsville Hospital and Health Service	513,344,339	102,392,768	615,737,107
West Moreton Hospital and Health Service	281,061,937	104,279,900	385,341,837
Wide Bay Hospital and Health Service	350,581,092	47,565,029	398,146,121
Total	7,906,773,017	1,235,593,553	9,142,366,570

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

Note: This table excludes GST. The majority of government funding to LHNs is not subject to GST. However in some cases hospital funding to non-government entities does attract GST, for example, denominational hospitals, privately and commercially owned health facilities, or any other non-government third party provider of health services or related supplies.

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

Estimated monthly, YTD and annual activity

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

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

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

Table 5 – Estimated monthly, YTD and annual NWAU by local hospital network – Queensland, April 2018

This table shows estimated state or territory hospital activity for activity-based funding services expressed as NWAU for April 2018, the associated cumulative year-to-date (YTD), and total estimated annual NWAU for each LHN in Queensland.

Local hospital network	Estimated NWAU delivered in current month	Estimated NWAU delivered YTD	Estimated annual NWAU 2017-18
Cairns and Hinterland Hospital and Health Service	9,468	94,685	113,625
Central Queensland Hospital and Health Service	4,818	48,183	57,822
Children's Health Queensland Hospital and Health Service	6,138	61,373	73,644
Darling Downs Hospital and Health Service	6,557	65,563	78,672
Gold Coast Hospital and Health Service	15,918	159,187	191,029
Mackay Hospital and Health Service	4,085	40,846	49,013
Mater Misericordiae Health Service Brisbane	6,514	65,151	78,190
Metro North Hospital and Health Service	31,636	316,359	379,632
Metro South Hospital and Health Service	25,543	255,431	306,519
North West Hospital and Health Service	985	9,849	11,818
Queenslad Virtual LHN	317	634	3,800
Sunshine Coast Hospital and Health Service	11,471	114,705	137,643
Townsville Hospital and Health Service	9,700	97,004	116,408
West Moreton Hospital and Health Service	5,373	53,727	64,470
Wide Bay Hospital and Health Service	6,594	65,937	79,123
Total	145,117	1,448,635	1,741,408

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

An NWAU is a measure of health service activity expressed as a common unit. It provides a way of comparing and valuing each public hospital service, whether they are admissions, emergency department presentations or outpatient episodes, by weighting them for their clinical complexity. The average hospital service is worth one NWAU – the most intensive and expensive activities are worth multiple NWAU, the simplest and least expensive are worth fractions of an NWAU.

Monthly NHR payments relate to the cash needs of public hospitals and do not necessarily reflect the

volume of services to be delivered in the month.

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