

Senate Standing Committee on Finance and Public Administration

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Senate inquiry into COAG reforms relating to health and hospitals

16 June 2010

Questions: TSY1-4, TSY6, TSY8-9 and TSY12-16

Topic: Health reform

Senator Fierravanti-Wells asked:

1. Within the \$5.4 billion Commonwealth funding what measures are new spending? Please including the inputs, assumptions and modelling underpinning these funding amounts?
2. Within the \$5.4 billion Commonwealth funding what is re-directed from existing programs and or areas? What is the impact on these existing programs?
3. What are the projected savings in existing health programs across the forward estimates from these new financial arrangements, please including the inputs, assumptions and modelling underpinning these funding amounts?
4. What is the projected number of additional and new services this additional funding will provide:
 - in elective surgery treatments;
 - in emergency department treatments;
 - in expected numbers of patients to sign up to the diabetes spending measure; and
 - number or general practitioner (GP) treatments in aged care facilities.

Please provide the inputs, assumptions and modelling underpinning these projections for all the above measures?

6. Within the National Health and Hospitals Network please provide the names, roles, structures, operations, resourcing, funding and staffing of any new statutory bodies, organisations or other entities needed to establish, oversee, monitor, report upon or administer the National Health and Hospital Networks, Primary Care Organisations and the funding channels to be established under the COAG agreements?
7. Who will have final approval of the number and size of Local Hospital Networks in each state and territory?
8. Please provide the number of hospitals which will receive: activity-based funding, block grant funding, or a mix of both?

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ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

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16 June 2010

12. What percentage of public hospitals in Australia have block funding. Please provide a list of them in each State.
13. What documents have been provided to the Commonwealth or to any Commonwealth Minister by any State or Territory department or Minister in relation to any hospital closure/s including when they were provided and by whom were they provided. Please provide copies of such documents.
14. Please provide details of all discussions between State and Territory Departments or Ministers and Commonwealth Departments or Ministers in relation to the formation, location or boundaries of the local hospital networks, including any documents or other records of the Commonwealth or provided to the Commonwealth by any State or Territory.
15. Please provide details of any modelling provided by any State or Territory or available to the Commonwealth or prepared by the Commonwealth in relation to case mix funding.
16. Further to the evidence given at the hearing, please provide details of all discussions between the Commonwealth and NSW regarding the future of the current Area Health Services including copies of any letters, documents or other information.

Answer: Responses to these questions will be provided by the Department of Health and Ageing.

Senate Standing Committee on Finance and Public Administration

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

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16 June 2010

Questions: TSY5

Topic: Health reform

Senator Fierravanti-Wells asked:

5. Within the \$15.6 billion top-up payments guaranteed to the states by the Commonwealth in the period 2014-15 to 2019-20, please provide the breakdown of expenditure relating to:
- hospitals;
 - outpatient services;
 - capital expenditure;
 - GP and primary healthcare;
 - aged care; and
 - other areas of health expenditure.

Answer:

The following response was provided in the joint Department of Health and Ageing, Department of Prime Minister and Cabinet, Department of Finance and Deregulation, and Treasury submission to the Senate Inquiry into COAG Reforms Relating to Health and Hospitals:

The top-up payments reflect what is required, over and above the Healthcare Specific Purpose Payment (SPP) and the fixed dedicated share of GST, to fund the Commonwealth's 60 per cent hospital funding contribution outlined in provision 4 of the National Health and Hospitals Network Agreement and 100 per cent of GP and primary health care services.

In 'A National Health and Hospitals Network: Further Investment's in Australia's Health,' these payments were estimated to total \$15.6 billion over the period 2014-15 to 2019-20.

The top-up payments arise because the new Commonwealth responsibilities are projected to grow more rapidly than growth in the Healthcare SPP and the dedicated share of GST. The top-up payments were calculated using an aggregate projection of health and hospitals expenditure, and were not allocated to the various components of hospital and primary care spending.

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ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

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16 June 2010

The Commonwealth has guaranteed that the top-up payments will amount to no less than \$15.6 billion between 2014-15 and 2019-20. If the amount required to fund the Commonwealth's hospital and primary care commitments is less than \$15.6 billion, then the residual funds will be paid into the National Health and Hospitals Network Fund for distribution to states.

These residual funds will be spent by states on health services that ameliorate the growth in demand for hospitals services, including:

- chronic disease management programs;
- preventive health programs;
- mental health programs;
- hospital admission avoidance programs; and
- hospital early discharge programs.

As jointly agreed by the Commonwealth and the states, funding will be additional to, and not to replace, existing spending on these programs. The detail of the mechanism and the timing to give effect to these commitments will be developed by Treasurers for COAG agreement in 2010-11.

In addition:

The Commonwealth's guarantee has been specified at the aggregate level, and is in place to ensure that across the various elements of the National Health and Hospitals Network policy, States and Territories receive a guaranteed minimum total additional funding contribution from the Commonwealth. It is inconsistent with the policy to disaggregate the guarantee across specific health services.

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Treasury Portfolio

Senate inquiry into COAG reforms relating to health and hospitals

16 June 2010

Questions: TSY7

Topic: Health reform

Senator Fierravanti-Wells asked:

7. What arrangements are in place, or are being negotiated for states that have not signed up, nor fully signed up to the COAG agreements, including what contingencies have been put in place for states that may want to alter agreements in future?

Answer: A response to this question will be provided by the Department of Prime Minister and Cabinet.

Senate Standing Committee on Finance and Public Administration

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Senate inquiry into COAG reforms relating to health and hospitals

16 June 2010

Questions: TSY10-11

Topic: Health reform

Senator Fierravanti-Wells asked:

10. When and by whom provided advice to the Treasurer on the plain packaging measure on cigarettes?
11. When and by whom provided advice to the Treasurer on the measure to increase tobacco excise tax to provide funding for health reform?

Answer: The information requested formed part of Cabinet deliberations in the context of the 2010-11 Budget and cannot be made available to the Committee on the basis of public interest immunity grounds that a response may disclose deliberations of the Cabinet that have not been officially published.