

Recommendations

Recommendation 1

4.19 The committee recommends that as a matter of urgency, the Commonwealth reinstate funding to states and territories cut retrospectively for the years 2011–12 and 2012–13 that were announced with the release of the MYEFO in October 2012.

Recommendation 2

4.20 The committee recommends that the Commonwealth immediately withdraw its threat to penalise Victorian taxpayers in order to refund the cuts to hospitals it instituted late last year.

Recommendation 3

4.21 The committee recommends that the Commonwealth immediately desist from attempts to bypass existing arrangements and the National Health Funding Pool to fund hospitals directly, as this will simply lead to additional compliance burdens for public hospitals, likely leading to a diversion of resources from patients.

Recommendation 4

4.22 The committee recommends that the Commonwealth commit to not undertaking retrospective funding cuts of this nature in the future. It is inevitable that any so-called funding adjustments for past years will have a substantial impact on patients as it is impossible to effectively reduce treatment levels when health services have already been performed.

Recommendation 5

4.23 The committee recommends that whenever an intercensal error is uncovered by the work of the Australian Bureau of Statistics, the Commonwealth should ensure:

- a) that no rearrangement of payments or cuts are made until the final calculation and application of this error is completed (for example, when it is applied over multiple census periods as in the current instance); and
- b) intercensal error recalculations should not be used to seek effective reimbursement for the Commonwealth where services have already been provided and there is no capacity for the state to seek refunds for their provision.

Recommendation 6

4.24 The committee recommends that consideration be given to a further inquiry into the Total Health Price Index formula, including its composition, calculation and application to funding of public hospitals.
