

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH AND AGEING PORTFOLIO

Budget Estimates 2013-14, 5/6 & 7 June 2013

Question: E13-203

OUTCOME: 13 – Acute Care

Topic: MYEFO - Commonwealth Direct Payments to Victorian Local Hospital Networks

Type of Question: Hansard Page 32, 5 June 2013

Senator: Fierravanti-Wells

Question:

So each was required to sign a funding agreement. Was it a standard one, or was there a template for it? Could you make a copy of the template available to us?

Answer:

Each Victorian Health Service signed a similar funding agreement. The funding agreement was adjusted for the individual details of each Health Service. A copy of the funding agreement template used is provided at Attachment A.

AGREEMENT FOR THE PROVISION OF PUBLIC HOSPITAL SERVICES

An agreement between

- the Commonwealth of Australia and
- Health District

PRELIMINARIES

1. The Commonwealth will be paying funds of up to \$107 million directly to Victorian health services to support the provision by public hospital services of hospital benefits or other medical services to patients of those hospitals.
2. The Commonwealth's Final Budget Outcome for 2011-12 (FBO) and the Mid-Year Economic and Fiscal Outlook statement for 2012-13 (MYEFO) statement included a parameter adjustment to the Commonwealth contribution to public hospital services made in accordance with the National Health Reform Agreement.
3. The Victorian Government chose not to meet the balance of the costs of providing public hospital services as required under clause A60 of the National Health Reform Agreement and passed the reduction in funding on to health services.
4. The Commonwealth intends to make a once-off payment for 2012-13 to health services based on the advice of reductions provided to health services by the Victorian Government.
5. The Health district is a body corporate incorporated in Victoria.
6. The Commonwealth will provide [\$] to Health district in 2012-13.

PART 1 — FORMALITIES

Parties to this Agreement

7. This Agreement is between the Commonwealth of Australia (the Commonwealth) and Health district (the health service).

Term of the Agreement

8. This Agreement will commence as soon as the Commonwealth and the health service sign the Agreement and will expire on 31 December 2013, including acceptance of final performance reporting.

PART 2 — SCOPE OF AGREEMENT

Scope of agreement

9. Under this Agreement the Commonwealth will provide a funding contribution to support the provision of public hospital services by the health service in 2012-13.
10. The Commonwealth funding will replace the reduction in funding imposed on the health service by the Victorian government following FBO and MYEFO, which is agreed to be an amount of [\$].
11. The health service will continue to provide public hospital services.

PART 3 — ROLES AND RESPONSIBILITIES OF EACH PARTY

Role of the Commonwealth

12. The Commonwealth will be responsible for providing a financial contribution to the health service to support the implementation of this Agreement.

Role of the health service

13. The health service will be responsible for using the funding provided under this Agreement for the purpose of providing hospital benefits to patients or other medical services and in particular:
 - (a) providing public hospital services in the period between signature of this Agreement and 30 June 2013;
 - (b) using its best endeavours to provide the public hospital services in accordance with its September / October 2012 Statement of Priorities at Schedule A, including reversing any service level reductions attributed to the FBO and MYEFO adjustment applied by Victoria;
 - (c) reporting as required by Part 4 – Reporting.

PART 4 — REPORTING

Reporting arrangements

14. The health service will provide the Commonwealth with the following documents and reports:
 - (a) any current Statement of Priorities for 2012-13 that existed when this Agreement is signed by the health service and is not the same as Schedule A – to be provided within two weeks of signature;
 - (b) any variations to the Statement of Priorities for 2012-13 made after this Agreement is signed by the health service – to be provided within two weeks of the date of the variation;
 - (c) a statement that funds provided under this Agreement were expended on the provision of public hospital services – to be provided by 31 July 2013;
 - (d) a brief report on the performance of the health service in delivering public hospital services under this Agreement – to be provided by 31 July 2013 in the format at Schedule B; and
 - (e) the health service Annual Report (including audited Financial Statements) for 2012-13 – to be provided by 31 December 2013.

PART 5 — FINANCIAL ARRANGEMENTS

15. The Commonwealth will provide the health service directly with funding of [] as soon as practicable after both parties have signed this Agreement.

The Parties have confirmed their commitment to this agreement as follows:

SIGNED for and on behalf of the **COMMONWEALTH OF AUSTRALIA** acting through the Department of Health and Ageing ABN 83 605 426 759 on:

.....
Date

By:

.....
Printed name of signatory

.....
Signature

In the presence of:

.....
Printed name of witness

.....
Signature

SIGNED for and on behalf of **Health district** ABN [ABN] on:

.....
Date

By:

.....
Name: xxx
Position: xxxx

.....
Signature

And:

.....
Name: xxx - if no name it should read "Name of witness:" and then be blank
Position: xxxx - if not specified - leave "Position:" there and then leave it blank

.....
Signature

SCHEDULE A

Statement of Priorities agreed September / October 2012

SCHEDULE B

[HEALTH DISTRICT]

Funding received from the Commonwealth under the Agreement: [\$]

This report is provided under clause 14(d) of the Agreement for the Provision of Public Hospital Services between the Commonwealth of Australia and the Health District.

[Report on the provision of services funded under the agreement. Two to three paragraphs]