

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE
HEALTH AND AGEING PORTFOLIO

Supplementary Budget Estimates 2011-2012, 19 October 2011

Question: E11-420

OUTCOME 0: Whole of Portfolio

Topic: HOSPITAL FUNDING

Written Question on Notice

Senator Fierravanti-Wells asked:

What consequences are there in terms of Commonwealth funding for a State that provides less than its share of the efficient price for hospital services (i.e. initially less than 55 per cent of growth funding)?

Answer:

The National Health Reform Agreement acknowledges the states as managers of the public hospital system. As such, they are responsible under clause A60 for meeting the balance of the cost of delivering public hospital services and functions over and above the Commonwealth contribution. Clause A65 provides that there is no requirement for Local Hospital Networks to be paid the full national efficient price if a state considers that a lower payment is appropriate, having regard to the actual cost of service delivery and the Local Hospital Network's capacity to generate revenue from other sources.