

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH PORTFOLIO

Supplementary Budget Estimates 2016 - 2017, 19 October 2016

Ref No: SQ16-000678

OUTCOME: 2 - Health Access and Support Services

Topic: PHN Funding

Type of Question: Written Question on Notice

Senator: Polley, Helen

Question:

Can the Department outline how the 31 PHNs have been funded including any one-off grant payments since the PHNs have been established as well as across the forward estimates? Can the Department confirm funding will increase to the PHNs from \$350 million to \$380 million across the forward estimates or beyond? Can the Department also include the amount of funding that has been redirected to the PHNs from other programs and the names of those programs? Can the Department provide a state and territory breakdown?

Answer:

Primary Health Networks (PHNs) are funded through standard funding agreements with the Department of Health. There are four streams of funding that apply to PHNs:

- operational funding;
- flexible funding;
- program funding; and
- innovation and incentive funding.

Funding for the 31 PHNs takes into account a number of factors, including population, rurality, indigeneity and socio-economic factors.

Operational funding is provided for the administrative, governance and core functions of PHNs. This funding is to be used efficiently to support the operations and maintenance of PHNs. Flexible funding is provided to enable PHNs to respond to identified national priorities as determined by Government, and to respond to PHN local priorities by purchasing/commissioning required services.

Program funding is allocated to address policy issues relative to primary health care needs that are best delivered by PHNs.

Funding has been provided to PHNs through the innovation stream to invest in new innovative models of primary health care delivery which can include supporting the Health Care Homes implementation.

Primary Health Network Programs	2015-16 funding (GST exclusive)	2016-17 funding (GST exclusive)	2017-18 funding (GST exclusive)	3 Year total 2015-16 to 2017-18
Operational	\$ 117,456,981	\$ 116,904,964	\$ 119,009,253	\$ 353,371,198
Flexible	\$ 157,359,318	\$ 170,117,318	\$ 173,179,429	\$ 500,656,065
Program Funding*	\$ 541,212,437	\$ 646,000,236	\$ 497,611,157	\$ 1,684,823,830
PHN Innovation Funding	\$ 14,700,200	\$ 10,000,000	\$ 10,000,000	\$ 34,700,200
National Immunisation Program Support	\$ 81,314	\$ -	\$ -	\$ 81,314
Total	\$ 830,810,250	\$ 943,022,517	\$ 799,799,840	\$ 2,573,632,607

* Program Funding includes all new and redirected programs that are funded through PHNs.

The table above outlines funding to PHNs from 2015-16 to 2017-18. Funding of \$371 million in 2016-17 and \$380 million in 2017-18 (GST exclusive) has been appropriated to PHNs for mental health programs (captured under the Program Funding line item in table).

Below is a list of programs which have transitioned from Medicare Locals into the PHN Programme funding arrangements:

- Access to Allied Psychological Services;
- Mental Health Services and Mental Health Services in Rural and Remote Areas;
- Mental Health Nurses Incentive Program;
- Care Coordination and Supplementary Services;
- Improving Indigenous Access to Mainstream Primary Care;
- Primary Health Care Services – Indigenous Australians’ Health Program;
- Maternal and Child Health (New Directions);
- Medical Outreach Indigenous Chronic Disease Program (Northern Territory only); and
- Rural and Remote General Practice Program.

Attachment A presents the total program funding (GST exclusive) for Mental Health and Indigenous Health under the PHN Programme, which includes the above programs which transitioned from Medicare Locals.

Attachment A

**Funding for Mental Health and Indigenous Health programs in 2015-16 to 2017-18
(GST exclusive)**

State/Territory	Activity Title	2015-16	2016-17	2017-18
New South Wales	Mental Health	\$81,806,733	\$106,850,442	\$112,033,028
	Indigenous Health	\$27,600,852	\$19,920,377	\$19,920,377
	Total	\$109,407,585	\$126,770,819	\$131,953,405
Victoria	Mental Health	\$74,579,698	\$84,210,667	\$73,824,306
	Indigenous Health	\$6,152,932	\$5,882,932	\$5,882,932
	Total	\$80,732,630	\$90,093,599	\$79,707,238
Queensland	Mental Health	\$60,457,891	\$79,329,104	\$82,474,875
	Indigenous Health	\$26,582,779	\$18,302,263	\$18,302,263
	Total	\$87,040,670	\$97,631,367	\$100,777,138
South Australia	Mental Health	\$22,440,720	\$25,549,715	\$27,044,734
	Indigenous Health	\$4,383,666	\$4,293,666	\$4,293,666
	Total	\$26,824,386	\$29,843,381	\$31,338,400
Western Australia	Mental Health	\$36,927,619	\$44,806,684	\$43,485,793
	Indigenous Health	\$13,180,201	\$9,443,575	\$9,443,575
	Total	\$50,107,820	\$54,250,259	\$52,929,368
Tasmania	Mental Health	\$7,505,160	\$10,202,455	\$11,280,030
	Indigenous Health	\$3,011,109	\$2,419,082	\$2,419,082
	Total	\$10,516,269	\$12,621,537	\$13,699,112
Northern Territory	Mental Health	\$11,083,665	\$15,062,730	\$15,123,927
	Indigenous Health	\$11,875,878	\$11,908,472	\$6,658,716
	Total	\$22,959,543	\$26,971,202	\$21,782,643
Australian Capital Territory	Mental Health	\$2,467,139	\$5,392,833	\$5,581,834
	Indigenous Health	\$695,384	\$650,384	\$650,384
	Total	\$3,162,523	\$6,043,217	\$6,232,218
Total funding		\$390,751,426	\$444,225,380	\$438,419,522