
Headline issues
1. The Commonwealth Budget was handed down at 7.30pm on Tuesday 13 May 2014.
2. The budget includes a range of measures that reduce national health reform funding, including the abolition of the funding guarantees in the National Health Reform Agreement (estimated reduction in Commonwealth funding of $400 million over 2014-15 to 2017-18), and the replacement of Commonwealth growth funding linked to activity with a much less generous indexation formula from 2017-18.
3. The budget also reduces base Commonwealth funding for 2013-14 (reducing funding by around $28 million per year from 2014-15 onwards), and does not provide a baseline adjustment for services funded through the National Partnership Agreement on Improving Public Hospital Services in 2013-14 (reducing funding by around $69 million per year from 2014-15 onwards).

Background
4. The Budget outlines details of the Commonwealth expenditure and savings programs for the 2014-15 budget year and over the forward estimates; that is, the following three years.

Consultation
5. All Department of Health Divisions have contributed to the attached briefing package. All input has had CEO/DDG clearance unless otherwise delegated.

Attachments
6. Attachment 1: Overall health expenditure.
7. Attachment 2: Expenditure and Savings Measure.
8. Attachment 3: Commonwealth Funding Summary Table
10. Attachment 5: Commonwealth Budget – Queensland Health consolidated response.
NOTED

IAN MAYNARD
Director-General

Director-General’s comments

To Minister’s Office for Noting

Minister’s Office Use Only
NOTED

LAWRENCE SPRINGBORG
Minister for Health

Chief of Staff

Minister’s comments

Briefing note rating
1

DOH-DL 13/14-042
RTI Release
Event Details:

Description: Australasian College of Health Service Management – Breakfast Forum
Date: 25 June 2014
Time: 0700 – 0830
Location: Royal on the Park – Cnr Alice St and Albert St

Notes:
- ACHSM is the peak professional body in Australasia for health managers
- 0730-0830 allocated for speech
Building a better state of health

Balancing budget and priorities for a 21st century Queensland health system

Ian Maynard
Director-General
Queensland Health
Key steps in the journey so far...

2011
National Health Reform Agreement

March 2012
Change of Government

July 2012
Establishment of HHSs and Boards and restructure of the Department of Health

February 2013
Blueprint for Better Health Care in Queensland

April 2013
Government response to the Queensland Commission of Audit
Queensland public service values

Customers first
- Know your customer
- Deliver what matters
- Make decisions with empathy

Ideas into action
- Challenge the norm and suggest solutions
- Encourage and embrace new ideas
- Work across boundaries

Unleash potential
- Expect greatness
- Lead and set clear expectations
- Seek, provide and act on feedback

Be courageous
- Own your actions, successes and mistakes
- Take calculated risks
- Act with transparency

Empower people
- Lead, empower and trust
- Play to everyone’s strengths
- Develop yourself and those around you
Blueprint for better healthcare in Queensland

Principal themes:

1. Health services focused on patients and people
2. Empowering the community and our health workforce
3. Providing Queenslanders with value in health services
4. Investing, innovating and planning for the future.
Queensland Health budget

2003-04 Budget: $4.631 Billion
2004-05 Budget: $5.132 Billion
2005-06 Budget: $5.354 Billion
2006-07 Budget: $6.650 Billion
2007-08 Budget: $7.151 Billion
2008-09 Budget: $8.352 Billion
2009-10 Budget: $9.037 Billion
2010-11 Budget: $9.990 Billion
2011-12 Budget: $11.046 Billion
2012-13 Budget: $11.861 Billion
2013-14 Budget: $12.326 Billion

Yearly Budget Growth:
- 2003-04: 6.94%
- 2004-05: 10.81%
- 2005-06: 4.34%
- 2006-07: 24.19%
- 2007-08: 7.54%
- 2008-09: 16.79%
- 2009-10: 8.20%
- 2010-11: 10.55%
- 2011-12: 10.57%
- 2012-13: 7.37%
- 2013-14: 3.93%
Queensland Health budget

Year | State | User Charges & Other | Grants & Contributions |
--- | --- | --- | ---
2008-09 Budget | $8.352 | 16.79% |  
2009-10 Budget | $9.037 | 8.20% |  
2010-11 Budget | $9.990 | 10.55% |  
2011-12 Budget | $11.046 | 10.57% |  
2012-13 Budget | $11.861 | 7.37% |  
2013-14 Budget | $12.326 | 3.93% |  
2014-15 Budget | $13.622 | 6.40% |  
2015-16 Forecast* | $14.134 | 3.76% |  
2016-17 Forecast* | $14.670 | 3.79% |  
2017-18 Forecast* | $14.771 | 0.69% |  

*Forecast
1. Health services focussed on patients and people

Reducing hospital emergency department stays

- 65% in 2008
- 64% in 2009
- 63% in 2010
- 63% in 2011
- 67% in 2012
- 76% in 2013
- 77% YTD

77% of patients leave emergency departments within four hours (National Emergency Access Target)

Improving ambulance times

- 66 seconds
- 12 months to March 2012 = 16 mins 13 secs
- 12 months to April 2014 = 15 mins 12 secs

Ambulance response times within which 90% of Code 1 cases were attended improved by 66 seconds (Metro North and South)

Reducing dental wait list across Queensland

- 62,513 in Feb 2013
- 923 in Apr 2014
- 98.5%

Queensland Health expanded the dental voucher scheme, slashing the list of people waiting more than two years

Reducing urgent surgery long waits

- 185 in Mar 2012
- 32 in Apr 2014
- 83%

The number of Category 1 patients waiting more than 30 days for surgery has been cut by 83%

Reducing elective surgery wait time

- 5168 in Oct 2013
- 2206 in Apr 2014
- 57%

There are 57% fewer patients waiting longer than the recommended time for surgery compared with six months ago

Best elective surgery wait times in Australia

<table>
<thead>
<tr>
<th>State</th>
<th>Median wait time (days)</th>
</tr>
</thead>
<tbody>
<tr>
<td>NSW</td>
<td>50</td>
</tr>
<tr>
<td>VIC</td>
<td>36</td>
</tr>
<tr>
<td>QLD</td>
<td>27</td>
</tr>
<tr>
<td>WA</td>
<td>30</td>
</tr>
<tr>
<td>SA</td>
<td>34</td>
</tr>
<tr>
<td>TAS</td>
<td>41</td>
</tr>
<tr>
<td>ACT</td>
<td>51</td>
</tr>
<tr>
<td>NT</td>
<td>40</td>
</tr>
</tbody>
</table>

Patients in Queensland wait the shortest time for elective surgery compared to other states
The continuing journey...

System operating model

What does this look like for QH?

DOH-DL 13/14-042

RTI Document 77
2014-15 Queensland state budget: How it is spent?

- Health: 27.6%
- Education: 23.5%
- Other services: 12.6%
- Social welfare, housing and other community services: 10.7%
- Economic Services: 5.2%
- Transport and Communication: 11.7%
- Public order and safety: 8.7%
20 year forecast...
What does the state budget look like in 20 years, if we assume the same growth rates as over the last five years?
2014-15 Queensland Health budget

- Queensland Health budget comprises:
  - Department of Health
  - Queensland Ambulance Service
  - 16 HHSs
  - Office of the Health Ombudsman
  - Queensland Institute of Medical Research
  - Queensland Mental Health Commission

<table>
<thead>
<tr>
<th>2014-15 Budget</th>
<th>Budget Growth from 2013-14 ($)</th>
<th>Budget Growth from 2013-14 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 13.622 billion</td>
<td>$ 942.3 million</td>
<td>6.4%*</td>
</tr>
</tbody>
</table>

* To ensure comparability the overall budget growth of 6.4% takes into account the QAS budget adjusted for 12 months and exemption from payroll tax.
2. Empowering the community and our health workforce

• New Initiatives for 2014-15:

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Funding</th>
<th>Benefits/Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drought Assistance Package</td>
<td>$1.450M in 2014-15</td>
<td>Expand the delivery of Mental Health Support Workshops to support individuals and local communities.</td>
</tr>
<tr>
<td>Mobile Surgical Van</td>
<td>$33.7M over 4 years</td>
<td>Enable rural and remote patients to receive minor surgical procedures, recovery and rehabilitation closer to home.</td>
</tr>
<tr>
<td>Safe Night Out</td>
<td>$4.5M over 4 years</td>
<td>Deliver compulsory counselling for people charged with alcohol related offences.</td>
</tr>
<tr>
<td>MRI – Toowoomba Hospital</td>
<td>$17.5M over 4 years</td>
<td>Establish Magnetic Resonance Imaging.</td>
</tr>
</tbody>
</table>

Other continuing initiatives include:
$5.5M through the revitalisation of regional, rural and remote services to five HHSs to enhance ambulatory and primary health care models with a focus on mental health, chronic disease, emergency care and outreach services and

Ongoing funding of $4.1M for hearing health outreach services for Aboriginal and Torres Strait Islander children
2. Empowering the community and our health workforce (cont.)

- Commencement of new Torres and Cape HHSs
- Prescribed employer status for HHSs
- Allocation of buildings and assets to HHSs
- Strategic Objectives that support local needs:
  - Healthy Queenslanders
  - Accessible services
  - Innovation and research
  - Governance and partnerships
  - Workforce
3. Providing Queenslanders with value in health services

• Continuing efforts to align with the National Efficient Price
  – 2009-10: 11.4% above national average cost
  – Year to September 2013: 0.6% above National Efficient Price

• Driving efficiencies and improvements in healthcare through purchasing initiatives including:
  – Incentivising new and effective models of care
  – Exposing services to contestability where appropriate
3. Providing Queenslanders with value in health services

- Implementing key election commitments including:
  - implementing the *Mums and Bubs* initiative ($28.9 million over four years from 2012-13)
  - investing in backlog maintenance ($147 million over four years from 2013-14 to supplement the $180 million committed by the Department of Health and HHSs)
  - doubling subsidies under the Patient Travel Subsidy Scheme ($97.7 million over four years from 2012-13. In addition the Department reallocated a further $8.6 million over three years from 2013-14)
  - revitalising regional, rural and remote health services ($51.6 million over four years from 2013-14)
  - establishment of the Rural Telehealth Service ($30.9M over 4 years from 2013-14)
# 4. Investing, innovating and planning for the future

<table>
<thead>
<tr>
<th>2014-15 Queensland Health capital program</th>
<th>$1.559 Billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>$224.5M towards the completion of the Lady Cilento Children’s Hospital and Centre for Children’s Health Research (at a total cost of $1.513B)</td>
<td></td>
</tr>
<tr>
<td>$369.8M towards the Sunshine Coast Public University Hospital (at a total cost of $1.872B)</td>
<td></td>
</tr>
<tr>
<td>$114.2M allocated to HHSs for capital purchases and health technology</td>
<td></td>
</tr>
<tr>
<td>$81.4M towards the Cairns Hospital redevelopment (at a total cost of $446.3M)</td>
<td></td>
</tr>
<tr>
<td>$29.4M towards the Mackay Hospital redevelopment (at a total cost of $408.3M)</td>
<td></td>
</tr>
<tr>
<td>$7.7M towards the Mount Isa Health Campus redevelopment (at a total cost of $62.6M)</td>
<td></td>
</tr>
<tr>
<td>$81.8M to continue the $327m four year Backlog Maintenance Remediation Program</td>
<td></td>
</tr>
</tbody>
</table>
Key impacts from Commonwealth budget

• Abolition of the funding guarantees in the NHRA - estimated reduction in Commonwealth funding of $400M over 2014-15 to 2017-18

• Replacement of Commonwealth growth funding linked to activity with a much less generous indexation formula from 2017-18

• Reduced base funding for 2013-14 by around $28M per year from 2014-15 onwards

• No baseline adjustment for services funded through the NPA on improving public hospital services in 2013-14 - reducing funding by around $69M per year from 2014-15 onwards
Key impacts from Commonwealth budget

- Cessation of reward payments for NEAT and NEST under the NPA on improving public hospitals
- Cessation of the NPA on preventative health, resulting in reduced funding to Queensland (savings of $43.9M over four years)
- Potential flow-on effect for EDs as a result of the introduction of a patient contribution for GP, pathology and diagnostic services from 1 July 2015
- Deferring the commencement of the NPA for adult public dental services to 2015-16
Questions?

RTI Release

DOH-DL 13/14-042

RTI Document 88
Management of Commonwealth Growth Funding

Presented by: Paul McGuire
Senior Director, System Funding and Health Economics
Healthcare Purchasing, Funding and Performance Management Branch
Key issues

• Changes to C’wealth hospital funding
• Implications for State
• Options
• Proposed approach
• Own Source Revenue
• Review
• Medium term challenges from C’wealth budget
C’wealth hospital funding (1)

2012-13 & 2013-14

• Indexation formula based on National Healthcare SPP parameters
  – Health price index
  – Growth in population weighted for hospital utilisation
  – Technology factor (1.2% per year)

• Equal per capita funding across States
C’wealth hospital funding (2)

2014-15 to 2016-17

• C’wealth funds 45% of ‘efficient growth’ in public hospital services
  – Previous year amount
  – Price adjustment
  – Volume adjustment: Change in NWAUs x NEP x 45%
  – Block funding adjustment

• Growth funding calculated at State level
C’wealth hospital funding (3)

2017-18

• Commonwealth budget announced return to indexation formula
  – Consumer price index
  – Growth in population (unweighted)

• Hence funding no longer linked to public hospital activity

• Return to equal per capita funding across States
Implications for State

• Since 2012-13, ‘fixed value’ service agreements to HHSs
• But C’wealth ‘efficient growth’ funding provides opportunity to review model
• Opportunity to incentivise HHSs to undertake more activity if they can do so at marginal cost & attract more C’wealth funding…at no extra cost to State
Options (1)

Option 1 – Fixed contract value in service agreement

– If C’wealth funding changes, State funding adjusts to compensate (2013-14 model)
– State bears risk and reward of changes in C’wealth funding
– No incentive for HHS to do more activity
Options (2)

Option 2 – Fixed State funding contribution

- State funding remains unchanged if Commonwealth funding changes
- If HHSs produce additional NWAUs, they retain additional Commonwealth funding
- But HHSs bear risk if Commonwealth funding goes down
- Calculation of Commonwealth funding extremely complex and can change for reasons outside HHS control
Proposed approach (1)

• Department and HHSs share risks and rewards of changes in C’wealth funding
• Contract value in service agreements to include both State and Commonwealth ABF
• Separate public QWAU targets established for HHSs with ABF facilities
  – Covering services in-scope for national ABF model
  – But valued where possible based on Queensland ABF model
  – Public QWAUs would apply only to ABF facilities
Proposed approach (2)

• Where HHS above public QWAU target, it would receive 45% of QEP per additional public QWAU
• Where HHS below public QWAU target, funding reduced by 45% of QEP (or budget cost per QWAU if this is lower)

• Notwithstanding the above, funding would be reduced by 100% of QEP where:
  – HHS below target because specifically funded initiative not commenced or operating below capacity
  – HHS is >2% below target (1% for metro HHSs) and is not delivering on KPIs
Proposed approach (3)

• Department would not fund State component of activity above target
• Budget adjustments would coincide with service agreement amendment windows, currently scheduled for February, May and September 2015.
Own Source Revenue

• Where HHS above OSR target, would retain the additional OSR
• Where HHS below OSR target, it would experience reduction in revenue with no compensating adjustments to funding
• Model facilitates HHS choice around the mix of public and private patients
• Where HHS converts private patient to public, HHS would receive 45% of QEP for increase in public QWAUs, but would forego OSR
Review

• In event of major change in overall C’wealth funding, discussion would need to take place between Department and HHSs on how to manage this

• Model would be reviewed in February 2015 to ensure risks and rewards of changes in C’wealth funding are shared appropriately
Medium term challenges

• C’wealth budget gives rise to uncertainty
• Higher activity leads to higher growth funding until 2016-17, but rebased to equal per capita shares in 2017-18
• Incentive to convert some private patients to public 2014-15 to 2016-17, but incentive may be reversed 2017-18
QUESTIONS ??

RTI Release

DOH-DL 13/14-042
Impact of 2014-15 Federal Budget for the Queensland Public Health System

Nick Steele
Executive Director
Healthcare Purchasing, Funding and Performance Management Branch
Presentation Outline

1. Commonwealth Funding Projections
2. Commonwealth NPA and PA Funding
3. Key Budget Highlights
   ▪ New and Continuing Initiatives
   ▪ Savings Measures
4. Completion of Briefing Package
5. Strategic Issues for Consideration
   ▪ Medicare Benefits Schedule – Introducing Patient Contribution for GP, Pathology and Diagnostic Services
   ▪ Primary Health Organisations
6. Where to from here…..
# Commonwealth Funding Projections

**Figures as per Commonwealth Budget – May 2014**

<table>
<thead>
<tr>
<th></th>
<th>LFY 2013-14 ($M)</th>
<th>Budget Year 2014-15 ($M)</th>
<th>Forward Estimates 2015-16 ($M)</th>
<th>2016-17 ($M)</th>
<th>2017-18 ($M)</th>
<th>4 Year Total ($M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Health Reform Funding - Hospital Services</td>
<td>2,803.0</td>
<td>3,162.6</td>
<td>3,471.1</td>
<td>3,803.9</td>
<td>3,829.5</td>
<td>14,267.1</td>
</tr>
<tr>
<td>Additional Funding (one-off payment)</td>
<td>38.8</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>National Partnership Payments</td>
<td>344.1</td>
<td>212.6</td>
<td>132.5</td>
<td>129.7</td>
<td>134.6</td>
<td>609.4</td>
</tr>
<tr>
<td>Total</td>
<td>3,185.9</td>
<td>3,375.2</td>
<td>3,603.6</td>
<td>3,933.6</td>
<td>3,964.1</td>
<td>14,876.0</td>
</tr>
</tbody>
</table>
Key Budget Outcomes

• Abolition of the funding guarantees in the NHRA - estimated reduction in Commonwealth funding of $400 million over 2014-15 to 2017-18

• Replacement of Commonwealth growth funding linked to activity with a much less generous indexation formula form 2017-18

• Reduced base funding for 2013-14 by around $28 million per year from 2014-15 onwards

• No baseline adjustment for services funded through the *NPA on Improving Public Hospital Services* in 2013-14 - reducing funding by around $69 million per year from 2014-15 onwards

• The budget projections imply moderate growth in health expenditure in 2014–15 and in the medium term
Page 108 redacted for the following reason:
s.48, Sch. 3(2)(1)(b)

RTI Release

DOH-DL 13/14-042
Key Impacts on NPAs

National Health Reform Agreement – changed arrangements
• **Savings of $1.8 billion** over four years from 2014-15 by:
  – ceasing the funding guarantees and
  – revising funding arrangements from 1 July 2017 - the Commonwealth will index its contribution to hospitals funding by a combination of CPI and population growth, removing the funding guarantee provisions that currently exist under the NHRA.

National Partnership Agreement on Improving Public Hospital Services — cessation
• **Savings of $201.0 million** over three years from 2015-16 by ceasing reward funding to States and Territories.
• The DoH has progressed with purchasing services through the draft contract offers with HHSs based on the assumption this agreement would not be continued.

National Partnership Agreement on Preventive Health — cessation
• **Savings of $367.9 million** over four years by ceasing this NPA. The cessation of this agreement was not an expected budget measure.

Full implementation of National Bowel Cancer Screening Programme
• **An additional $95.9 million** over four years to accelerate the full implementation of the National Bowel Cancer Screening Programme (CHO negotiations to finalise PA are still underway).
New and Continuing Initiatives

Research

– Establishment of the Medical Research Future Fund, to be funded through reinvestment of savings achieved through budget health reforms.

– The Fund is estimated to reach the $20 billion by 2020 and the capital base will be preserved in perpetuity.
New and Continuing Initiatives (2)

**PBS**

- $378.7 million over five years for a number of new and amended listings on the PBS and the Repatriation PBS.
- $8.1 million over five years for price amendments for certain medicines currently listed on the PBS and the Repatriation PBS.
- $16.5 million over five years to reduce red tape for medical practitioners by enabling paperless claiming for PBS medicines dispensed from medication charts in public and private hospitals.
New and Continuing Initiatives (3)

**E-Health**
– $140.6 in 2014-15 for the continued operation of the Personally Controlled Electronic Health Record system

**Rural Health**
– $35.4 million over two years from 2013-14 to meet higher than anticipated demand for the General Practice Rural Incentives Programme.
New and Continuing Initiatives (4)

**Mental Health**

– **Headspace Program** - $14.9 million over four years to establish ten new headspace sites that provide community based services for young people aged 12 to 25 years who have, or are at risk of, mental illness and conduct a two year evaluation

– **National Centre of Excellence in Youth Mental Health** - $18.0 million over four years to the Orygen Youth Health Research Centre to establish and operate a National Centre for Excellence in Youth Mental Health.
New and Continuing Initiatives (5)

Aboriginal and Torres Strait Islander Health

– $25.9 million will be provided in 2014-15 to continue to support programmes which address teenage sexual and reproductive health and young parent support for Aboriginal and Torres Strait Islander people.

– This funding will continue activities currently funded under the National Partnership Agreement on Indigenous Early Childhood Development which ceases on 30 June 2014.
Savings Measures

**National Agreements**

- Aforementioned changes to NHRA and cessation of *NPA IPHS*

- Cessation of the *NPA on Preventive Health*
Savings Measures

MBS

- Savings of $3.5 billion over five years by reducing MBS rebates from 1 July 2015 by $5 for standard GP consultations and out-of-hospital pathology and diagnostic imaging services.

- Providers will be allowed to collect a patient contribution of $7 per service.

- Removal of restrictions on States and Territories from charging patients presenting to hospital EDs for GP like attendances.

- Savings of $1.7 billion over five years by pausing the indexation of some MBS fees for two years from 1 July 2014 and the income thresholds for the Medicare Levy Surcharge and Private Health Insurance Rebate for three years from 1 July 2015.
Savings Measures

**PBS**

- Savings of $1.3 billion over four years by increasing the PBS co-payments and safety net thresholds from 1 January 2015.

- PBS safety net thresholds will increase each year for four years from 1 January 2015 - general safety net thresholds to increase by 10 per cent each year and concessional safety nets to increase by the cost of two prescriptions each year.

- These increases are in addition to the existing annual indexation of co-payments and safety net thresholds in line with the Consumer Price Index.
Savings Measures

Dental

- Savings of $390.0 million over four years from 2014-15 through deferring the commencement of the NPA for adult public dental services from 2014-15 to 2015-16. This agreement has not been factored into the draft contract offers to HHSs for 2014-15.

- The Commonwealth Government will achieve savings of $229.0 million over four years by ceasing the Dental Flexible Grants Programme.
Savings Measures

**Rationalisation and Consolidation of Government Agencies**

- Abolition of the Australian National Preventive Health Agency
- Abolition of Health Workforce Australia
- Sale of Medibank (previously announced)
- Scoping study will be undertaken in relation to the ownership of Australian Hearing
Briefing Package

• Briefs are currently being prepared by policy and program areas on these key budget and savings measures

• CEO/DDG (unless otherwise delegated) endorsed briefs are due to Fleur Ward and/or Rachel Pearce in State and Commonwealth Funding Unit by **noon Thursday 15 May**.
Strategic Issues for Consideration
Medicare Benefits Schedule – Introducing Patient Contribution for GP, Pathology and Diagnostic Services

• From 1 July 2015, Medicare Benefits Schedule (MBS) rebates for standard general practitioners consultations and out-of-hospital pathology and diagnostic imaging services will be reduced by $5.

• Providers of these services will be able to collect a patient contribution of $7 per service.

• State and Territory Governments will be able to charge patients presenting to hospital EDs for GP like attendances.
Impact for Queensland

• May impact the public health system as people may tend to visit GP less frequently.

• Evidence suggests people with low incomes and those with chronic illnesses will be impacted and potentially be more acutely unwell upon presentation in ED.
Impact for Queensland (2)

• If Queensland were to implement the $7 co-payment for Emergency Department non-admitted category 4 and 5s the estimated revenue raised would be $6.2 million per year, assuming no net change to the volume of patient numbers.

• The cost of administering the co-payments would most likely negate the revenue raised.

• The Minister has stated he does support the introduction of a co-payment for public Eds.
Primary Health Organisations

• From 1 July 2015, the Australian Government will refocus primary care funding by replacing Medical Locals with Primary Health Organisations
Where to from here……

Primary Health Organisations:
• Consider if the Department of Health takes on the functions of the proposed PHOs across Queensland
Where to from here……

Comments and suggestions
# 2014-15 Commonwealth Budget: Key Budget Measures and Impact for Department of Health

**EMT – Wednesday 14 May 2014**

<table>
<thead>
<tr>
<th>Budget outcomes</th>
<th>Potential Overall Impact</th>
<th>Action Required</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>National Health Reform Agreement</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reduced base funding for 2013-14 by around $28 million per year from 2014-15 onwards</td>
<td>Reduced Commonwealth funding received by Queensland Health</td>
<td>Further discussions to occur between Nick Steele and Malcolm Wilson regarding how the Department will absorb the reduction.</td>
</tr>
<tr>
<td>Abolition of the funding guarantees in the <em>National Health Reform Agreement</em></td>
<td>Estimated reduction in Commonwealth funding of $446.2 million over 2014-15 to 2017-18</td>
<td>Nil</td>
</tr>
<tr>
<td>Cessation of growth funding from 2017-18</td>
<td>Difficult to calculate the impact of this adjustment on Queensland. Based on the Commonwealth forward estimates, it is expected that Queensland will be adversely impacted by receiving minimal funding growth in 2017-18 as a result of a redistribution of overall health funding between States. Beyond 2018, it is expected Commonwealth funding would increase by around 4.5% per year, compared to around 8.5% under the funding model in the NHRA.</td>
<td>DDG, SPP - EMT paper to be submitted regarding impact.</td>
</tr>
<tr>
<td><strong>National Partnership Agreements</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No baseline adjustment for services funded through the <em>NPA on Improving Public Hospital Services in 2013-14</em></td>
<td>Reduction in funding by approximately $69 million per year from 2014-15 onwards</td>
<td>Nil</td>
</tr>
<tr>
<td>Cessation of the <em>NPA on Preventative Health</em></td>
<td>$38.8M reduction in payments to the Queensland over the next four years for programs and services to improve the health of children and workers, with a potential further $32.5M reduction for reward payments.</td>
<td>It was agreed that a review would be undertaken however at a subsequent teleconference on 16 May 2014 the DDG, HSCI – indicated that he would submit an EMT paper on 20 May regarding impact.</td>
</tr>
<tr>
<td><strong>Medicare Benefits Schedule (MBS)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reducing MBS rebates from 1 July 2015 by $5 for standard GP consultations and out-of-hospital pathology and diagnostic imaging services.</td>
<td>Acute Primary Care Clinics (APCCs)- The introduction of a co-payment for bulk billing clinics would impact on the operation of the APCCs by creating a financial disincentive to access these clinics. These patients may therefore access EDs as a consequence</td>
<td>CFO, SSS - Own Source Revenue to undertake global impact of MBS savings measure including radiology, pathology and definition of GP service.</td>
</tr>
<tr>
<td>Budget outcomes</td>
<td>Potential Overall Impact</td>
<td>Action Required</td>
</tr>
<tr>
<td>--------------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>----------------------------------</td>
</tr>
<tr>
<td>Providers will be allowed to collect a patient contribution of $7 per service.</td>
<td>(assuming EDs do not charge a co-payment). 19(2) facilities - Introduction of co-payments at Section 19(2) clinics will essentially mean public patients will no longer be able to access services free of charge. This may mean that patients chose to attend less frequently or not at all.  If APCCs and 19(2) sites continued their current practice of not requiring any co-payments MBS revenue would reduce by $5 for each item, resulting in a net loss of some $1.375 million. The cost of administering charging for co-payments would be significant and may outweigh the revenue raised.</td>
<td>Nil</td>
</tr>
<tr>
<td>Removal of restrictions on States and Territories from charging patients presenting to hospital EDs for GP-like attendances.</td>
<td>It is understood the Minister does not support the introduction of a co-payment for public EDs. If Queensland were to implement the $7 co-payment for non-admitted category 4 and 5 in EDs the estimated revenue raised would be $6.2 million per year, assuming no net change to the volume of patient numbers. However, the cost of administering the co-payments would most likely negate the revenue raised.</td>
<td>DDG, HSCI – undertake a review of delivery of adult dental services</td>
</tr>
</tbody>
</table>

**Pharmaceuticals Benefits Scheme**

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Increases to the PBS co-payments and safety net thresholds from 1 January 2015.</td>
<td>The proposed co-payments increases represent an increase of approximately 15%, which equates to approximately $6.75K increased revenue statewide based on current activity levels. More broadly, there is a risk that patients may choose to not have some or all of their prescribed medicines dispensed due to cost. This may lead to deterioration in chronic conditions and increased presentations and/or admissions to hospitals.</td>
<td>DDG, HSCI- brief Minister</td>
</tr>
</tbody>
</table>

**Dental Health**

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferring the commencement of the NPA for Adult Public Dental Services from 2014-15 to 2015-16.</td>
<td>As this NPA has not yet commenced, there will be no reduction in current funding or services in Queensland as a result of this measure. However it will potentially make it more difficult for public oral health services to maintain the recent improvements in public dental waiting lists.</td>
<td>DDG, HSCI – undertake a review of delivery of adult dental services</td>
</tr>
<tr>
<td>Ehealth</td>
<td>Rationalisation and Consolidation of Commonwealth Government Agencies</td>
<td>CIO – Trigger NETA CBRC submission</td>
</tr>
<tr>
<td>---------</td>
<td>---------------------------------------------------------------------</td>
<td>----------------------------------</td>
</tr>
<tr>
<td>$140.6 in 2014-15 for the continued operation of the Personally Controlled Electronic Health Record system</td>
<td>Abolition of Health Workforce Australia</td>
<td>The Federal Government will honour all funding agreements entered into by HWA, and these will transfer to the DoH for administration. This includes funding agreements supporting expanded clinical training for health students. A reduction in Commonwealth funding for Clinical Training initiatives may result in a reduced focus on strategies of building capacity, boosting productivity, improving health workforce geographic distribution and clinical education opportunities. The health planning and reform agenda HWA have been leading may also be lost.</td>
</tr>
<tr>
<td>PRIMARY CARE</td>
<td>CHO - undertake an assessment of all current contracts and implications</td>
<td>Nil</td>
</tr>
<tr>
<td>Replacement of Medical Locals with Primary Health Networks from 1 July 2015</td>
<td>To be determined. DoH still to do thorough policy analysis of the future roles of the PHNs, HHSs and the DoH and how these organisations will best work together.</td>
<td></td>
</tr>
<tr>
<td>Budget outcomes</td>
<td>Potential Overall Impact</td>
<td>Potential HHS Implications</td>
</tr>
<tr>
<td>-----------------</td>
<td>-------------------------</td>
<td>----------------------------</td>
</tr>
<tr>
<td><strong>National Health Reform Agreement</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reduced base funding for 2013-14 by around $28 million per year from 2014-15 onwards</td>
<td>Reduced Commonwealth funding received by Queensland Health</td>
<td>Nil in 2014-15 – The DoH will absorb the funding reduction.</td>
</tr>
<tr>
<td>Abolition of the funding guarantees in the National Health Reform Agreement</td>
<td>Estimated reduction in Commonwealth funding of $446.2 million over 2014-15 to 2017-18</td>
<td>There is no financial exposure for the HHSs given that no expenditure commitments to hospital avoidance programs have been made which would have been reliant on this funding.</td>
</tr>
<tr>
<td>Cessation of growth funding from 2017-18</td>
<td>Difficult to calculate the impact of this adjustment on Queensland. Based on the Commonwealth forward estimates, it is expected that Queensland will be adversely impacted by receiving minimal funding growth in 2017-18 as a result of a redistribution of overall health funding between States. Beyond 2018, it is expected Commonwealth funding would increase by around 4.5% per year, compared to around 8.5% under the funding model in the NHRA.</td>
<td>All State and Territory Premiers will be meeting on Sunday to consider a joint strategy approach.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>National Partnership Agreements</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>No baseline adjustment for services funded through the NPA on Improving Public Hospital Services in 2013-14</td>
<td>Reduction in funding by approximately $69 million per year from 2014-15 onwards</td>
<td>Nil in 2014-15 – The DoH has progressed with purchasing services through the draft contract offers with HHSs based on the assumption this agreement would not be continued.</td>
</tr>
<tr>
<td>Jeannette Young, Chief Health Officer</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cessation of the NPA on Preventative Health</td>
<td>$38.8M reduction in payments to the Queensland over the next four years for programs and services to improve the health of children and workers, with a potential further $32.5M reduction for reward payments.</td>
<td>May impact on HHSs that receive funding under this initiative. An interim letter will be sent to all organisations while a review of all impacted services is undertaken.</td>
</tr>
<tr>
<td>Medicare Benefits Schedule (MBS)</td>
<td>Scott Ponting, Director, Own Source Revenue</td>
<td></td>
</tr>
<tr>
<td>----------------------------------</td>
<td>------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Reducing MBS rebates from 1 July 2015 by $5 for standard GP consultations and out-of-hospital pathology and diagnostic imaging services. Providers will be allowed to collect a patient contribution of $7 per service.</td>
<td>Acute Primary Care Clinics (APCCs)- The introduction of a co-payment for bulk billing clinics would impact on the operation of the APCCs by creating a financial disincentive to access these clinics. These patients may therefore access EDs as a consequence (assuming EDs do not charge a co-payment). 19(2) facilities - Introduction of co-payments at Section 19(2) clinics will essentially mean public patients will no longer be able to access services free of charge. This may mean that patients chose to attend less frequently or not at all. If APCCs and 19(2) sites continued their current practice of not requiring any co-payments MBS revenue would reduce by $5 for each item, resulting in a net loss of some $1.375 million. The cost of administering charging for co-payments would be significant and may outweigh the revenue raised.</td>
<td></td>
</tr>
<tr>
<td>Removal of restrictions on States and Territories from charging patients presenting to hospital EDs for GP-like attendances.</td>
<td>To be determined – analysis of potential impacts is still underway. HHSs are encouraged to consider the potential impact on local patient flows, activity and revenue.</td>
<td></td>
</tr>
<tr>
<td>Pausing the indexation of some MBS fees for two years from 1 July 2014.</td>
<td>It is understood the Minister does not support the introduction of a co-payment for public EDs. If Queensland were to implement the $7 co-payment for non-admitted category 4 and 5 in EDs the estimated revenue raised would be $6.2 million per year, assuming no net change to the volume of patient numbers. However, the cost of administering the co-payments would most likely negate the revenue raised.</td>
<td></td>
</tr>
<tr>
<td>Analysis still being finalised - Scott Ponting, Director, Own Source Revenue to provide verbal advice.</td>
<td>No direct impact – refer to above MBS co-payment for related impacts.</td>
<td></td>
</tr>
<tr>
<td>Pharmaceuticals Benefits Scheme</td>
<td></td>
<td></td>
</tr>
<tr>
<td>--------------------------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Ruth Hay, Director, Medical Services Queensland</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Increases to the PBS co-payments and safety net thresholds from 1 January 2015.  

The proposed co-payments increases represent an increase of approximately 15%, which equates to approximately $675K increased revenue statewide based on current activity levels.  

More broadly, there is a risk that patients may choose to not have some or all of their prescribed medicines dispensed due to cost. This may lead to deterioration in chronic conditions and increased presentations and/or admissions to hospitals.  

HHSs are encouraged to consider the potential local impacts in more detail.

<table>
<thead>
<tr>
<th>Dental Health</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Dr Peter Osborne, A/Director, Office of the Chief Dental Officer</strong></td>
</tr>
</tbody>
</table>

Deferring the commencement of the NPA for Adult Public Dental Services from 2014-15 to 2015-16.  

As this NPA has not yet commenced, there will be no reduction in current funding or services in Queensland as a result of this measure. However it will potentially make it more difficult for public oral health services to maintain the recent improvements in public dental waiting lists.  

Nil in 2014-15 – This agreement has not been factored into HHSs draft Service Agreements for 2014-15. The current NPA will continue until March 2015 as planned.  

<table>
<thead>
<tr>
<th>Rationalisation and Consolidation of Commonwealth Government Agencies</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Jeannette Young, Chief Health Officer</strong></td>
</tr>
</tbody>
</table>

Abolition of Health Workforce Australia  

The Federal Government will honour all funding agreements entered into by HWA, and these will transfer to the DoH for administration. This includes funding agreements supporting expanded clinical training for health students.  

A reduction in Commonwealth funding for Clinical Training initiatives may result in a reduced focussed on strategies of building capacity, boosting productivity, improving health workforce geographic distribution and clinical education opportunities. The health planning and reform agenda HWA have been leading may also be lost.  

Office of the CHO to undertake an assessment of all current contracts and implications
<table>
<thead>
<tr>
<th><strong>Primary Care</strong></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Replacement of Medical Locals with Primary Health Networks from 1 July 2015</td>
<td>To be determined. DoH still to do thorough policy analysis of the future roles of the PHNs, HHSs and the DoH and how these organisations will best work together.</td>
<td>No immediate impact. Further review and analysis required.</td>
</tr>
</tbody>
</table>

If you have any questions on these, or any other Commonwealth 2014-15 Budget Measures please don’t hesitate to contact Vivienne Hassed, A/Director, State & Commonwealth Funding Unit on 3239 0923.
2014-15 Commonwealth Budget:
Key Budget Measures and Impact on Hospital and Health Services

Summary of Discussion 16 May 2014

<table>
<thead>
<tr>
<th>National Health Reform Agreement</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduced base funding for 2013-14 by around $28 million per year from 2014-15 onwards</td>
<td>Reduced Commonwealth funding received by Queensland Health</td>
<td>Nil in 2014-15 – The DoH will absorb the funding reduction.</td>
</tr>
</tbody>
</table>

Abolition of the funding guarantees in the National Health Reform Agreement

<table>
<thead>
<tr>
<th>Potential Overall Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated reduction in Commonwealth funding of $446.2 million over 2014-15 to 2017-18</td>
</tr>
</tbody>
</table>

Potential HHS Implications

<table>
<thead>
<tr>
<th>Potential HHS Implications</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is no financial exposure for the HHSs given that no expenditure commitments to hospital avoidance programs have been made which would have been reliant on this funding.</td>
</tr>
</tbody>
</table>

Cessation of growth funding from 2017-18

<table>
<thead>
<tr>
<th>Potential Overall Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Difficult to calculate the impact of this adjustment on Queensland. Based on the Commonwealth forward estimates, it is expected that Queensland will be adversely impacted by receiving minimal funding growth in 2017-18 as a result of a redistribution of overall health funding between States. Beyond 2018, it is expected Commonwealth funding would increase by around 4.5% per year, compared to around 8.5% under the funding model in the NHRA.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Potential HHS Implications</th>
</tr>
</thead>
<tbody>
<tr>
<td>All State and Territory Premiers met on Sunday, 18 May 2014 to consider a joint strategy/approach.</td>
</tr>
</tbody>
</table>

Summary of key discussion on teleconference

- In relation to the growth observed in the 2014-15 figures, DoH advised that the methodology underpinning this does not appear to be appropriate and that the DoH is not expecting this figure will remain. Discussions to better understand this budget measure are ongoing. For further queries, please contact Paul McGuire on 3234 0868.
- Nick Steele advised it is the DoH’s intention to ensure HHSs continue to receive 45% of growth funding over the next 3 years. The need to exercise caution in building in growth until 2016-17 so as to minimise the negative impact of changes to growth introduced in 2017-18 was raised. A paper prepared by Healthcare Purchasing and Performance Management (HPFP) on the impact of changes to Commonwealth growth funding has been prepared and will go to EMT the week commencing 19 May 2014.
- **ACTION – Nick Steele:** HPFP to circulate EMT paper on the impact of changes to Commonwealth growth funding to HHSs following EMT meeting.

National Partnership Agreements

<table>
<thead>
<tr>
<th>Potential Overall Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduction in funding by approximately $69 million per year from 2014-15 onwards</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Potential HHS Implications</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nil in 2014-15 – The DoH has progressed with purchasing services through the draft contract offers with HHSs based on the assumption this agreement would not be continued.</td>
</tr>
<tr>
<td>Budget outcomes</td>
</tr>
<tr>
<td>--------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Cessation of the NPA on Preventative Health</td>
</tr>
</tbody>
</table>

**Summary of key discussion on teleconference**

- The Chief Health Officer discussed this budget measure and its impact, most notably, that a decision around whether the State Government will provide ‘replacement’ funding is yet to occur.
- HHSs requested that the list of affected contracts with HHSs, community organisations and NGOs be circulated (attached to this summary). It was noted that this list will not necessarily provide clarity around the impact by region, as a number of contracts are with organisations for the statewide provision of services.
- DoH Executive acknowledged the need to provide clarity around the future of contracts funded under the NPAPH to enable contracts to be ceased, amended and/or renewed by the end of the financial year. DoH Executive committed to provide HHSs with an opportunity to be involved in discussions about the management of this budget measure.

**ACTION – Nick Steele (via State and Commonwealth Funding Unit):** To arrange a teleconference with HHSs 20 May – 22 May to talk through the EMT paper on the future of services funded under NPAPH.

**Medicare Benefits Schedule (MBS)**

- Reducing MBS rebates from 1 July 2015 by $5 for standard GP consultations and out-of-hospital pathology and diagnostic imaging services.
- Providers will be allowed to collect a patient contribution of $7 per service.
- Acute Primary Care Clinics (APCCs): The introduction of a co-payment for bulk-billing clinics would impact on the operation of the APCCs by creating a financial disincentive to access these clinics. These patients may therefore access EDs as a consequence (assuming EDs do not charge a co-payment).
- If APCCs and 19(2) sites continued their current practice of not requiring any co-payments MBS revenue would reduce by $5 for each item, resulting in a net loss of some $1.375 million. The cost of administering charging for co-payments would be significant and may outweigh the revenue raised.
- To be determined – analysis of potential impacts is still underway. HHSs are encouraged to consider the potential impact on local patient flows, activity and revenue.

- Removal of restrictions on States and Territories from charging patients presenting to hospital EDs
- It is understood the Minister does not support the introduction of a co-payment for public EDs.
- If Queensland were to implement the $7 co-
- No direct impact – refer to above MBS co-payment for related impacts.
<table>
<thead>
<tr>
<th>Budget outcomes</th>
<th>Potential Overall Impact</th>
<th>Potential HHS Implications</th>
</tr>
</thead>
<tbody>
<tr>
<td>for GP-like attendances.</td>
<td>payment for non-admitted category 4 and 5 in EDs the estimated revenue raised would be $6.2 million per year, assuming no net change to the volume of patient numbers. However, the cost of administering the co-payments would most likely negate the revenue raised.</td>
<td></td>
</tr>
</tbody>
</table>

Pausing the indexation of some MBS fees for two years from 1 July 2014. | Analysis still being finalised - Scott Ponting, Director, Own Source Revenue to provide verbal advice. | |

**Summary of key discussion on teleconference**  
- Scott Ponting clarified that for the purposes of this commentary, RRMBS is considered a 19(2) affected services.  
- It was noted that clarification from the Commonwealth around what constitutes an "out of hospital" diagnostic service is still required.  
- It was noted that any effort to quantify the impact of introducing or waiving a cost for GP-type presentations to public EDs must consider the potential increase in volume and demand of ED activity in the absence of a cost signal (that is, when GPs charge a co-payment).  
- **ACTION – Scott Ponting**: Develop and circulate to HHSs a brief discussion paper capturing the issues in relation to changes to the MBS.

**Pharmaceuticals Benefits Scheme**

| Increases to the PBS co-payments and safety net thresholds from 1 January 2015. | The proposed co-payments increases represent an increase of approximately 15%, which equates to approximately $475K increased revenue statewide based on current activity levels. More broadly, there is a risk that patients may choose to not have some or all of their prescribed medicines dispensed due to cost. This may lead to deterioration in chronic conditions and increased presentations and/or admissions to hospitals. | HHSs are encouraged to consider the potential local impacts in more detail. |

**No major issues or concerns identified**

**Dental Health**

| Deferring the commencement of the NPA for Adult Public Dental Services from 2014-15 to 2015-16. | As this NPA has not yet commenced, there will be no reduction in current funding or services in Queensland as a result of this measure. However it will potentially make it more difficult for public oral health services to maintain the recent improvements in public dental waiting lists. | Nil in 2014-15 – This agreement has not been factored into HHSs draft Service Agreements for 2014-15. The current NPA will continue until March 2015 as planned. |

<p>| Ceasing the Dental Flexible Grants Programme. | No specific funding was allocated for Queensland Health. | HHSs are no longer able to access this funding. |</p>
<table>
<thead>
<tr>
<th>Budget outcomes</th>
<th>Potential Overall Impact</th>
<th>Potential HHS Implications</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>No major issues or concerns identified</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Rationalisation and Consolidation of Commonwealth Government Agencies</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| Abolition of Health Workforce Australia             | The Federal Government will honour all funding agreements entered into by HWA, and these will transfer to the DoH for administration. This includes funding agreements supporting expanded clinical training for health students. \  
  A reduction in Commonwealth funding for Clinical Training initiatives may result in a reduced focus on strategies of building capacity, boosting productivity, improving health workforce geographic distribution and clinical education opportunities. The health planning and reform agenda HWA have been leading may also be lost. | Office of the CHO to undertake an assessment of all current contracts and implications |
| **No major issues or concerns identified**          |                                                                                                                                                                                                                         |                                                               |
| **Primary Care**                                    |                                                                                                                                                                                                                         |                                                               |
| Replacement of Medical Locals with Primary Health Networks from 1 July 2015 | To be determined. DoH still to do thorough policy analysis of the future roles of the PHNs, HHSs and the DoH and how these organisations will best work together.              | No immediate impact. Further review and analysis required.     |
| **Summary of key discussion on teleconference**      |                                                                                                                                                                                                                         |                                                               |
| - Establishment of Primary Health Networks (PHN) will be made contestable and as such DoH and HHSs must exercise caution in providing preferential access to information to potential candidates. |                                                                                                                                                                                                                         |                                                               |
| - It was noted that while state bodies will not be excluded from applying to become PHN, the review recommended that the role of PHNs be restricted to a facilitation and purchasing role (that is, HHSs would not necessarily be an appropriate candidate to take on a PHN). Policy and Planning Branch are continuing to work through these issues. |                                                                                                                                                                                                                         |                                                               |
| - The number of PHNs to be established statewide is yet to be determined. Policy and Planning Branch are working up options from three to six organisations being established statewide for consideration. |                                                                                                                                                                                                                         |                                                               |
| **Other queries raised:**                           |                                                                                                                                                                                                                         |                                                               |
| Q. Did the budget provide for any changes to MPHSs? | A. Not that the DoH has identified to date.                                                                                                                                                                              |                                                               |
| Q. Were there any changes to aged care grants, contributions or indexation? | A. Yes. In relation to the budget measure - *Index Pension and Pension Equivalent Payments by the Consumer Price Index* \  
  The change in the indexation arrangements for pensions will have an effect on the level of increase in the daily care fees which clients pay for residential aged care, community aged care, transition care and in Multi-purpose services. This is because the daily care fees are based on the percentage of the pension. The proposed indexation arrangements under the budget are to be based on CPI whereas currently the indexation arrangements are based on the higher of the increases in the CPI, Male Total Average Weekly Earnings or the Pensioner and Beneficiary Living Cost Index. The proposed change takes effect on 1 July 2014. This change if implemented is likely to have a small negative impact Hospital and Health Services. |                                                               |
In relation to budget measure - *Reprioritising the Aged Care Workforce Supplement*

- The Commonwealth will increase aged care subsidies for home and residential care providers and relevant community programmes by 2.4 per cent on 1 July 2014 and by providing an ongoing 20 per cent increase in the Viability Supplement to eligible residential aged care providers. The subsidy increase will benefit all Queensland Government residential aged care services, home care services and Multipurpose services. The commitment to an “ongoing increase the viability supplement” will benefit those small residential services in rural and remote locations. It would seem however that the increase in the viability supplement is about maintaining a previous increase rather than a further increase.

**Q. Were there any changes to capital funding offered under the Health and Hospital Fund?**

A. No.

**Q. How is the DoH going to respond to the increased number of colonoscopies expected as a result of increased funding for the National Bowel Cancer follow-up activities?**

A. **Nick Steele** to consider and advise via RMGs.

**Q. Were there any changes announced in relation to the NPA on Homelessness?**

A. A one year extension of $115 million nationwide to extend the NPA on Homelessness was announced.

If you have any questions on these, or any other Commonwealth 2014-15 Budget Measures please don’t hesitate to contact Vivienne Hassed, A/Director, State & Commonwealth Funding Unit on 3239 0923.
## Healthy Children Implementation Plan – NPAPH

### Current contracted providers

<table>
<thead>
<tr>
<th>Provider</th>
<th>Target group</th>
<th>Service/s</th>
<th>Remaining amount in contract (from 1 July 2014)</th>
<th>Contract end date</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Infants</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Children’s Health</td>
<td>Queensland HHS</td>
<td>Supporting nutrition in pregnancy, breastfeeding and optimal infant feeding</td>
<td>$410,000</td>
<td>June 2016</td>
</tr>
<tr>
<td><strong>Pre-schoolers</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Queensland University of Technology</td>
<td></td>
<td>Healthy eating and physical activity in early childhood settings - Learning Eating Active Play Sleep program</td>
<td>$1,260,000</td>
<td>June 2016</td>
</tr>
<tr>
<td>Playgroup Association of Queensland</td>
<td></td>
<td>Supported playgroup program in low SES, Indigenous and CALD communities - Have Fun Be Healthy</td>
<td>$49, Sch. 4</td>
<td>December 2015</td>
</tr>
<tr>
<td><strong>Schools</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Department of Education, Training and Employment</td>
<td></td>
<td>Support implementation of healthy food and drink supply strategy in Qld schools - Smart Choices</td>
<td>$677,750</td>
<td>June 2015</td>
</tr>
<tr>
<td>Queensland Children’s Activity Network (QCAN) Ltd</td>
<td></td>
<td>Increase physical activity levels in primary school aged children - Physical Activity Innovation with Schools</td>
<td>$1,694,990</td>
<td>June 2016</td>
</tr>
<tr>
<td>Department of Transport and Main Roads</td>
<td></td>
<td>Increase active transport to/from school in conjunction with local govt - Healthy Active School Travel</td>
<td>$629,580</td>
<td>June 2015</td>
</tr>
<tr>
<td>Diabetes Association of Queensland Ltd</td>
<td></td>
<td>Support tuckshops, schools and P&amp;Cs to provide healthy food in schools - Healthy Tuckshop Support Program</td>
<td>$49, Sch. 4</td>
<td>June 2015</td>
</tr>
<tr>
<td>Queensland Association of School Tuckshops</td>
<td></td>
<td>Resources and training to support Physical Activity and Nutrition in Outside School Hours Care</td>
<td>$2,430,666</td>
<td>October 2016</td>
</tr>
<tr>
<td>Department of National Parks, Recreation, Sport and Racing</td>
<td></td>
<td>Family focussed weight management program for children 5-11 yrs - PEACH</td>
<td>$247,000</td>
<td>June 2015</td>
</tr>
<tr>
<td>Colmar Brunton Pty Ltd</td>
<td></td>
<td>Self-reported health status survey 2014, final payment</td>
<td>$1,480,171</td>
<td>August 2014</td>
</tr>
<tr>
<td>Multicultural</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Children’s Health</td>
<td>Queensland HHS</td>
<td>Healthy eating and physical activity program for Pacific Islander and Maori children delivered by multicultural health workers - Good Start</td>
<td>$1,480,171</td>
<td>June 2015</td>
</tr>
</tbody>
</table>

**HEALTHY CHILDREN TOTAL** $9,965,317
### Current contracted providers

<table>
<thead>
<tr>
<th>Provider</th>
<th>Target group</th>
<th>Service/s</th>
<th>Remaining amount in contract (from 1 July 2014)</th>
<th>Contract end date</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Families and community</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New South Wales Ministry for Health</td>
<td>Families and community</td>
<td>Get Healthy Information and Coaching Service - statewide telephone based service</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Workplaces</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Department of Justice and Attorney-General</td>
<td>Workplaces</td>
<td>High Risk Worker strategies – tailored assistance to industries with high prevalence of chronic disease risk factors</td>
<td>$1,541,035</td>
<td>June 2015</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Advisory Service – establish and deliver advice and support to workplaces</td>
<td>$419,900</td>
<td>June 2015</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Incentive Scheme to fund workplaces to implement health and wellbeing activities</td>
<td>$500,000</td>
<td>June 2015</td>
</tr>
<tr>
<td>Latrobe University</td>
<td>Workplaces</td>
<td>Queensland Workplaces for Wellness (W4W) Evaluation</td>
<td></td>
<td>June 2015</td>
</tr>
<tr>
<td>UrbanTrans ANZ Pty Ltd</td>
<td>Workplaces</td>
<td>Sedentary Workplaces research</td>
<td></td>
<td>June 2015</td>
</tr>
<tr>
<td>Local Government Association of Queensland</td>
<td>Workplaces</td>
<td>Local Government Healthy Worker initiative</td>
<td></td>
<td>June 2015</td>
</tr>
<tr>
<td>Department of Transport and Main Roads</td>
<td>Workplaces</td>
<td>Travel 'n' Well – implement and evaluate an active transport program in the workplace setting</td>
<td>$185,000</td>
<td>June 2015</td>
</tr>
<tr>
<td>Central Queensland University</td>
<td>Workplaces</td>
<td>10,000 Steps Workplace Challenge</td>
<td>$930,000</td>
<td>June 2016</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>HEALTHY WORKERS TOTAL</strong></td>
<td><strong>$5,027,605</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>TOTAL HEALTHY CHILDREN AND WORKERS NPAPH</strong></td>
<td><strong>$14,992,922</strong></td>
<td></td>
</tr>
</tbody>
</table>

### Internal funding commitments

<table>
<thead>
<tr>
<th>Workplaces</th>
<th>Service/s</th>
<th>Contract end date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health Services Support Agency</td>
<td>Workplace Quit Smoking Program</td>
<td>June 2015</td>
</tr>
<tr>
<td>Marketing and Online Communications Unit</td>
<td>Workplaces for Wellness Marketing, Communication and Web Development</td>
<td>June 2015</td>
</tr>
<tr>
<td></td>
<td><strong>TOTAL</strong></td>
<td><strong>$2,790,000</strong></td>
</tr>
</tbody>
</table>