



IHACPA

Supplementary Block-Funding Advice to the Administrator of the National Health Funding Pool for 2023–24

June 2024

Supplementary Block-Funding Advice to the Administrator of the National Health Funding Pool for 2023–24 June 2024

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1. Overview

The Supplementary Block-Funding Advice to the Administrator of the National Health Funding Pool for 2023–24 (Supplementary Block-Funding Advice 2023–24) supplements the National Efficient Cost Determination 2023–24 issued by the Pricing Authority on 1 March 2023.

This document includes additional information regarding the efficient cost of block-funded services delivered by public hospitals following the receipt of updated advice from states and territories after the finalisation of state and territory health department budgets.

This document does not have any implications for the Independent Health and Aged Care Pricing Authority's role in providing aged care costing and pricing advice.

2. Block-funded services

Table 1 of the Supplementary Block-Funding Advice 2023–24 updates Table 1 of the National Efficient Cost Determination 2023–24 issued on 1 March 2023.

Table 1: Block-funded services

State / Territory	Teaching, training and research	Non-admitted mental health (excluding CAMHS)	Non-admitted CAMHS	Non-admitted home ventilation	A17 List ¹	Other public hospital programs ²
NSW	\$794,228,514	\$646,293,706	N/A	\$22,854,901	N/A	\$3,910,200
Vic	\$413,868,609	\$1,027,432,489	\$221,961,752	\$11,815,087	\$23,125	\$40,995,000
Qld	\$471,987,898	\$674,814,951	\$196,392,083	\$13,515,638	\$8,274,738	\$7,000,000
SA	\$124,626,387	\$149,816,918	\$37,069,138	\$2,720,767	\$7,449,265	\$23,587,000
WA	\$325,416,046	\$408,695,925	\$97,599,063	\$14,691,670	N/A	\$1,055,600
Tas	\$50,367,658	\$73,069,957	\$24,519,352	\$5,281,000	N/A	N/A
NT	\$42,131,000	\$40,111,000	\$6,039,000	\$93,000	N/A	N/A
ACT	\$61,873,075	\$52,768,605	\$11,367,056	\$1,535,368	N/A	N/A

¹ Under Clause A17 of the National Health Reform Agreement, IHACPA has determined a list of services (the 'A17 List') that IHACPA is satisfied were provided by a particular hospital in 2010. These services are eligible for Commonwealth funding at the local hospital network indicated in the list at Appendix A of the National Efficient Price Determination 2023–24.

² Programs as approved by the Pricing Authority for inclusion on the General List of In-Scope Public Hospital Services for 2023–24, including telehealth video consultations delivered by emergency departments.

2.1 High cost, highly specialised therapies

Clauses C11–C12 of the Addendum to the National Health Reform Agreement 2020–25 outlines specific arrangements for new high cost, highly specialised therapies recommended for delivery in public hospitals by the Medical Services Advisory Committee, whereby:

- The Commonwealth will provide a contribution of 50 per cent of the growth in the efficient price or cost (including ancillary services), instead of 45 per cent.
- They will be exempt from the national funding cap for a period of two years from the commencement of service delivery of the new treatment.

In 2023–24, the following high cost, highly specialised therapies are recommended for delivery in public hospitals:

- Kymriah[®] – for the treatment of acute lymphoblastic leukaemia in children and young adults.
- Kymriah[®] or Yescarta[®] – for the treatment of diffuse large B-cell lymphoma, primary mediastinal large B-cell lymphoma and transformed follicular lymphoma.
- Qarziba[®] – for the treatment of high risk neuroblastoma.
- Luxturna[™] – for the treatment of inherited retinal dystrophies.
- Tecartus[®] – for the treatment of relapsed or refractory mantle cell lymphoma and relapsed or refractory B-precursor acute lymphoblastic leukaemia.

The actual number of patients treated and associated costs are reconciled by the Administrator of the National Health Funding Pool at the end of each financial year.

The indicative costs for the delivery of these high cost, highly specialised therapies were determined for 2023–24 on the advice of states and territories.

Table 2 of the Supplementary Block-Funding Advice 2023–24 updates Table 2 of the National Efficient Cost Determination 2023–24 issued on 1 March 2023.

Table 2: High cost, highly specialised therapies

State / Territory	Amounts
NSW	\$45,279,591
Vic	\$74,437,641
Qld	\$22,547,999
SA	N/A
WA	\$8,800,000
Tas	N/A
NT	N/A
ACT	N/A

2.2 Innovative models of care

Clauses A96–A101 of the addendum require IHACPA to facilitate the exploration and trial of new and innovative approaches to public hospital funding, to improve efficiency and health outcomes. This includes facilitating trials of innovative models of care that have been agreed to by the Commonwealth and a state or territory under a bilateral agreement, for which parties can seek interim block funding arrangements for the specified trial period.

The indicative costs for the delivery of these innovative models of care have been determined for 2023–24 on the advice of states and territories. These are detailed in Table 3.

Section 2.2 Innovative models of care and Table 3 of the Supplementary Block-Funding Advice 2023–24 represent additional block-funded expenditure amounts to the National Efficient Cost Determination 2023–24 issued on 1 March 2023.

Table 3: Innovative models of care

State / Territory	Service	Amounts
NSW	Northern Sydney Local Health District Frail Aged Program	\$3,526,400
NSW	RPA Virtual Hospital	\$15,860,000
NSW	Telestroke	\$5,034,255
NSW	Virtual Clinical Care Centre	\$3,240,000
NSW total		\$27,660,655

3. Back-casting

Table 4 of the Supplementary Block-Funding Advice 2023–24 updates Table 3 of the National Efficient Cost Determination 2023–24 issued on 1 March 2023.

Table 4: Block-funded services

State / Territory	Small rural hospitals	Teaching, training and research	Non-admitted mental health (excluding CAMHS)	Non-admitted CAMHS	Non-admitted home ventilation	A17 List ³	Other public hospital programs ⁴
NSW	0.9856	1.0000	1.0000	N/A	1.0000	N/A	N/A
Vic	0.9644	1.0000	1.0000	1.0000	1.0000	1.0000	N/A
Qld	1.0054	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
SA	0.9960	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
WA	1.0000	1.0000	1.0000	1.0000	1.0000	N/A	N/A
Tas	0.9508	1.0000	1.0000	1.0000	1.0000	N/A	N/A
NT	N/A	1.0000	1.5355	1.6439	1.0000	N/A	N/A
ACT	N/A	1.0000	1.0000	1.0000	1.0000	N/A	N/A

³ Under Clause A17 of the National Health Reform Agreement, IHACPA has determined a list of services (the 'A17 List') that IHACPA is satisfied were provided by a particular hospital in 2010. These services are eligible for Commonwealth funding at the local hospital network indicated in the list at Appendix A of the National Efficient Price Determination 2023–24.

⁴ Programs as approved by the Pricing Authority for inclusion on the General List of In-Scope Public Hospital Services for 2023–24, including telehealth video consultations delivered by emergency departments.



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