

## Health outcomes and access to health and hospital services in rural, regional and remote New South Wales

Hearing – 29/4/2021

### Questions on Notice

#### QUESTION 1 – Page 50

**Ms CATE FAEHRMANN:** Do those centres, which are hundreds of kilometres away still, say Echuca, do they factor in 35 per cent more additional services according to the fact that New South Wales residents will come to access those services? Is that factored into their business model and their strategic plan?

**Ms LUDFORD:** The way the health services are funded in Australia is to activity-based funding and, as I have suggested to the Committee, the New South Wales Government pays for New South Wales residents to receive their care in Victoria. So they will be funded for that care, so that should be factored into the work that they are providing. So they are saying that just because you come from across a river we are not going to include you in our community projections.

**The CHAIR:** Does that mean that it is a precise reimbursement based on that activity that is going on from the New South Wales Government to the Victorian Government—and if you do not know the answer to this feel free to say so—or, in fact, there is a contract, like an omnibus contract, that exists for the services to be provided by Victoria and it may or may not equate with what actually is the demand on those services from New South Wales?

**Ms LUDFORD:** I am happy to take that one on notice because I personally do not manage the interstate funding arrangements; it is managed by the Ministry of Health. They will have, I guess, the precise technical answer to your question, Mr Donnelly, but we are happy to take that one on notice.

#### ANSWER

NSW pays for the health care of all NSW residents, whether treated in NSW or in another state. For patients treated in Victoria (except Wodonga as below), NSW pays in two stages:

- NSW estimates the total demand (or 'activity') of NSW patients in Victoria for a financial year and makes provisional payments. Victoria can use this cash flow to maintain services when needed. NSW bases these provisional payments on known demand for services from previous years.
- After the end of a financial year, NSW and Victoria compare data on actual demand from admitted acute, mental health, non-admitted, emergency department (ED) and sub-acute patients. NSW pays for the activity not covered by the provisional payments using this data. NSW reimburses Victoria for all health services provided to NSW residents based on what was provided.

Funding for Albury Wodonga Health is subject to a separate agreement between NSW and Victoria and is not included in the cross-border process described above.