



The Hon Mary-Anne Thomas MP

Minister for Health
Minister for Health Infrastructure
Minister for Medical Research

GPO Box 4057
Melbourne Victoria 3001
Telephone: +61 3 9096 8561
www.health.vic.gov.au

BAC-BR-20551

Ms Linda Bardo Nicholls AO
Board Chair
Melbourne Health
300 Grattan Street
PARKVILLE VICTORIA 3050

Dear Ms ~~Nicholls~~

Linda

I am writing to provide a revised Statement of Priorities 2022-2023 Part C: Activity and Funding and Part D: National Health Reform funding. This change is a result of the disaggregation of North West Mental Health in 2022-23. This will see \$91.3 million of funding being transferred to Northern Health in 2022-2023.

These revised Statement of Priorities 2022-2023 Part C and D, respectively detail funding and associated activity and form the service agreement between each health service and the State of Victoria for the purposes of the National Health Reform Agreement.

As advised in the previous Melbourne Health Statement of Priorities 2022-2023, in situations where a change is required to Part C or D, changes to the agreement will be actioned through an exchange of letters between the department and Melbourne Health. This letter and enclosure will be made publicly available at: <https://www.health.vic.gov.au/funding-performance-accountability/statements-of-priorities>

If you require further clarification on any of the above or would like to discuss this letter, please contact Joanne Miller, Director, Western Health Services on 0437 556 374 or joanne.miller@health.vic.gov.au.

I trust this information has been of assistance to you.

Yours sincerely

The Hon Mary-Anne Thomas MP

30/06/23

Attachment/s:

- Melbourne Health Statement of Priorities 2022-2023 Part C: Activity and Funding.
- Melbourne Health Statement of Priorities 2022-2023 Part D: Commonwealth Funding contribution.

Part C: Activity and Funding

The performance and financial framework within which state government-funded organisations operate is described in *The Policy and Funding Guidelines – Funding Rules*. The Funding Rules details funding and pricing arrangements and provides modelled budgets and targets for a range of programs. The [Policy and Funding Guidelines](https://www.health.vic.gov.au/policy-and-funding-guidelines-for-health-services) webpage <<https://www.health.vic.gov.au/policy-and-funding-guidelines-for-health-services>>.

Period 1 July 2022 – 30 June 2023

Table 1 Melbourne Health funding summary for 1 July 2022 – 30 June 2023

Funding Type	Activity	Budget (\$'000)
Consolidated Activity Funding		
Acute admitted, subacute admitted, emergency services, non-admitted NWAU	148,295	712,880
Acute Admitted		
National Bowel Cancer Screening Program NWAU	4	16
Acute admitted DVA	167	968
Acute admitted TAC	4,946	26,313
Other Admitted	-	34,739
Acute Non-Admitted		
Emergency Services	-	30
Genetic services	-	7,117
Home Enteral Nutrition NWAU	72	274
Home Renal Dialysis NWAU	1,454	7,432
Specialist Clinics	-	13,862
Specialist Clinics - DVA	-	1
Total Parenteral Nutrition NWAU	273	1,012
Other non-admitted	-	210
Subacute/Non-Acute, Admitted and Non-admitted		
Victorian Artificial Limb Program	-	2,195
Subacute - DVA	18	103
Transition Care - Bed days	8,373	1,390
Transition Care - Home days	14,652	894
Health Independence Program - DVA	-	7

Funding Type	Activity	Budget (\$'000)
Subacute Admitted Other	-	1,280
Aged Care		
Aged Care Assessment Service	-	3,390
Residential Aged Care	27,120	2,940
HACC	-	27
Mental Health and Drug Services		
Mental Health Ambulatory	108,416	128,302
Mental Health Inpatient - Available bed days	16,711	78,759
Mental Health Residential	594	1,646
Mental Health Service System Capacity	124,964	23,370
Mental Health Subacute	14,620	16,048
Mental Health Other	48,857	9,686
Drug Services		156
Primary Health		
Community Health / Primary Care Programs	1	3,598
Community Health Other	-	1,751
Other		
Health Workforce	-	14,555
Other specified funding	-	79,690
Total Funding		1,174,639

Please note:

- Base level funding, related services and activity levels, outlined within the Policy and Funding Guidelines are subject to change throughout the year. Further information about the department's approach to funding and price setting for specific clinical activities, and funding policy changes is also available from: [Policy and funding guidelines for health services](https://www.health.vic.gov.au/policy-and-funding-guidelines-for-health-services) <<https://www.health.vic.gov.au/policy-and-funding-guidelines-for-health-services>>
- Better at Home targets are included in the 'Consolidated Activity Funding' program. Targets for Better at Home do not include target related to 2021-22 funding carried forward
- In situations where a change is required to Part C, changes to the agreement will be actioned through an exchange of letters between the department and the health service's Chief Executive Officer.

Part D: National Health Reform funding

Part D activity and funding figures include Victorian and Commonwealth funding contributions through the National Health Reform Agreement. Commonwealth funding contribution reflects estimates in the 2022-23 Commonwealth budget.

Commonwealth national health reform funding contributions are updated throughout the year based on estimated activity levels and block funding provided to the Administrator of the National Health Funding Pool. Commonwealth activity based funding is determined by actual activity, there may be adjustments to funding through the year as a result of prior year reconciliations.

Please note that Part D activity estimates and funding allocation are a subset of Part C activity and budget figures. Part D excludes activity and funding from Part C that is out-of-scope of the National Health Reform Agreement.

Table 2 National Health Reform Agreement funding for period: 1 July 2022 – 30 June 2023

Funding Type	Number of services	Victorian average price per NWAU	Funding allocation
	(NWAU)		(\$)
ABF allocation			
Emergency department	12,845	5,225	66,441,805
Acute admitted	106,647	5,430	578,981,337
Admitted mental health	7,915	4,937	98,008,832
Sub-acute	13,029	4,621	53,790,533
Non-admitted	17,451	4,764	90,104,902
Total ABF allocation	158,011		887,327,409
Block funding allocation			
Teaching, training and research			25,722,922
Non-admitted mental health			114,068,668
Non-admitted CAMHS			21,284,611
Total block funding allocation			161,076,201
Total NHRA in-scope funding allocation			1,048,403,610

Please note:

- In situations where a change is required to Part D, changes to the agreement will be actioned through an exchange of letters between the department and the Health Service Chief Executive Officer. Letters will be made publicly available.