THE NATIONAL HEALTH REFORM AGREEMENT - NATIONAL PARTNERSHIP AGREEMENT ON IMPROVING PUBLIC HOSPITAL SERVICES

Council of Australian Governments

An agreement between

- the **Commonwealth of Australia** and
- the **States and Territories**, being:
  - The State of New South Wales;
  - The State of Victoria;
  - The State of Queensland;
  - The State of Western Australia;
  - The State of South Australia;
  - The State of Tasmania;
  - The Australian Capital Territory;and
  - The Northern Territory of Australia

This Agreement implements the public patient access to elective surgery, emergency department and subacute care services elements of the National Health Reform Agreement – the most significant reforms to Australia's health and hospital system since the introduction of Medicare, and one of the biggest reforms to the federation in its history to improve efficiency and capacity in public hospitals.

National Health Reform Agreement - National Partnership Agreement on Improving Public Hospital Services

INTERGOVERNMENTAL AGREEMENT
ON FEDERAL FINANCIAL RELATIONS

PRELIMINARIES

1 This National Partnership Agreement (the Agreement) is created subject to the provisions of the Intergovernmental Agreement on Federal Financial Relations and should be read in conjunction with that Agreement and subsidiary Schedules. In particular, the Schedules include direction in respect of performance reporting and payment arrangements.

2 This Agreement will contribute to improved public patient access to elective surgery, emergency department (ED) and subacute care services by improving efficiency and capacity in public hospitals.

3 This Agreement will be implemented consistently with the objectives and outcomes of all National Agreements and National Partnerships agreed by the Parties. In particular, the Parties are committed to addressing the issue of social inclusion, including responding to Indigenous disadvantage (for example, the reform commitments provided in the National Indigenous Reform Agreement) and those commitments are embodied in the objectives and outcomes of this Agreement.

4 This Agreement supports the National Health Reform Agreement and the previous work under the National Health and Hospitals Network and the National Health Reform – National Partnership Agreement, signed on 13 February 2011, and should be read in conjunction with that Agreement and any subsequent Schedules or agreements.

5 COAG commissioned an Expert Panel (the Panel) under the National Health Reform - National Partnership Agreement, to review the implementation of the National Elective Surgery Target (NEST) and National Emergency Access Target (NEAT); and to provide a suite of recommendations that were agreed by COAG which are incorporated into this Agreement.

6 The following six initiatives aim to increase the efficiency and capacity in public hospitals:

(a) up to $650 million to meet the NEST;

(b) up to $150 million in elective surgery capital;

(c) up to $500 million to achieve a four hour NEAT in public hospital EDs;

(d) up to $250 million in emergency department capital;

(e) up to $1.6 billion for new subacute beds; and

(f) up to $200 million flexible funding pool for capital and recurrent projects across elective surgery, EDs and subacute care.

However, subject to **Clause 32**, States and Territories are able to redirect funding within this Agreement.

7 For this Agreement to have the desired impact on public hospital services, it is essential that State and Territory expenditure in each of the targeted areas (elective surgery, emergency department and subacute care) is maintained and States and Territories do not withdraw or redirect funding. Investments under this Agreement are additional to such effort.

8 This Agreement supports and is complementary to existing Agreements on elective surgery, emergency departments and subacute care, including the National Partnership Agreement on the Elective Surgery Waiting List Reduction Plan and the National Partnership Agreement on Hospitals and Health Workforce Reform. Where Agreement reporting requirements overlap, reporting dates will be adjusted accordingly so that States and Territories are only required to report once in a quarter against elective surgery, ED and subacute care performance.

PART 1 – FORMALITIES

Parties to this Agreement

9 In entering this Agreement, the Commonwealth and the States and Territories recognise that they have a mutual interest in improving outcomes in the delivery of public hospital services and need to work together in alliance with Local Hospital Networks to achieve those outcomes.

Term of the Agreement

10 This Agreement will commence as soon as the Commonwealth and one other Party signs the Agreement and will expire on 30 June 2017, unless terminated earlier or extended as agreed in writing by the Parties. To be a Party to this Agreement, Parties must have signed the National Health Reform Agreement.

Enforceability of the Agreement

11 The Parties do not intend any of the provisions of this Agreement to be legally enforceable. However, that does not lessen the Parties' commitment to this Agreement.

Delegations

12 The relevant Commonwealth Minister with portfolio responsibility for Health is authorised to agree to or amend Schedules, including the Implementation Plans to this Agreement and to certify that payments may be made as described in the Schedules of this Agreement.

13 First Ministers may provide respective State and Territory Ministers with portfolio responsibility for Health, with authority to agree to or amend Schedules, including the Implementation Plan, to this Agreement.

PART 2 – OBJECTIVES, OUTCOMES AND OUTPUTS

Objectives

14 The objective of this agreement is to drive major improvements in public hospital service delivery and better health outcomes for Australians.

Outcomes

15 This Agreement will facilitate improved access to public hospital services, including elective surgery and ED services, and subacute care.

Outputs

16 The objectives and outcomes of this Agreement will be achieved by:

(a) a higher proportion of elective surgery patients seen within clinically recommended times, and a reduction in the number of patients waiting beyond the clinically recommended time (as set out in **Schedule A**);

(b) a higher proportion of ED patients to either physically leave the ED for admission to hospital, be referred to another hospital for treatment, or be discharged within four hours as per Schedule C;

(c) more subacute care beds available for patients (as set out in **Schedule E**); and

(d) projects completed to support increased access to elective surgery, reduced emergency department waiting times and more subacute care (as set out in **Schedules B, D and F**).

PART 3 – ROLES AND RESPONSIBILITIES OF EACH PARTY

17 To realise the objectives and commitments in this Agreement, each Party has specific roles and responsibilities, as outlined below and in any Schedules to this Agreement.

Role of the Commonwealth

18 The Commonwealth agrees to be accountable for the following roles and responsibilities:

(a) providing a financial contribution to the States and Territories to support the delivery of initiatives under this Agreement;

(b) monitoring and assessing the performance in the delivery of initiatives under this Agreement, except in relation to reward payments;

(c) participating in consultations as appropriate regarding implementation of this Agreement;

(d) approving Implementation Plans provided by States and Territories under this Agreement;

(e) negotiating new or revised Schedules, including the Implementation Plan, to this Agreement; and

(f) supporting and, where appropriate, participating in evaluations and reviews of services and outputs delivered under this Agreement.

Role of the States and Territories

19 The States and Territories agree to be accountable for the following roles and responsibilities:

(a) delivering initiatives in accordance with this Agreement, in close alliance with Local Hospital Networks;

(b) ensuring that the funding provided under this Agreement is used in a way that demonstrates value for money;

(c) reporting on the progress of initiatives as set out in Part 4 – Performance Benchmarks and Reporting and in accordance with Schedules to this Agreement;

(d) participating in consultations as appropriate regarding the implementation of this Agreement;

(e) having achieved performance targets set out in this Agreement, continuing to maintain or improve upon those targets, unless otherwise agreed;

(f) negotiating new or revised Schedules, including Implementation Plans, to this Agreement;

(g) conducting evaluations and reviews of services and outputs delivered under this Agreement;

(h) actively engaging with relevant sectors and clinicians involved in the delivery of services covered in this Agreement in the development of the Implementation Plan (including Local Hospital Networks and Medicare Locals) and facilitating the update of evidence-based guidelines and pathways to promote service delivery;

(i) ensuring that prior agreement is reached with the Commonwealth on the nature and content of any events, announcements, promotional material or publicity relating to activities under this Agreement, and that the roles of both Parties will be acknowledged and recognised appropriately; and

(j) responding to reasonable requests from the Commonwealth for information, or further documentation, on the progress of the initiatives.

PART 4 – PERFORMANCE BENCHMARKS AND REPORTING

Performance Indicators

20 Assessment of achievement of the objectives and outcomes in this Agreement will be informed with reference to the performance indicators set out in the Schedules to this Agreement.

Performance Benchmarks

21 States and Territories agree to meet the performance benchmarks set out in the Schedules to this Agreement.

Performance Reporting

22 States and Territories note that in accordance with the National Health Reform Agreement, the role of the COAG Reform Council will be continued, with the following functions:

(a) providing clear and transparent regular public reporting on all jurisdictions' performance against:

i. the performance indicators set out in the National Healthcare Agreement (NHA);

ii. the new National Standards; and

iii. the new national clinical quality and safety standards, as developed by the Australian Commission on Safety and Quality in Health Care;

(b) providing an independent assessment of whether predetermined performance benchmarks have been achieved prior to reward payments being made; and

(c) advising COAG on changes that might be made to improve performance reporting against the NHA performance indicators.

23 States and Territories note that the National Health Performance Authority will monitor and report on the performance of Local Hospital Networks and individual hospitals.

Reporting Arrangements

24 States and Territories will provide Implementation Plans for this Agreement in accordance with Schedules to this Agreement. Implementation Plans may be reviewed annually to take account of progress and changing parameters and if required, updated and agreed in accordance with **Clauses 12 and 13** of this Agreement.

25 States and Territories will provide Progress Reports and performance data in accordance with Schedules to this Agreement.

26 States and Territories will prepare Final Reports in accordance with Schedules to this Agreement. Final Reports may be publicly released.

PART 5 – FINANCIAL ARRANGEMENTS

Financial Contributions

27 The maximum amount of funding available from the Commonwealth to the States and Territories under this Agreement is $3.4 billion, assuming a national roll-out of the initiatives. Annual funding allocations against each reform initiative are shown in **Table 1**:

Table 1: Funding allocations for each initiative[1, 2]

Reform initiative	Funding Type	09-10 ($m)	10-11 ($m)	11-12 ($m)	12-13 ($m)	13-14 ($m)	14-15 ($m)	15-16 ($m)	16-17 ($m)	Total ($m)
Investment in National Elective Surgery Target	Facilitation (2010-11 to 2011-12)	-	355 .0	95.0	-	-	-	-	-	450.0
	Reward (2012-13 to 2016-17)	-	-	-	47.5	50.0	50.0	50.0	2.5	200.0
Investment in elective surgery capital	Project	33.4	91.6	25.0	-	-	-	-	-	150.0
Investment in National Emergency Access Target	Facilitation (2010-11 to 2012-13)	-	175.0	75.0	50.0	-	-	-	-	300.0
	Reward (2012-13 to 2015-16)	-	-	-	50.0	50.0	50.0	50.0	-	200.0
Investment in emergency department capital	Project	44.6	105.4	50.0	50.0	-	-	-	-	250.0
Investment in new subacute beds	Project	0.0	233.6	317.6	446.5	625.5	-	-	-	1,623.2
Flexible funding pool	Project	55.8	94.2	25.0	25.0	0.0	-	-	-	200.0
TOTAL FUNDING		133.8	1,054.8	587.6	669.0	725.5	100.0	100.0	2.5	3,373.2

1 Estimated funding allocations are contingent on performance, and assume a national roll-out.

2 Rows and columns may not add due to rounding. Actual payments will be calculated to the nearest dollar.

Table 2: Funding allocations for each Jurisdiction[1, 2]

State	09-10 ($m)	10-11 ($m)	11-12 ($m)	12-13 ($m)	13-14 ($m)	14-15 ($m)	15-16 ($m)	16-17 ($m)	Total
NSW	42.2	324.7	186.2	214.2	235.5	31.7	31.7	-	1,065.8
VIC	33.4	251.2	143.3	165.2	179.4	24.7	24.7	-	821.9
QLD	28.3	205.9	117.3	135.4	146.9	21.0	21.0	-	675.7
WA	-	124.8	60.2	69.9	75.0	10.7	10.7	-	351.6
SA	12.4	79.0	45.2	49.4	52.9	6.9	6.9	-	252.9
TAS	6.5	29.8	15.2	15.8	16.2	2.2	2.2	1.1	89.2
ACT	5.8	22.7	11.9	11.2	11.5	1.6	1.6	0.8	67.0
NT	5.0	16.5	8.3	7.6	8.1	1.2	1.2	0.6	48.7
TOTAL FUNDING	**133.8**	**1,054.8**	**587.6**	**669.0**	**725.5**	**100.0**	**100.0**	**2.5**	**3,373.2**

1 Rows and columns may not add due to rounding. Actual payments will be calculated to the nearest dollar.

2 Some funding has already been provided to States and Territories under the previous Agreements.

28 The Parties also agree that the outcome of considerations of Treasurers related to the appropriate treatment of Commonwealth and State National Partnership expenditure as outlined in the Intergovernmental Agreement on Federal Financial Relations, including Clauses A 4(b)(vii) and E23, will apply to this Agreement.

29 The Commonwealth's funding contribution will not be reduced where the States and Territories secure funding from other activity partners through innovative and collaborative partnerships.

30 The distribution of total funding to States and Territories and the timing of payments is set out in the Schedules to this Agreement.

31 National Partnership payments to the States and Territories will be paid in accordance with *Schedule D — Payment Arrangements* of the Intergovernmental Agreement on Federal Financial Relations.

Flexible Funding Arrangements

32 States and Territories have the flexibility to redirect funds allocated across the elective surgery, ED and subacute Schedules to the highest priority within their jurisdiction. Redirecting funds can only be done with prior written agreement from the Commonwealth. A State or Territory will also need to clearly demonstrate how they will meet their agreed performance targets provided in all Schedules using the revised allocation of funding. Following agreement from the Commonwealth, a State or Territory will need to provide Implementation Plans that reflect the revised funding allocation.

Project Management Risk

33 Having regard to the agreed estimated costs of projects specified in an Implementation Plan, a State or Territory will not be required to pay a refund to the Commonwealth if the actual cost of the project is less than the agreed estimated cost of the project. Similarly, the States and Territories bear all risk should the costs of a project exceed the agreed estimated costs. The Parties acknowledge that this arrangement provides the maximum incentive for the States and Territories to deliver project cost effectively and efficiently.

PART 6 – GOVERNANCE ARRANGEMENTS

Dispute Resolution

34 Any Party may give notice to other Parties of a dispute under this Agreement.

35 The relevant Ministers will attempt to resolve any dispute in the first instance.

36 If a dispute is unable to be resolved by the relevant Ministers, it may be referred by a Party to COAG for consideration.

Implementation of the Recommendations of the Expert Panel

37 The parties agree to all the recommendations of the Panel, which have been incorporated into this agreement.

38 The Panel, which was established following the 13 February 2011 COAG meeting, shall continue existence, as announced on 10 May 2011.

(a) The Panel consists of a Chair and includes expert clinicians and health administrators.

(b) The Panel issued its first report to COAG on 30 June 2011. Based on the report the Agreement has been revised to include those recommendations. Recommendations relating to Elective Surgery and ED are included in **Schedules A and C** of this Agreement.

(c) The Panel will be available for the term of this Agreement. Its work will be determined by COAG, on advice from the Standing Council on Health. All reports issued by the Panel will be made available to the public.

(d) In responding to any COAG requests, the Panel will link with jurisdictions, key clinicians, hospital executives, consumers and other key stakeholders as appropriate.

(e) This may include reviewing the practical implementation, timing, phasing and safety and quality issues related to elective surgery and emergency targets that may arise during the life of the Agreement.

39 Parties agree that States and Territories are to develop and implement strategies to promote clinical engagement, best practice and shared learning within and between jurisdictions, and that this matter is to be progressed through the Standing Council on Health.

40 Parties agree that through the Standing Council on Health, surgical taskforces, as already exist in some jurisdictions, be established in all jurisdictions and linked nationally as a means of sharing information on best-practice elective surgery waiting-list management.

41 Parties agree that the following data, collected under the Performance and Accountability Framework, will be used to measure the impact of the implementation of both NEAT and NEST on the safety and quality of patient care:

(a) hospital standardised mortality ratio;

(b) in-hospital mortality rates for selected diagnostic categories;

(c) unplanned hospital re-admission rates for selected diagnostic categories;

(d) healthcare associated Staphylococcus aureus bacteraemia;

(e) healthcare associated Clostridium difficile infection; and

(f) measures of the patient experience with health services.

42 The parties agree that through the Standing Council on Health, measures of access block for ED patients and access to emergency surgery, such as time to operative repair of a fractured neck of femur, will be collected and reported.

Review of the Agreement

43 An evaluation framework will be developed to assess the impact of the implementation of the Agreement.

44 The review of the Improving Public Hospital Services National Partnership will be completed with a decision by COAG by December 2013.

Variation of the Agreement

45 The Agreement may be amended at any time by agreement in writing by all the Parties.

46 A Party to the Agreement may terminate its participation in the Agreement at any time by notifying all the other Parties in writing.

47 Subsequent to any variation, the Commonwealth will continue to recognise any implementation plans and reports already submitted and/or approved for the purposes of providing implementation plans and reports under this Agreement.

PART 7 – TRANSITION ARRANGEMENTS

48 The National Health Reform - National Partnership Agreement on Improving Public Hospital Services signed on 13 February 2011 is terminated on execution of this Agreement.

49 The National Health and Hospitals Network – National Partnership Agreement on Improving Public Hospital Services ('the former Agreement') was terminated on 13 February 2011.

50 Parties note that funding for investment and capacity building commenced in 2009-10 for most jurisdictions.

51 The States and Territories recognise all payments made under the former Agreements for the purposes of this Agreement, and will not make any claim for payment under this Agreement where the equivalent funding was provided under the former Agreements.

The Parties have confirmed their commitment to this agreement as follows:

Signed *for and on behalf of the Commonwealth of Australia by*

The Honourable Julia Gillard MP
Prime Minister of the Commonwealth of Australia

July 2011

Signed *for and on behalf of the State of New South Wales by*

The Honourable Barry O'Farrell MP
Premier of the State of New South Wales

July 2011

Signed *for and on behalf of the State of Victoria by*

The Honourable Ted Baillieu MP
Premier of the State of Victoria

July 2011

Signed *for and on behalf of the State of Queensland by*

The Honourable Anna Bligh MP
Premier of the State of Queensland

July 2011

Signed *for and on behalf of the State of Western Australia by*

The Honourable Colin Barnett MLA
Premier of the State of Western Australia

July 2011

Signed *for and on behalf of the State of South Australia by*

The Honourable Mike Rann MP
Premier of the State of South Australia

July 2011

Signed *for and on behalf of the State of Tasmania by*

The Honourable Lara Giddings MP
Premier of the State of Tasmania

July 2011

Signed *for and on behalf of the Australian Capital Territory by*

Ms Katy Gallagher MLA
Chief Minister of the Australian Capital Territory

July 2011

Signed *for and on behalf of the Northern Territory by*

The Honourable Paul Henderson MLA
Chief Minister of the Northern Territory of Australia

July 2011

Schedule A

National Elective Surgery Target – Facilitation and Reward Funding

NATIONAL HEALTH REFORM AGREEMENT-NATIONAL PARTNERSHIP AGREEMENT ON IMPROVING PUBLIC HOSPITAL SERVICES

DESCRIPTION

A1 The objectives and outputs of this Schedule are to increase the percentage of elective surgery patients seen so that 100 per cent of all Urgency Category patients waiting for surgery are seen within the clinically recommended time, and to reduce the number of patients who have waited longer than the clinically recommended time (long waits).

A2 The Commonwealth will provide up to $650 million for this Schedule. This includes $450 million in facilitation funding paid to the States and Territories by 1 July 2012. Facilitation funding is provided to States and Territories to prepare for implementation of the National Elective Surgery Target (NEST). Up to $200 million in reward funding is also available for the life of this Agreement.

A3 The NEST program will commence from 1 January 2012 to progressively increase and measure the number of elective surgeries and to reduce long waits for patients.

A4 Alternative interim targets may be agreed between the Commonwealth and individual jurisdictions in writing.

A5 The two complementary strategies required to reach the NEST as per **Clause A1** are:

(a) Part 1: Stepped improvement in the number of patients treated within the clinically recommended time as shown in **Tables A5 to A7**;

(b) Part 2: A progressive reduction in the number of patients who are overdue for surgery, particularly patients who have waited the longest beyond the clinically recommended time.

A6 The Schedule sets out key performance benchmarks, funding and reporting requirements for the NEST and facilitation funding.

A7 States and Territories agree to work in close alliance with Local Hospital Networks to achieve the objectives and outputs of **Schedule A**.

FUNDING

Facilitation funding

A8 $355 million in facilitation funding payments made to State and Territory treasuries on the first available payment date in 2010-11 occurred following agreement to this Schedule by the relevant jurisdiction and the Commonwealth.

Table A1: Facilitation Funding[1, 2, 3]

Year	NSW ($m)	VIC ($m)	QLD ($m)	WA ($m)	SA ($m)	TAS ($m)	ACT ($m)	NT ($m)	Total ($m)
2010-11	114.9	88.3	71.8	36.5	26.3	8.1	5.6	3.5	355 .0
2011-12	31.1	23.8	18.9	9.5	7.4	2.3	1.4	0.8	95.0
Total	146.0	112.0	90.7	46.0	33.6	10.4	7.0	4.3	450.0

1 Funding has been distributed based on estimated population.

2 Rows may not add due to rounding. Actual payments will be calculated to the nearest dollar.

3 Some 2010-11 funding has been rolled into the 2011-12 year.

A9 States and Territories agree to use the facilitation funding to support the objectives and outputs of **Schedule A.**

A10 States and Territories will ensure facilitation funding is used in the most efficient and effective way to meet the NEST.

A11 States and Territories can flexibly move funding allocated in **Table A1** to other Schedules within this Agreement but only in strict accordance with the requirements set out in **Clause 32.**

Implementation Plans

A12 The Implementation Plan will detail the scope, cost and timeframe for projects funded in order to help achieve the NEST.

A13 Implementation Plans should outline the activities, funding allocations, timeframes, and relationship with relevant Commonwealth or State-funded activities and expected improvements to service delivery of each project and may be published online. Implementation Plans should also outline how State and Territory funding and reform plans link with national reform directions.

A14 States and Territories may provide implementation details relating to this Schedule in a single consolidated Implementation Plan covering more than one of the Schedules to this Agreement. The Commonwealth will accept a consolidated Implementation Plan, provided it explicitly and separately covers each individual Schedule's objectives.

Progress Reports

A15 States and Territories will report against the projects set out in the Implementation Plans every six months during the operation of the Agreement. Reports are expected in the format at **Annex 2** and in accordance with **Table A2**.

Table A2: Progress Reports

Reporting Period	Due date
1 July 2010 to 31 December 2010	28 February 2011, or the next working day
1 January 2011 to 30 June 2011	31 August 2011, or the next working day
1 July 2011 to 31 December 2011	28 February 2012, or the next working day
1 January 2012 to 30 June 2012	31 August 2012, or the next working day
1 July 2012 to 31 December 2012	28 February 2013, or the next working day
1 January 2013 to 30 June 2013	31 August 2013, or the next working day
1 July 2013 to 31 December 2013	28 February 2014, or the next working day
1 January 2014 to 30 June 2014	31 August 2014, or the next working day
1 July 2014 to 31 December 2014	28 February 2015, or the next working day
1 January 2015 to 30 June 2015	31 August 2015, or the next working day
1 July 2015 to 31 December 2015	28 February 2016, or the next working day
1 January 2016 to 30 June 2016	31 August 2016, or the next working day
1 July 2016 to 31 December 2016	28 February 2017, or the next working day

A16 States and Territories may provide Progress Report details relating to this Schedule in a single consolidated Progress Report covering more than one of the Schedules to this Agreement. The Commonwealth will accept a consolidated Progress Report, provided it explicitly and separately covers the objectives and outputs of each individual Schedule's objectives and outputs in the consolidated Progress Report.

Final Report

A17 States and Territories will provide:

(a) an Interim Report within 90 days of the completion of all the projects agreed under the Implementation Plan, or by 30 June 2015 (which ever comes first); and

(b) a Final Report on 30 June 2017.

A18 The Reports will:

(a) describe the conduct, benefits and outcomes of the Projects as a whole;

(b) evaluate the extent to which Projects funded have achieved the objectives contained in the Implementation Plan; and

(c) explain why any aspect was not achieved.

A19 With the exception of **Clauses B15**, **D15** and **F12**, States and Territories may provide Final Report details relating to this Schedule in a single consolidated Final Report covering more than one of the Schedules to this Agreement. The Commonwealth will accept a consolidated Final Report, provided it explicitly and separately covers the objectives and outputs of each individual Schedule's objectives and outputs in the consolidated Final Report.

Reward Funding

A20 The Commonwealth will provide up to $200 million in reward funding. Up to $100m will be provided for Part 1 of the NEST as per **Clause A5 (a),** and up to $100m will be provided for Part 2 of the NEST, as per **Clause A5 (b**).

A21 The notional annual allocation of reward funding, subject to achievement of targets, is shown in **Tables A3** and **A4**, noting that reward funding is evenly allocated in each year for both Parts 1 and 2 of the NEST.

A22 If a jurisdiction does not achieve the target for a period any unpaid reward payment will be added to the reward payment available to the jurisdiction in the next period. Any reward payments which are not made by the end of this Agreement will not be available to jurisdictions

Table A3: Notional Reward Funding Part 1 NEST [1, 2]

Year	NSW ($m)	VIC ($m)	QLD ($m)	WA ($m)	SA ($m)	TAS ($m)	ACT ($m)	NT ($m)	Total ($m)
2012-13	7.9	6.2	5.3	2.7	1.7	0.4	0.3	0.2	**24.7**
2013-14	7.9	6.2	5.3	2.7	1.7	0.4	0.3	0.2	**24.7**
2014-15	7.9	6.2	5.3	2.7	1.7	0.4	0.3	0.2	**24.7**
2015-16	7.9	6.2	5.3	2.7	1.7	0.4	0.3	0.2	**24.7**
2016-17					0	0.4	0.3	0.2	**1.0**
Total	**31.5**	**24.7**	**21.1**	**10.9**	**6.8**	**2.2**	**1.7**	**1.2**	**100.0**

1 Funding has been distributed based on estimated population

2 Columns and rows may not add due to rounding. Actual reward will be calculated to nearest dollar.

Table A4: Notional Reward Funding Part 2 NEST[1, 2]

Year	NSW ($m)	VIC ($m)	QLD ($m)	WA ($m)	SA ($m)	TAS ($m)	ACT ($m)	NT ($m)	Total ($m)
2012-13	7.9	6.2	5.3	2.7	1.7	0.4	0.3	0.2	**24.7**
2013-14	7.9	6.2	5.3	2.7	1.7	0.4	0.3	0.2	**24.7**
2014-15	7.9	6.2	5.3	2.7	1.7	0.4	0.3	0.2	**24.7**
2015-16	7.9	6.2	5.3	2.7	1.7	0.4	0.3	0.2	**24.7**
2016-17					0	0.3	0.2	0.2	**1.0**
Total	**31.5**	**24.7**	**21.1**	**10.9**	**6.8**	**2.1**	**1.6**	**1.2**	**100.0**

1 Funding has been distributed based on estimated population.

2 Columns and rows may not add due to rounding. Actual reward will be calculated to nearest dollar.

A23 **Part 1** is comprised as follows:

(a) Up to $100 million will be provided on the basis of proportional performance against the targets shown in **Tables A5 to A7**. This is also dependent on the volume of elective surgery being at least maintained and not going below the baseline.

(b) Maintenance of effort once targets have been reached is required to receive ongoing reward funding.

A24 A jurisdiction's minimum achievement to receive reward funding for a period is 50 per cent of the distance between the target for the preceding period and the target for the current period (or between the baseline and the target for the period in respect of the first period).

(For example, if the target for the preceding period was 85.0 per cent, and the target for the period is 87.0 per cent, the minimum achievement for the period is 86.0 per cent.)

A25 Where a target for a jurisdiction is 98 per cent or higher (as set out in **Tables A5 to A7**), a jurisdiction will receive all the reward funding available, for that category in that year for that jurisdiction, if at least 98 per cent of patients within that jurisdiction receive surgery within the clinically recommended time.

A26 **Part 2** is comprised as follows:

(a) Up to $100 million will be provided on the basis of proportional performance on the progressive reduction in the number of patients, who have waited longer than the recommended waiting times (long waits).

(For example, if a jurisdictions' progress is a 20 per cent reduction, 20 per cent of the allocated reward funding will be made available.)

(b) The strategy for long wait patients is to be implemented by calendar year, commencing in 2012, to reduce the number of patients waiting beyond the clinically recommended time so that there are no overdue patients.

(c) In each category, of the patients who have not had their procedure within the clinically recommended time, the 10 per cent of patients who have waited the longest must have their procedure in each year. This is a requirement to receive Part 2 reward funding.

A27 Reward payments will be based on the performance achieved in each of the assessment periods. Reward payments will be made annually by 30 June of the following assessment period, providing that the relevant data has been supplied to the Commonwealth in accordance with **Table A9**.

A28 The achievement of targets will be assessed by the COAG Reform Council. After receipt of the COAG Reform Council's report, the Commonwealth will determine whether reward payments will be made.

A29 Consistent with Clause C14 of the *Intergovernmental Agreement on Federal Financial Relations*, States and Territories agree to provide data under this Schedule which is of the highest accuracy and quality, as well as being provided in accordance with **Table A9.**

A30 Following receipt of an assessment from the COAG Reform Council, prior to a determination of a reward payment, the Commonwealth has discretion in the application of any adjustment having regard to any exceptional circumstances that may have impacted on a State or Territory's capacity to meet the performance indicators or targets.

PERFORMANCE BENCHMARKS

Baseline and Targets

A31 The following performance benchmarks will apply for **Part 1 of the NEST**:

(a) 2010 calendar year average will be the baseline against which performance will be assessed.

(b) States and Territories are required to progressively improve the percentage of patients waiting for surgery seen within the clinically recommended time for all Urgency Categories as shown in Tables A5 to A7.

A32 Final and interim targets to be met by New South Wales, Victoria, Queensland, Western Australia and South Australia are shown in **Tables A5 to A7. Assessment is based on the average performance over the year.**

(a) Recognising that Category 1 patients are the most urgent, the final target of 100 per cent yearly average must be achieved in 2013.

(b) Category 2 and 3 patients final target of 100 per cent must be achieved in 2015.

A33 Final and interim targets to be met by smaller jurisdictions of Tasmania, Northern Territory and the Australian Capital Territory are shown in **Tables A5 to A7**. **Assessment is based on the average performance over the year.**

(a) Recognising that Category 1 patients are the most urgent, the final target of 100 per cent yearly average must be achieved in 2014.

(b) Category 2 and 3 patients final target of 100 per cent must be achieved in 2016.

A34 A jurisdiction is not eligible to receive **any** reward payment for a period if its achievement against **any** of the three targets in that period is less than the baseline in **Tables A5 to A7**. Any reward payment that is not paid in this case does not carry over to later periods.

Part 1 – Improvement in Patients treated within 'Clinically Recommended' Time

Table A5:National Elective Surgery Target – Urgency Category 1[1]

State	NSW	VIC	QLD	WA	SA	TAS	ACT	NT
Baseline	**92.3%**	**100.0%**	**83.0%**	**87.4%**	**87.5%**	**75.4%**	**91.8%**	**79.1%**
2012	96.0%	100.0%	89.0%	94.0%	94.0%	84.0%	95.0%	83.0%
2013	100.0%	100.0%	100.0%	100.0%	100.0%	92.0%	97.0%	94.0%
2014	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
2015	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
2016						100.0%	100.0%	100.0%

Table A6: National Elective Surgery Target - Urgency Category 2[1]

State	NSW	VIC	QLD	WA	SA	TAS	ACT	NT
Baseline	**86.6%**	**72.5%**	**74.8%**	**79.2%**	**87.6%**	**59.3%**	**44.1%**	**56.9%**
2012	90.0%	79.0%	81.0%	84.0%	91.0%	67.0%	55.0%	59.0%
2013	93.0%	86.0%	87.0%	90.0%	94.0%	76.0%	66.0%	74.0%
2014	97.0%	93.0%	94.0%	95.0%	97.0%	84.0%	78.0%	83.0%
2015	100.0%	100.0%	100.0%	100.0%	100.0%	92.0%	89.0%	91.0%
2016						100.0%	100.0%	100.0%

Table A7: National Elective Surgery Target - Urgency Category 3[1]

State	NSW	VIC	QLD	WA	SA	TAS	ACT	NT
Baseline	**89.4%**	**91.9%**	**88.1%**	**97.2%**	**95.5%**	**76.8%**	**76.9%**	**81.6%**
2012	92.0%	94.0%	91.0%	98.0%	97.0%	81.0%	82.0%	84.0%
2013	95.0%	96.0%	94.0%	99.0%	98.0%	86.0%	86.0%	89.0%
2014	97.0%	98.0%	97.0%	99.0%	99.0%	91.0%	91.0%	93.0%
2015	100.0%	100.0%	100.0%	100.0%	100.0%	95.0%	95.0%	96.0%
2016						100.0%	100.0%	100.0%

1 Note: Baseline for Tables above is 2010 calendar year average, to provide the most comparable measure with what states will be reporting unless where otherwise agreed with an individual state or territory.

A35 A jurisdiction's available reward payment under Part 1 will be split three ways, linked equally to each of the targets for Urgency Categories 1, 2 and 3 set out in **Tables A5 to A7**.

A36 If a jurisdiction exceeds the target for a period, 100 per cent of the reward payment available in that period will be paid.

A37 The following performance benchmarks will apply to **Part 2 of the NEST**.

A38 States and Territories are required to reduce the average waiting times so that there are no overdue patients by the conclusion of the Agreement. The targets by average day reduction, by category, are shown at **Table A8** and specified below:

(a) For Category 1 patients:

I. by 31 December 2012 for New South Wales, Victoria, Queensland, Western Australia and South Australia; and

II. by 31 December 2013 for Tasmania, the Northern Territory and the Australian Capital Territory.

(b) For Category 2 and 3 patients:

I. by 31 December 2015 for New South Wales, Victoria, Queensland, Western Australia and South Australia; and

II. by 31 December 2016 for Tasmania, the Northern Territory and the Australian Capital Territory.

(c) As per **Clause A26 (c)** jurisdictions are also required to ensure in each calendar year that the 10 per cent of patients who have waited the longest in Urgency Categories 2 and 3 must have their surgery, or appropriate alternative treatment options identified.

Part 2 – Reduction in 'Long Waits'

Table A8: National Elective Surgery Target – Schedule for the average overdue wait time (in days) for those who have waited beyond the recommended time[1,2]

	Cat	31 Dec 10	31 Dec 12	31 Dec 13	31 Dec 14	31 Dec 15	31 Dec 16
NSW	1	0	0				
	2	39	29	20	10	0	
	3	130	98	65	33	0	
VIC	**1**	0	0				
	2	129	97	65	32	0	
	3	165	124	83	41	0	
QLD	**1**	18	0				
	2	89	67	45	22	0	
	3	81	61	41	20	0	
WA	**1**	27	0				
	2	90	68	45	23	0	
	3	87	65	44	22	0	
SA	**1**	31	0				
	2	30	23	15	8	0	
	3	45	34	23	11	0	
TAS	**1**	138	69	0			
	2	356	285	214	142	71	0
	3	440	352	264	176	88	0
ACT	**1**	45	23	0			
	2	179	143	107	72	36	0
	3	246	197	148	98	49	0
NT	**1**	67	34	0			
	2	97	78	58	39	19	0
	3	144	115	86	58	29	0

1 Data is taken from the Elective Surgery Waiting List Reduction Plan data submission.

2 Performance against Table A8 is calculated by adding the total number of overdue days in each respective urgency category, and dividing this by the total number of overdue patients in the relevant urgency category.

A39 A jurisdiction's available reward payment under Part 2 will be contingent on achieving the target in all Categories in **Table A8** and **Clause A 26 (c).**

A40 As per **Table A8** Part 2 of the NEST will be assessed at 31 December of each assessment period as a point in time measure.

(a) Performance against Table A8 will be calculated by adding the total number of overdue days in each respective urgency category, and dividing this by the total number of overdue patients in each urgency category.

A41 States and Territories agree that to meet the NEST patients may receive their treatment through other public hospitals in their Local Hospital Network, through another Local Hospital Network, or at a private hospital, with any increase in costs at the State's or Territory's expense.

A42 States and Territories will endeavour to enter into long term arrangements with private sector providers where this can help ensure hospitals within a Local Hospital Network are better able to meet the NEST.

A43 The Commonwealth will look to reassign any unused reward funding by the end of the Agreement to other Commonwealth health priorities.

PERFORMANCE REPORTING

A44 The Commonwealth and States and Territories agree to continue to provide the throughput, waiting list and Performance Indicator data and input to the Quarterly National Progress Report to Australian Health Ministers on an ongoing quarterly basis, as provided for the Elective Surgery Waiting List Reduction Plan and to the COAG Reform Council, consistent with Clause C14 and C14A of the Intergovernmental Agreement on Federal Financial Relations.

A45 The agreed Performance Indicators are the:

(a) number of additional patients receiving elective surgery from waiting lists;

(b) number of patients removed from waiting lists for reasons other than admission as an elective patient;

(c) number and percentage of patients seen within the clinically recommended time by urgency category;

(d) median waiting time for the 15 indicator procedures (including knee and hip replacements, cataract surgery, septoplasty, etc);

(e) median waiting times by urgency category;

(f) number of elective surgical episodes with one or more adverse events; and

(g) number of unplanned readmissions within 28 days of discharge from hospital following an episode of elective surgery.

A46 The following documents issued by the Commonwealth provide detail on the scope, definition, format, data items and reporting requirements that apply to data referred to in this Schedule:

(a) the latest version of *2008 Elective Surgery Waiting List Reduction Plan – Performance Reporting Specifications*, and any subsequent updates; and

(b) the latest version of *Elective Surgery Waiting List Reduction Plan – Data Request Specifications and Edits*, and any subsequent updates.

A47 States and Territories agree that the information at the level of individual hospitals reported to the Commonwealth will be made available on each jurisdiction's website and on a Commonwealth website, with the exception of date and reason for removal of individual patients.

A48 The Commonwealth and States and Territories agree that the ongoing quarterly performance and public reporting will be in accordance with the following timetable, unless realignment is agreed to by the Parties to coordinate with other reporting requirements.

Table A9: Reporting Periods and Due Dates [1]

Year	Reporting Period	Supply by Jurisdictions of Quarterly Unit-Record Year-to-Date Data	Public release by Jurisdictions of Quarterly Elective Surgery Reporting	Supply by Jurisdictions of Input to Quarterly Plan Report to Australian Health Ministers	Supply of performance data to the COAG Reform Council
	September Quarter	31 October 2010	31 November 2010	31 November 2010	
2010	December Quarter	31 January 2011	28 February 2011	28 February 2011	
	March Quarter	30 April 2011	31 May 2011	31 May 2011	
	June Quarter	31 July 2011	31 August 2011	31 August 2011	
2011	September Quarter	31 October 2011	30 November 2011	30 November 2011	
	December Quarter	31 January 2012	28 February 2012	28 February 2012	28 February 2012
	March Quarter	30 April 2012	31 May 2012	31 May 2012	
	June Quarter	31 July 2012	31 August 2012	31 August 2012	
2012	September Quarter	31 October 2012	30 November 2012	30 November 2012	
	December Quarter	31 January 2013	28 February 2013	28 February 2013	28 February 2013
	March Quarter	30 April 2013	31 May 2013	31 May 2013	
	June Quarter	31 July 2013	31 August 2013	31 August 2013	
2013	September Quarter	31 October 2013	30 November 2013	30 November 2013	
	December Quarter	31 January 2014	28 February 2014	28 February 2014	28 February 2014
	March Quarter	30 April 2014	31 May 2014	31 May 2014	
	June Quarter	31 July 2014	31 August 2014	31 August 2014	
2014	September Quarter	31 October 2014	30 November 2014	30 November 2014	
	December Quarter	31 January 2015	28 February 2015	28 February 2015	28 February 2015
	March Quarter	30 April 2015	31 May 2015	31 May 2015	
	June Quarter	31 July 2015	31 August 2015	31 August 2015	
2015	September Quarter	31 October 2015	30 November 2015	30 November 2015	
	December Quarter	31 January 2016	28 February 2016	28 February 2016	28 February 2016
	March Quarter	30 April 2016	31 May 2016	31 May 2016	
	June Quarter	31 July 2016	31 August 2016	31 August 2016	
2016	September Quarter	31 October 2016	30 November 2016	30 November 2016	
	December Quarter	31 January 2017	28 February 2017	28 February 2017	28 February 2017

1 Reports for 2016 are only required for those States and Territories that have targets listed for 2016 in tables A5 – A8 above.

CALCULATION OF PERFORMANCE MEASURES

A49 Assessment will be made against the targets shown in **Tables A5 to A8** and **Clauses A32, A33** and **A38**.

A50 The reporting periods are shown in **Table A9**.

A51 The performance measures will be calculated from unit level data provided by States and Territories. States and Territories will submit accurate and verifiable data within one month of the end of each quarter.

A52 The unit level data must conform to the edit rules in the latest version of the *Elective Surgery Waiting List Reduction Plan – Data Request Specifications and Edits*, and any subsequent updates.

ASSESSMENT PERIODS

A53 Assessment periods for the elective surgery urgency categories and long wait reduction targets are shown in **Table A10**.

Table A10: Assessment Periods

Period 1	1 January 2012	to	31 December 2012
Period 2	1 January 2013	to	31 December 2013
Period 3	1 January 2014	to	31 December 2014
Period 4	1 January 2015	to	31 December 2015
Period 5	1 January 2016	to	31 December 2016

JOINT ROLES OF THE COMMONWEALTH AND THE STATES AND TERRITORIES

A54 In order to develop consistent national elective surgery categories, the parties agree that the Standing Council on Health will:

(a) request that the Australian Institute of Health and Welfare work with the Royal Australasian College of Surgeons to, as a matter of urgency, develop national definitions for elective surgery categories, including 'not ready for care';

(b) develop and apply more detailed guidelines to the existing categories to ensure as much consistency as possible in measurement and data collection, both within and between jurisdictions, whilst new definitions are under development; and

(c) agree that for future agreements consideration will be given to developing a measure of surgical access time from General Practitioner referral to surgical care, to reflect the actual waiting time for patients and demand for elective surgery performance.

DEFINITIONS

A55 **Clinically recommended time** refers to the recommended waiting time for surgery assigned by a clinician and based on an elective surgery patient's health condition and circumstance. Clinically recommended times are associated with urgency categories, as described below. Updates to these descriptions can be made by agreement of Health Ministers:

Category	***Description***
Category One – Urgent	A patient will be allocated to category one if their health condition has the potential to deteriorate quickly to the point that it may become an emergency. **Recommended waiting time is no longer than 30 days**.
Category Two - Semi-urgent	A patient will be allocated to category two if their health condition is causing some pain, dysfunction or disability but is unlikely to deteriorate quickly or become an emergency. **Recommended waiting time is no longer than 90 days.**
Category Three - Non-urgent	A patient will be allocated to category three if their health condition is causing them minimal or no pain, dysfunction or disability, is unlikely to deteriorate quickly and does not have the potential to become an emergency. **Recommended waiting time is no longer than 365 days.**

A56 **The Elective Surgery Waiting List Reduction Plan** is a 2007 initiative implemented to reduce the number of elective surgery patients overdue for surgery and improve the delivery of elective surgery across Australia. The Plan has three stages:

(a) Stage One - $150 million to bring about an immediate reduction in the number of people waiting longer than the clinically recommended time for elective surgery;

(b) Stage Two - $150 million for system and infrastructure improvements that will improve elective surgery performance in the long-term; and

(c) Stage Three - Up to $300 million to reward States and Territories for the achievement of specific targets to improve elective surgery performance. The National Partnership Agreement on the Elective Surgery Waiting List Reduction Plan sets out the aims and objectives of Stage Three and is available at www.federalfinancialrelations.gov.au.

Schedule B

Elective Surgery Capital Funding

NATIONAL HEALTH REFORM AGREEMENT-NATIONAL PARTNERSHIP AGREEMENT ON IMPROVING PUBLIC HOSPITAL SERVICES

DESCRIPTION

B1 The Australian Government will provide $150 million nationally from 2009-10 to 2011-12 to boost elective surgery capacity in public hospitals to help achieve the new National Elective Surgery Target (NEST) outlined in **Schedule A**.

B2 States and Territories agree to work in close alliance with Local Hospital Networks to achieve the objectives and outputs of **Schedule B**.

Project Eligibility Criteria

B3 To assist States and Territories to achieve the NEST, projects should aim to increase elective surgery capacity and improve the delivery of elective surgery.

B4 Funding may be used for, but is not limited to, projects such as:

(a) purchase of surgical equipment, including information technology to improve clinical and management systems;

(b) construction of new elective surgery facilities, such as day surgery centres or elective surgery centres; and

(c) construction of new operating theatres.

B5 States and Territories agree to ensure funding is used in the most efficient way to help meet the NEST set out in **Schedule A** and manage any potential risks for each project being funded.

B6 States and Territories can flexibly move funding allocated to this Schedule to other Schedules within this Agreement but only in strict accordance with the requirements set out in **Clause 32.**

REPORTING REQUIREMENTS

Implementation Plans

B7 States and Territories will provide satisfactory Implementation Plans, for approval by the Commonwealth, by 31 October 2010 and in accordance with the template at **Annex 1**.

B8 The Implementation Plans will detail the scope, cost and timeframe for projects to be funded under the initiative in order to help achieve the NEST set out in **Schedule A.**

B9 Implementation Plans should outline the activities, funding allocations, timeframes, the relationship with relevant Commonwealth or state-funded activities and expected improvements to service delivery of each capital project and may be published online. Implementation Plans should also outline how State and Territory funding and reform plans link with national reform directions.

B10 States and Territories may provide implementation details relating to this Schedule in a single consolidated Implementation Plan covering more than one of the Schedules to this Agreement. The Commonwealth will accept a consolidated Implementation Plan, provided it explicitly and separately covers each individual Schedule's objectives.

Progress Reports

B11 States and Territories will report against the projects set out in the Implementation Plans every six months during the operation of the Agreement. Reports are expected in the format at **Annex 2** and in accordance with the following timeframes:

Table B1: Progress Reports

Reporting Period	Due date
1 July 2010 to 31 December 2010	28 February 2011, or the next working day
1 January 2011 to 30 June 2011	31 August 2011, or the next working day
1 July 2011 to 31 December 2011	28 February 2012, or the next working day
1 January 2012 to 30 June 2012	31 August 2012, or the next working day
1 July 2012 to 31 December 2012	28 February 2013, or the next working day

B12 States and Territories may provide Progress Report details relating to this Schedule in a single consolidated Progress Report covering more than one of the Schedules to this Agreement. The Commonwealth will accept a consolidated Progress Report, provided it explicitly and separately covers the objectives and outputs of each individual Schedule's objectives and outputs in the consolidated Progress Report.

Final Report

B13 States and Territories will provide a Final Report within 90 days of the completion of all the projects agreed under the Implementation Plan, or by 30 June 2013 (whichever comes first).

B14 The Final Report will:

(a) describe the conduct, benefits and outcomes of the projects as a whole;

(b) evaluate the extent to which projects funded have achieved the objectives contained in the Implementation Plan; and

(c) explain why any aspect was not achieved.

B15 The Final Report for **Schedule B** must be provided to the Commonwealth as a separate report.

FUNDING

B16 The Commonwealth provided States and Territories with $150 million from 2009-10.

B17 State and Territory funding allocations for the elective surgery capital investment are as follows:

Table B2: Distribution of Elective Surgery Capital[1, 2]

Year	NSW ($m)	VIC ($m)	QLD ($m)	WA ($m)	SA ($m)	TAS ($m)	ACT ($m)	NT ($m)	AUS ($m)
2009-10	10.1	8.1	6.9	0.0	3.2	1.9	1.7	1.5	33.4
2010-11	23.5	18.9	16.1	13.7	7.5	4.4	4.0	3.5	91.6
2011-12	6.7	5.4	4.6	2.8	2.2	1.2	1.1	1.0	25.0
Total	**40.3**	**32.4**	**27.6**	**16.5**	**12.9**	**7.5**	**6.8**	**6.0**	**150.7**

1 Funding for the elective surgery capital investment has been distributed with a $5 million flagfall for each jurisdiction with the remaining funding distributed by estimated population spread across the financial years.

2 Columns and rows may not add due to rounding. Actual payments will be calculated to the nearest dollar.

B18 Half of the 2009-10 funding allocation was provided to States and Territories (with the exception of Western Australia) in June 2010 through an exchange of letters. The remaining half of the 2009-10 funding is reflected in the 2010-11 allocation in **Table B2**. This funding was provided in order to commence public hospital reform initiatives ahead of finalisation of this Agreement.

B19 All States and Territories signed the Agreement on 13 February 2011 and received the balance of 2009-10 funding.

B20 Successive payments to States and Territories by the Commonwealth, totalling $75 million, were provided following receipt and acceptance of satisfactory Implementation Plans and Progress Reports.

Table B3: Payment timeframes

Funding amount	Payment delivery
2010-11 payment	Second Quarter of 2010-11, following receipt and acceptance of a satisfactory Implementation Plan by 31 October 2010.
2011-12 payment	Second Quarter of 2011-12, on receipt and acceptance of satisfactory Progress Reports.

Schedule C

National Emergency Access Target – Facilitation and Reward Funding

NATIONAL HEALTH REFORM AGREEMENT-NATIONAL PARTNERSHIP AGREEMENT ON IMPROVING PUBLIC HOSPITAL SERVICES

DESCRIPTION

C1 The objective and output of this Schedule will be achieved through a four hour NEAT where 90 per cent of all patients presenting to a public hospital ED will either physically leave the ED for admission to hospital, be referred to another hospital for treatment, or be discharged within four hours.

C2 The safety of patients is the utmost priority, and the target is not intended to overrule clinical judgment. Decisions on whether it is clinically appropriate for a patient to be retained in an ED for more than four hours will be at the discretion of the clinicians.

C3 This National Partnership payment will provide $500 million nationally from 2010-11 to 2015-16 for ED facilitation and reward funding.

C4 This payment will comprise $300 million for facilitation funding over a period of three years, commencing from 1 July 2010, and up to $200 million in reward funding for a period of four years, commencing in 2012-13.

C5 The schedule sets out key performance benchmarks, funding and reporting requirements.

C6 Alternative interim targets may be agreed between the Commonwealth and individual jurisdictions in writing.

C7 The initial focus of the NEAT are the hospitals that currently provide patient level episode data to the Non-admitted patient ED data minimum data set. Application of the target to remaining hospitals, including smaller rural and remote hospitals, will be agreed between the Commonwealth and individual jurisdictions in their respective Implementation Plans and be subject to periodic review.

C8 The Commonwealth Government and States and Territories will take into consideration the work completed and under way as part of Schedule D of the *National Partnership Agreement on Hospital and Health Workforce Reform* in implementing this Agreement.

C9 States and Territories agree to work in close alliance with Local Hospital Networks to achieve the objectives and outputs of **Schedule C**.

C10 The parties agree that whole-of-hospital engagement in achieving the NEAT will be essential, ensuring that all obstacles to effective patient flow are removed.

FACILITATION FUNDING

C11 $300 million in facilitation funding payments, as set out in **Table C1**, will be provided to assist jurisdictions in achieving the NEAT.

Table C1: Estimated Facilitation Funding [1, 2, 3]

Year	NSW ($m)	VIC ($m)	QLD ($m)	WA ($m)	SA ($m)	TAS ($m)	ACT ($m)	NT ($m)	Total ($m)
2010-11	56.7	43.5	35.4	18.0	12.9	4.0	2.8	1.7	175.0
2011-12	24.3	18.7	15.1	7.7	5.6	1.7	1.2	0.7	75.0
2012-13	16.0	12.4	10.3	5.2	3.6	1.1	0.8	0.5	50.0
Total	**96.9**	**74.6**	**60.9**	**31.0**	**22.1**	**6.8**	**4.7**	**3.0**	**300.0**

1 Funding has been distributed based on estimated population.

2 Estimated funding allocations are contingent on performance and assume a national roll-out.

3 Columns and rows may not add due to rounding. Actual payments will be calculated to the nearest dollar.

C12 Facilitation funding payments for 2010-11 have been paid to States and Territories following receipt and approval of Implementation Plans.

C13 Successive facilitation funding payments to States and Territories by the Commonwealth, for 2011-12 and 2012-13, will be provided on the next available payment date after receipt by the Commonwealth of satisfactory Implementation Plans and Progress Reports by the States and Territories.

C14 Payment timeframes for facilitation payments are outlined below.

Table C2: Payment timeframes

Funding amount	Payment delivery
2010-11 payment - $175 million	First Quarter of 2010-11
2011-12 payment - $75 million	First Quarter of 2011-12, on receipt and acceptance of satisfactory Implementation Plans, due 31 October 2010, and initial Progress Reports from 2010-11.
2012-13 payment - $50 million	First Quarter of 2012-13, on receipt and acceptance of satisfactory Implementation Plans, due 31 October 2010, and initial Progress Reports from 2011-12.

Implementation Plans

C15 States and Territories will ensure facilitation funding is used in the most efficient and effective way to meet the new NEAT for ED patients, including managing potential risks for each project being funded.

C16 States and Territories can flexibly move funding allocated in **Table C1** to other Schedules within this Agreement but only in strict accordance with the requirements set out in **Clause 32**.

C17 The Implementation Plan will detail the scope, cost and timeframe for projects funded in order to help achieve the NEAT.

C18 The Implementation Plan may include, but is not limited to, projects such as:

(a) ED equipment;

(b) new ED infrastructure;

(c) information technology systems to manage patient flow through EDs; and

(d) new hospital staff to deliver ED services.

C19 Implementation Plans should outline the activities, funding allocations, timeframes, relationship with relevant Commonwealth or State and Territory-funded activities and expected improvements to service delivery of each capital project, and may be published online. Implementation Plans should also outline how State and Territory funding and reform plans link with national reform directions.

C20 States and Territories may provide implementation details relating to this Schedule in a single consolidated Implementation Plan covering more than one of the Schedules to this Agreement. The Commonwealth will accept a consolidated Implementation Plan, provided it explicitly and separately covers each individual Schedule's objectives.

Progress Reports

C21 States and Territories will report against the projects set out in the Implementation Plan in respect of every half year during the operation of the Agreements. Reports are expected by 28 February (for the period of July to December) and 31 August (for the period January to June) each year and in the format at **Annex 2**.

Table C3: Reporting Periods and Due Dates

Reporting Period	Due date
1 July 2010 to 31 December 2010	28 February 2011, or the next working day
1 January 2011 to 30 June 2011	31 August 2011, or the next working day
1 July 2011 to 31 December 2011	28 February 2012, or the next working day
1 January 2012 to 30 June 2012	31 August 2012, or the next working day
1 July 2012 to 31 December 2012	28 February 2013, or the next working day
1 January 2013 to 30 June 2013	31 August 2013, or the next working day
1 July 2013 to 31 December 2013	28 February 2014, or the next working day
1 January 2014 to 30 June 2014	31 August 2014, or the next working day
1 July 2014 to 31 December 2014	28 February 2015, or the next working day
1 January 2015 to 30 June 2015	31 August 2015, or the next working day
1 July 2015 to 31 December 2015	28 February 2016, or next working day

C22 States and Territories may provide Progress Report details relating to this Schedule in a single consolidated Progress Report covering more than one of the Schedules to this Agreement. The Commonwealth will accept a consolidated Progress Report, provided it explicitly and separately covers the objectives and outputs of each individual Schedule's objectives and outputs in the consolidated Progress Report.

Final Report

C23 States and Territories will provide:

(a) an Interim Report on the facilitation funding component within 90 days of completion of all the projects agreed under the Implementation Plan, or by 30 June 2016 (which ever comes first); and

(b) a Final Report on 30 June 2016.

C24 The Reports will:

(a) describe the conduct, benefits and outcomes of the Program as a whole;

(b) evaluate the Program from the Parties' perspective, including assessing the extent to which the objective has been achieved against the key performance benchmarks and indicators contained in Implementation Plans over the period of the Program, and explaining why any aspect was not achieved; and

(c) include a discussion of any other matters, relating to the Program, which the Commonwealth Minister notifies the Party should be included in this final Project Report at least 30 days before it is due.

C25 With the exception of **Clauses B15**, **D15** and **F12**, States and Territories may provide Final Report details relating to this Schedule in a single consolidated Final Report covering more than one of the Schedules to this Agreement. The Commonwealth will accept a consolidated Final Report, provided it explicitly and separately covers the objectives and outputs of each individual Schedule's objectives and outputs in the consolidated Final Report.

REWARD FUNDING

C26 The Commonwealth will provide up to $200 million in reward funding. Reward funding will be provided to jurisdictions based on their achievement in meeting the NEAT. The notional annual allocation of reward funding, subject to achievement of targets, is shown in **Table C4**.

Table C4: Estimated Annual Reward Funding Allocation [1, 2, 3]

Year	NSW ($m)	VIC ($m)	QLD ($m)	WA ($m)	SA ($m)	TAS ($m)	ACT ($m)	NT ($m)	Total ($m)
2012-2013	15.9	12.4	10.4	5.3	3.5	1.1	0.8	0.6	**50.0**
2013-2014	15.9	12.4	10.4	5.3	3.5	1.1	0.8	0.6	**50.0**
2014-2015	15.9	12.4	10.4	5.3	3.5	1.1	0.8	0.6	**50.0**
2015-2016	15.9	12.4	10.4	5.3	3.5	1.1	0.8	0.6	**50.0**
Total	**63.6**	**49.6**	**41.6**	**21.3**	**14.1**	**4.4**	**3.2**	**2.2**	**200.0**

1 Funding has been distributed based on estimated population.

2 Estimated funding allocations are contingent on performance, and assume a national roll-out distributed based on estimated population.

3 Columns and rows may not add due to rounding. Actual payments will be calculated to the nearest dollar.

C27 Reward payments will be based on the performance achieved in each of the assessment periods. Reward payments will be made annually by 30 June of the following assessment period, providing that the relevant data has been supplied to the Commonwealth in accordance with **Table C6**. Target achievements are subject to assessment by the COAG Reform Council.

C28 The achievement of targets will be assessed by the COAG Reform Council. After receipt of the COAG Reform Council's report, the Commonwealth Government will determine whether reward payments will be made.

C29 Following receipt of an assessment from the COAG Reform Council, prior to the determination of a reward payment, the Commonwealth has discretion in the application of any adjustment having regard to any exceptional circumstances that may have impacted on a State or Territory's capacity to meet the performance indicators or targets.

C30 A jurisdiction's minimum achievement to receive reward funding for a period is 50 per cent of the distance between the target for the preceding period and the target for the current period (or between the baseline and the target for the period in respect of the first period).

(For example, if the target for the preceding period was 85.0 per cent, and the target for the period is 87.0 per cent, the minimum achievement for the period is 86.0 per cent.)

C31 If a jurisdiction does not achieve the target for a period any unpaid reward payment will be added to the reward payment available to the jurisdiction in the next period. Any reward payments which are not made by the end of 2015-16 will not be available to jurisdictions.

C32 For any unused reward funding the Commonwealth would look to reassign those funds to other Commonwealth health priorities.

PERFORMANCE BENCHMARKS

C33 2009-10 will be the baseline against which performance will be assessed.

C34 The baseline and targets for this outcome, including all ED presentations across all triage categories, are shown in **Table C5**.

Table C5: Baselines and targets [1]

State	NSW	VIC	QLD	WA	SA	TAS	ACT	NT
Baseline	**61.8%**	**65.9%**	**63.8%**	**71.3%**	**59.4%**	**66.0%**	**55.8%**	**66.2%**
1 Jan 2012 to 31 Dec 2012 (Period 1)	69.0%	72.0%	70.0%	76.0%	67.0%	72.0%	64.0%	69.0%
1 Jan 2013 to 31 Dec 2013 (Period 2)	76.0%	78.0%	77.0%	81.0%	75.0%	78.0%	73.0%	78.0%
1 Jan 2014 to 31 Dec 2014 (Period 3)	83.0%	84.0%	83.0%	85.0%	82.0%	84.0%	81.0%	84.0%
1 Jan 2015 to 31 Dec 2015 (Period 4)	**90.0%**	**90.0%**	**90.0%**	**90.0%**	**90.0%**	**90.0%**	**90.0%**	**90.0%**

1 Baseline is derived from the 2009-10 Non-Admitted Patient ED Care National Minimal Data Set, without "exclusions" unless where otherwise agreed with an individual state or territory. The targets increase progressively between 2011 and 2015. Targets are the average performance over the calendar year. rewards apply from 2012 to 2015. The baseline does not represent similar hospitals in all States and Territories as it includes all hospitals that currently report to the Non-Admitted Patient Emergency Department National Minimum Data Set – it is assumed to include all peer group A and B hospitals with EDs and it is noted that additional hospitals may be included over time.

PERFORMANCE REPORTING

C35 The Commonwealth and States and Territories agree to provide quarterly data to the Non-Admitted Patient ED Care National Minimum Data Set, within one month following each quarter as set out in **Table C6**.

C36 Consistent with Clause C14 of the Intergovernmental Agreement on Federal Financial Relations, States and Territories agree to provide data under this Schedule which is of the highest accuracy and quality, as well as being provided in a timely manner.

C37 The Commonwealth and States and Territories agree that the information at the level of individual hospitals reported to the Commonwealth will be made available on each jurisdiction's website and on a Commonwealth website.

C38 Data collected will be used to determine State and Territory performance against the NEAT.

C39 Reporting requirements under this Agreement should be read in conjunction with the provisions in Schedule C to the Intergovernmental Agreement on Federal Financial Relations.

C40 The performance benchmarks will be monitored and independently assessed for each State and Territory by the COAG Reform Council.

C41 The Commonwealth and States and Territories agree that the ongoing quarterly performance and public reporting will be in accordance with the following timetable, unless realignment is agreed to by the Parties to coordinate with other reporting requirements:

Table C6: Reporting Periods and Due Dates

Year	Reporting Period	Supply by Jurisdictions of Quarterly Data	Public release by Jurisdictions of Quarterly Emergency Department Reporting	Supply of performance data to the COAG Reform Council
2011	March Quarter	30 April 2011	31 May 2011	
	June Quarter	31 July 2011	31 August 2011	
	September Quarter	31 October 2011	30 November 2011	
	December Quarter	31 January 2012	28 February 2012	28 February 2012
2012	March Quarter	30 April 2012	31 May 2012	
	June Quarter	31 July 2012	31 August 2012	
	September Quarter	31 October 2012	30 November 2012	
	December Quarter	31 January 2013	28 February 2013	28 February 2013
2013	March Quarter	30 April 2013	31 May 2013	
	June Quarter	31 July 2013	31 August 2013	
	September Quarter	31 October 2013	30 November 2013	
	December Quarter	31 January 2014	28 February 2014	28 February 2014
2014	March Quarter	30 April 2014	31 May 2014	
	June Quarter	31 July 2014	31 August 2014	
	September Quarter	31 October 2014	30 November 2014	
	December Quarter	31 January 2015	28 February 2015	28 February 2015
2015	March Quarter	30 April 2015	31 May 2015	
	June Quarter	31 July 2015	31 August 2015	
	September Quarter	31 October 2015	30 November 2015	
	December Quarter	31 January 2016	28 February 2016	28 February 2016

KEY PERFORMANCE INDICATORS

C42 The percentage of ED patients, who either physically leave the ED for admission to hospital, are referred for treatment or are discharged, whose total time in the ED is within four hours, as per **Clause C1**.

C43 The number, source and percentage of ED attendances which are unplanned re-attendances within 48 hours of previous attendances.

ASSESSMENT PERIODS

C44 Assessment periods for the staged targets are twelve month periods commencing 1 January 2012.

Table C7: Assessment Periods

Period 1	1 January 2012	to	31 December 2012
Period 2	1 January 2013	to	31 December 2013
Period 3	1 January 2014	to	31 December 2014
Period 4	1 January 2015	to	31 December 2015

CALCULATION OF PERFORMANCE FOR REWARD FUNDING

C45 The performance measures will be calculated from episode level data provided by States and Territories. States and Territories will submit accurate and verifiable data within one month of the end of each quarter.

C46 Performance against the target for each of the assessment periods will be measured as a calendar year average based on the number of patients whose length of stay in ED is four hours or less, as a proportion of the total number of ED presentations reported in that assessment period. The length of stay in ED, measured in minutes, will be calculated between the first recorded contact, with an ED staff member, when a patient physically presents at the ED, to when the patient physically departs the ED.

C47 To determine the level of reward funding available to States and Territories the percentage found by this indicator will be compared against targets set out in **Clause C34**.

JOINT ROLES OF THE COMMONWEALTH AND THE STATES AND TERRITORIES

C48 The parties agree that the Standing Council on Health, the Commonwealth and States and Territories will agree to implement the following definition of an ED Short Stay Unit, or equivalent, with the following characteristics:

(a) designated and designed for the short term treatment, observation, assessment and reassessment of patients initially triaged and assessed in the ED;

(b) have specific admission and discharge criteria and policies;

(c) designed for short term stays no longer than 24 hours;

(d) physically separated from the ED acute assessment area;

(e) have a static number of beds with oxygen, suction and patient ablution facilities; and

(f) not a temporary ED overflow area nor used to keep patients solely awaiting an inpatient bed nor awaiting treatment in the ED.

C49 The parties agree that by 31 December 2012, the Standing Council on Health will agree to a national definition and data collection for a performance indicator to determine the number of patients re-attending an ED within 48 hours.

Schedule D

Emergency Department Capital Funding

NATIONAL HEALTH REFORM AGREEMENT-NATIONAL PARTNERSHIP AGREEMENT ON IMPROVING PUBLIC HOSPITAL SERVICES

DESCRIPTION

D1 The Australian Government will provide $250 million nationally from 2009-10 to 2012-13 to enhance ED capacity in public hospitals to help achieve the NEAT for ED patients.

D2 The Commonwealth Government and the States and Territories will take into consideration the work completed and under way as part of **Schedule D** of the *National Partnership Agreement on Hospital and Health Workforce Reform* in implementing this National Partnership.

D3 States and Territories agree to work in close alliance with Local Hospital Networks to achieve the objectives and outputs of **Schedule D**.

Project Eligibility Criteria

D4 To assist States and Territories to achieve the NEAT for ED patients, funding should aim to improve ED capacity and patient management.

D5 Funding may be used for, but is not limited to, projects such as:

(a) various types of short stay or rapid assessment units;

(b) purchasing equipment to improve pathology and diagnostic services;

(c) facilities for alternative treatment options, such as co-located nurse practitioner or GP clinics; or

(d) information technology systems to manage patient flow through EDs.

REPORTING REQUIREMENTS

Implementation Plans

D6 States and Territories will ensure capital funding is used in the most efficient and effective way to meet the NEAT for ED patients, including managing potential risks for each project being funded.

D7 States and Territories can flexibly move funding allocated to this Schedule to other Schedules within the NPA but only in strict accordance with the requirements set out in **Clause 32**.

D8 The Implementation Plan will detail the scope, cost and timeframe for projects funded in order to help achieve the NEAT.

D9 Implementation Plans should outline the activities, funding allocations, timeframes, relationship with relevant Commonwealth or state-funded activities and expected improvements to service delivery of each capital project and may be published online. Implementation Plans should also outline how State and Territory funding and reform plans link with national reform directions.

D10 States and Territories may provide implementation details relating to this Schedule in a single consolidated Implementation Plan covering more than one of the Schedules to this Agreement. The Commonwealth will accept a consolidated Implementation Plan, provided it explicitly and separately covers each individual Schedule's objectives.

Progress Reports

D11 States and Territories will report against the projects set out in the Implementation Plan in respect of every half year during the operation of the Agreements. Reports are expected by 28 February (for the period July to December) and 31 August (for the period January to June), or the next working day, each year and in the format at **Annex 2.**

Table D1: Progress Reports

Reporting Period	Due date
1 July 2010 to 31 December 2010	28 February 2011, or the next working day
1 January 2011 to 30 June 2011	31 August 2011, or the next working day
1 July 2011 to 31 December 2011	28 February 2012, or the next working day
1 January 2012 to 30 June 2012	31 August 2012, or the next working day
1 July 2012 to 31 December 2012	28 February 2013, or the next working day
1 January 2013 to 30 June 2013	31 August 2013, or the next working day

D12 States and Territories may provide Progress Report details relating to this Schedule in a single consolidated Progress Report covering more than one of the Schedules to this Agreement. The Commonwealth will accept a consolidated Progress Report, provided it explicitly and separately covers the objectives and outputs of each individual Schedule's objectives and outputs in the consolidated Progress Report.

Final Report

D13 States and Territories will provide a Final Report within 90 days of the completion of all the projects agreed under the Implementation Plan, or by 30 June 2014 (which ever comes first).

D14 The Final Report will:

(a) describe the conduct, benefits and outcomes of the projects as a whole;

(b) evaluate the extent to which Projects funded have achieved the objectives contained in the Implementation Plan; and

(c) explain why any aspect was not achieved.

D15 The Final Report for **Schedule D** must be provided to the Commonwealth as a separate report.

FUNDING

D16 The Commonwealth will provide States and Territories with up to $250 million from 2009-10 to 2012-13.

D17 State and Territory funding allocations for the ED capital investment are as follows:

Table D2: Estimated Distribution of Emergency Department Capital[1, 2, 3]

Year	NSW ($m)	VIC ($m)	QLD ($m)	WA ($m)	SA ($m)	TAS ($m)	ACT ($m)	NT ($m)	Total ($m)
2009-10	14.5	11.4	9.6	0.0	4.0	1.9	1.7	1.4	44.6
2010-11	29.0	22.8	19.2	16.2	8.0	3.8	3.4	2.8	105.4
2011-12	14.5	11.4	9.6	5.4	4.0	1.9	1.7	1.4	50.0
2012-13	14.5	11.4	9.6	5.4	4.0	1.9	1.7	1.4	50.0
Total	**72.5**	**57.0**	**48.0**	**27.0**	**20.0**	**9.5**	**8.5**	**7. 0**	**250.0**

1 Funding for ED capital investment has been distributed with a $5 million flagfall for each jurisdiction with the remaining funding distributed by estimated population spread across the financial years.

2 Estimated funding allocations are contingent on performance and assume a national roll-out.

3 Columns and rows may not add due to rounding. Actual payments will be calculated to the nearest dollar.

D18 Half of the 2009-10 funding allocation was provided to States and Territories (with the exception of Western Australia) in June 2010 through an exchange of letters. This funding was provided in order to commence public hospital reform initiatives ahead of finalisation of this Agreement, with the balance rolled over to 2010-11.

D19 All States and Territories signed the Agreement on 13 February 2011 and received the balance of 2009-10 funding.

D20 Successive payments to States and Territories by the Commonwealth, totalling $150 million, will be provided dependent on receipt of satisfactory Implementation Plans and Progress Reports.

Table D3: Payment timeframes

Funding amount	Payment delivery
2010-11 payment	Second Quarter of 2010-11, on receipt and acceptance of a satisfactory Implementation Plan by 31 October 2010.
2011-12 payment	First Quarter of 2011-12, on receipt and acceptance of satisfactory Progress Reports.
2012-13 payment	First Quarter of 2012-13, on receipt and acceptance of satisfactory Progress Reports.

KEY PERFORMANCE BENCHMARKS

D21 By 2012-13, all of the capital funding is to be allocated to projects that will contribute to ED capacity and improve patient management.

Schedule E

New Subacute Beds Guarantee Funding

NATIONAL HEALTH REFORM AGREEMENT-NATIONAL PARTNERSHIP AGREEMENT ON IMPROVING PUBLIC HOSPITALS SERVICES

DESCRIPTION

E1 The Commonwealth Government will provide up to $1.623 billion in capital and recurrent funding from 2010-11 to 2013-14 to States and Territories to deliver and operate over 1,300 new subacute care beds nationally, in hospital and community settings, by the end of this period.

E2 The Commonwealth Government and the States and Territories will commit to the bed targets contained in this Schedule being new, additional subacute care beds in hospitals and bed-equivalents in the community (throughout this Schedule the term 'beds' refers to both beds and bed-equivalent community based services).

E3 These reforms will improve patient health outcomes, functional capacity and quality of life by increasing access to subacute care services including rehabilitation, palliative care, subacute mental health and Geriatric Evaluation and Management and psycho-geriatric services in both hospitals and the community.

E4 The reforms will also increase capacity in the public hospital system by freeing up acute care beds for those who need them and reducing pressure on EDs.

E5 In delivering new subacute care beds, States and Territories will take local needs and the needs of disadvantaged groups in the community into account and aim to improve the mix of services and distribution of subacute care across the region.

E6 States and Territories agree to plan the delivery of new beds to ensure they are distributed according to local need, maintain the availability of acute care beds and take into account any nationally identified subacute care benchmarks.

E7 States and Territories agree to actively engage sectors involved in the delivery of subacute services in the development of Implementation Plans and throughout the duration of the Schedule and facilitate the update of subacute care evidence-based guidelines and pathways to promote service quality.

E8 The Commonwealth Government and the States and Territories will agree and apply, by 31 August 2011, a nationally consistent method for measuring subacute care growth to determine the number of new, additional subacute care beds throughout the agreement period. Under the National Health Reform - National Partnership Agreement on Improving Public Hospital Services, the Commonwealth, States and Territories had agreed to apply the method by 31 December 2010.

E9 The Commonwealth Government and the States and Territories will take into consideration the work completed and under way as part of Schedule C of the *National Partnership Agreement on Hospital and Health Workforce Reform* in implementing this National Partnership.

E10 Progress against delivery of new subacute care beds and other agreed performance information will be collected and publicly reported.

E11 States and Territories agree to work in close alliance with Local Hospital Networks to achieve the objectives and outputs of **Schedule E**.

E12 States and Territories can flexibly move funding allocated to this Schedule to other Schedules within this Agreement but only in strict accordance with the requirements set out in **Clause 32**.

Project Eligibility Criteria

E13 To assist States and Territories to achieve the agreed targets for new, additional subacute care beds, funding may be used for the following purposes:

(a) construction of new subacute care beds (through new construction or refurbishment) in hospitals and the community, including purchase of subacute care equipment;

(b) employment of new hospital or community based staff, or expansion of their roles, to deliver additional subacute care services; and

(c) coordination across relevant Australian Government and State and Territory programs and activities to ensure seamless and high quality patient care, including: development and application of agreed nationally consistent performance measures; uptake and dissemination of relevant evidence-based guidelines; and IT systems to improve the management of patient flows across the health care system.

Targets and Performance Measurement

E14 The States and Territories commit to deliver and operate the following number of new, additional subacute beds over the years 2010-11 to 2013-14:

Table E1: Estimated Distribution of New Subacute Beds across States and Territories

Year	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2010-11	107	82	66	34	24	8	5	3	329
2011-12	215	163	133	67	49	15	11	7	660
2012-13	321	245	199	101	73	23	16	10	988
2013-14	428	326	265	135	97	30	21	14	1,316

E15 The States and Territories will jointly develop and agree a nationally consistent method for measuring subacute care growth. Growth each year must be in addition to that to be achieved under the National Partnership Agreement on Hospital and Health Workforce Reform.

(a) The Commonwealth provided 75 percent of 2010-11 Schedule E funding based on approved State and Territory Implementation Plans, following agreement by all States and Territories to finalise the measurement method by 31 August 2011. The remaining approved 2010-11 Schedule E funding is to be provided after agreement by the Commonwealth, States and Territories to the method.

E16 Measurement of State and Territory performance under this agreement will be comparable across all States and Territories and will include:

(a) the number of new subacute beds delivered through this initiative from 2010-11 to 2013-14. The baseline year is 2009-10.

(b) key performance benchmarks and indicators agreed under Schedule C of the National Partnership Agreement on Hospital and Health Workforce Reform, with any agreed amendments where required for consistency with the National Health Reforms.

E17 Consistent with Clause C14 of the Intergovernmental Agreement on Federal Financial Relations, States and Territories agree to provide data under this Schedule which is of the highest accuracy and quality, as well as being provided in a timely manner.

REPORTING REQUIREMENTS

Implementation Plans

E18 The Implementation Plan will detail the scope, cost and timeframe for projects funded in order to help achieve the New Subacute Beds Guarantee.

E19 Implementation Plans should detail the approach to be taken by each State and Territory to delivering new additional beds across its jurisdiction, including:

(a) proposed split between capital and recurrent funding for each year of the initiative;

(b) proposed distribution of funding and beds by hospital, health service, location, region and subacute care type;

(c) proposed timetable for delivery of new beds to meet agreed targets;

(d) details of proposed strategies, activities and projects, including funding allocations, timeframes, service delivery and bed numbers as a result of each project and relationships with any relevant Commonwealth, State or Territory-funded activities.

Implementation Plans should also outline how State and Territory funding and reform plans link with national reform directions.

E20 Implementation Plans will be published online.

E21 States and Territories may provide implementation details relating to this Schedule in a single consolidated Implementation Plan covering more than one of the Schedules to this Agreement. The Commonwealth will accept a consolidated Implementation Plan, provided it explicitly and separately covers each individual Schedule's objectives .

Progress Reports

E22 States and Territories will report against the projects set out in the Implementation Plan in respect of every half year during the operation of the Agreement according to the timeframe below and in the format at **Annex 2.**

Table E2: Progress Reports

Reporting Period	Due date
1 January 2011 to 30 June 2011	31 August 2011, or the next working day
1 July 2011 to 31 December 2011	28 February 2012, or the next working day
1 January 2012 to 30 June 2012	31 August 2012, or the next working day
1 July 2012 to 31 December 2012	28 February 2013, or the next working day
1 January 2013 to 30 June 2013	31 August 2013, or the next working day
1 July 2013 to 31 December 2013	28 February 2014, or the next working day
1 January 2014 to 30 June 2014	31 August 2014, or the next working day

E23 Progress Reports will provide service information including identification of new beds delivered, and projects in progress, and, in each case detailing their specific subacute care type, location, facility, and number of people encountered over the period.

E24 Progress Reports will also provide performance data in accordance with Targets and Performance Measurement (**Clauses E14 to E17**), demonstrating the number of new subacute beds delivered during the reporting period, which will be published online. The Commonwealth, States and Territories will agree to the progress reporting requirements and arrangements by 31 August 2011.

E25 The report due after the end of each financial year will include an acquittal of annual funding under this Schedule.

E26 States and Territories may provide Progress Report details relating to this Schedule in a single consolidated Progress Report covering more than one of the Schedules to this Agreement. The Commonwealth will accept a consolidated Progress Report, provided it explicitly and separately covers the objectives and outputs of each individual Schedule's objectives and outputs in the consolidated Progress Report.

Final Report

E27 States and Territories will provide a Final Report by 1 December 2014.

E28 The Final Report will:

(a) describe the conduct, benefits and outcomes of the New Subacute Beds Guarantee initiative as a whole;

(b) evaluate the New Subacute Beds Guarantee initiative from the individual State or Territory's perspective, including assessing the extent to which the objective has been achieved against the key performance benchmarks and indicators contained in Implementation Plans over the period of the New Subacute Beds Guarantee initiative, and explaining why any aspect was not achieved; and

(c) include a discussion of any other matters relating to the New Subacute Beds Guarantee initiative which the Commonwealth Minister notifies the individual State or Territory should be included in this Final Report at least 30 days before it is due.

E29 With the exception of **Clauses B15, D15** and **F12**, States and Territories may provide Final Report details relating to this Schedule in a single consolidated Final Report covering more than one of the Schedules to this Agreement. The Commonwealth will accept a consolidated Final Report, provided it explicitly and separately covers the objectives and outputs of each individual Schedule's objectives and outputs in the consolidated Final Report.

FUNDING

E30 The Commonwealth will provide States and Territories with up to $1.623 billion from 2010-11 to 2013-14.

E31 State and Territory funding allocations for these reforms are as follows:

Table E3: Estimated Distribution of New Subacute Beds Guarantee Funding[1,2,3]

Year	NSW ($m)	VIC ($m)	QLD ($m)	WA ($m)	SA ($m)	TAS ($m)	ACT ($m)	NT ($m)	Total ($m)
2010-11	76.0	58.2	46.9	24.1	17.0	5.7	3.6	2.1	233.6
2011-12	102.6	78.4	64.4	32.1	23.9	7.0	5.6	3.6	317.6
2012-13	145.0	111.1	89.8	45.9	32.8	10.6	7.0	4.3	446.5
2013-14	203.8	154.7	125.9	64.3	46.0	14.0	9.9	6.9	625.5

1 Estimated funding allocations are contingent on performance, and assume a national roll-out.

2 Funding for subacute beds has been estimated by estimated population distribution.

3 Columns and rows may not add due to rounding. Actual payments will be calculated to the nearest dollar.

E32 Funding provided to States and Territories is provided for capital investment in and recurrent funding of new subacute beds. States and Territories must deliver and operate a specified number of new, additional beds (counted as bed equivalents) per year, as agreed through their Implementation Plan.

E33 Payments will be made annually, with the first to occur on the next available payment date after the receipt and approval of a satisfactory Implementation Plan and Commonwealth approval of the nationally consistent method for measuring subacute care growth. Subsequent annual payments will be contingent on measured performance against agreed Targets and Performance Measurement (**Clauses E14 to E17**), and made following acceptance of the end of financial year acquittal and Progress Reports.

Table E4: Payment timeframes

Funding amount	Payment delivery
2010-11 payment	Second Quarter of 2010-11, on receipt and acceptance of satisfactory Implementation Plans and Commonwealth approval of the nationally consistent method for measuring subacute care growth
2011-12 payment	Second Quarter of 2011-12, on receipt and acceptance of satisfactory Progress Reports and end of financial year acquittals
2012-13 payment	Second Quarter of 2012-13, on receipt and acceptance of satisfactory Progress Reports and end of financial year acquittals
2013-14 payment	Second Quarter of 2013-14, on receipt and acceptance of satisfactory Progress Reports and end of financial year acquittals

E34 Where agreed performance targets and occupancy rates are not fully met the subsequent annual payment may be adjusted to reflect the degree of performance achieved in the previous annual period.

ROLE OF THE STATES AND TERRITORIES

E35 Ensure that the funding provided under this Agreement is used in a way that demonstrates value for money and that the beds funded are additional to what would otherwise be provided through any other funding mechanism.

Schedule F

Flexible Funding Pool

NATIONAL HEALTH REFORM AGREEMENT-NATIONAL PARTNERSHIP AGREEMENT ON IMPROVING PUBLIC HOSPITAL SERVICES

DESCRIPTION

F1 The $200 million flexible funding pool will support States and Territories to drive improvements to EDs, elective surgery and subacute care services.

F2 States and Territories agree to work in close alliance with Local Hospital Networks to achieve the objectives and outputs of **Schedule F.**

Project Eligibility Criteria

F3 States and Territories will have the flexibility to direct funds for recurrent or capital purposes across EDs, elective surgery and subacute care to the highest identified priority within their jurisdiction.

F4 Funding could be used for, but is not limited to, projects such as:

(a) purchase of elective surgery, ED and subacute care equipment, including information technology systems to manage patient flow through hospitals;

(b) construction of new elective surgery, ED and subacute care facilities;

(c) employing or extending the roles of new hospital or community-based staff to deliver elective, emergency and subacute services; and

(d) training and development activities.

F5 States and Territories agree to ensure that funding is used in the most efficient way to help meet targets set for elective surgery, ED and subacute care performance and manage any potential risks for each project.

REPORTING REQUIREMENTS

Implementation Plans

F6 Should States and Territories wish to update their Implementation Plans, the Plan should outline the activities, funding allocations, timeframes, relationship with relevant Commonwealth or state-funded activities and expected improvements to service delivery of each project. The Plan may be published online. Implementation Plans should also outline how State and Territory funding and reform plans link with national reform directions.

F7 States and Territories may provide implementation details relating to this Schedule in a single consolidated Implementation Plan covering more than one of the Schedules to this Agreement. The Commonwealth will accept a consolidated Implementation Plan, provided it explicitly and separately covers each individual Schedule's objectives.

Progress Reports

F8 States and Territories will report against the projects set out in the Implementation Plan every six months during the operation of the Agreements. Reports are expected in the format at **Annex 2** and in accordance with the following timeframes:

Table F1: Progress Reports

Reporting Period	Due date
1 July 2010 to 31 December 2010	28 February 2011, or the next working day
1 January 2011 to 30 June 2011	31 August 2011, or the next working day
1 July 2011 to 31 December 2011	28 February 2012, or the next working day
1 January 2012 to 30 June 2012	31 August 2012, or the next working day
1 July 2012 to 31 December 2012	28 February 2013, or the next working day
1 January 2013 to 30 June 2013	31 August 2013, or the next working day
1 July 2013 to 31 December 2013	28 February 2014, or the next working day

F9 States and Territories may provide reports on progress relating to this Schedule in a single consolidated Progress Report covering more than one of the Schedules to this Agreement. The Commonwealth will accept a consolidated Progress Report, provided it explicitly and separately covers the objectives and outputs of each individual Schedule's objectives and outputs in the consolidated Progress Report.

Final Report

F10 States and Territories will provide a Final Report within 90 days of the completion of all the projects agreed under the Implementation Plan, or by 30 June 2014 (whichever comes first).

F11 The Final Report will:

(a) describe the conduct, benefits and outcomes of the projects as a whole;

(b) evaluate the extent to which projects funded have achieved the objectives contained in the Implementation Plan; and

(c) explain why any aspect was not achieved.

F12 The Final Report for **Schedule F** must be provided to the Commonwealth as a separate report.

FUNDING

F13 The Commonwealth will provide States and Territories with $200 million from 2009-10.

F14 State and Territory funding allocations for the flexible funding pool are as follows:

Table F2: Estimated Distribution of Flexible Funding Pool [1, 2, 3]

Year	NSW ($m)	VIC ($m)	QLD ($m)	WA ($m)	SA ($m)	TAS ($m)	ACT ($m)	NT ($m)	Total ($m)
2009-10	17.6	13.9	11.8	0.0	5.2	2.7	2.4	2.1	55.8
2010-11	24.6	19.5	16.5	16.3	7.3	3.8	3.3	2.9	94.2
2011-12	7.0	5.6	4.7	2.7	2.1	1.1	0.9	0.8	25.0
2012-13	7.0	5.6	4.7	2.7	2.1	1.1	0.9	0.8	25.0
Total	**56.2**	**44.6**	**37.7**	**21.7**	**16.7**	**8.7**	**7.5**	**6.6**	**200.0**

1 Funding for the flexible funding pool has been distributed with a $5 million flagfall for each jurisdiction with the remaining funding distributed by estimated population spread across the financial years.

2 Estimated funding allocations are contingent on performance and assume a national roll-out.

3 Columns and rows may not add due to rounding. Actual payments will be calculated to the nearest dollar.

F15 National Partnership payments to the States and Territories will be paid in accordance with *Schedule D — Payment Arrangements* of the Intergovernmental Agreement on Federal Financial Relations.

F16 Half of the 2009-10 funding allocation was provided to States and Territories (with the exception of Western Australia) in June 2010 through an exchange of letters. The remaining half of the 2009-10 funding is reflected in the 2010-11 allocation in **Table F2**.This funding was provided in order to commence public hospital reform initiatives ahead of finalisation of this Agreement.

F17 Successive payments to States and Territories by the Commonwealth, totalling $75 million, will be provided dependent on receipt of a satisfactory Implementation Plan and Progress Reports.

Table F3: Payment timeframes

Funding amount	Payment delivery
2010-11 payment	Second Quarter of 2010-11, on receipt and acceptance of a satisfactory Implementation Plan by 31 October 2010.
2011-12 payment	Second Quarter of 2011-12, on receipt and acceptance of satisfactory Progress Reports.
2012-13 payment	Second Quarter of 2012-13, on receipt and acceptance of satisfactory Progress Reports.

Annex 1

NATIONAL HEALTH REFORM AGREEMENT- NATIONAL PARTNERSHIP AGREEMENT ON IMPROVING PUBLIC HOSPITAL SERVICES

PROJECT(S) IMPLEMENTATION PLAN

Please complete an Implementation Plan, or provide implementation details for, **each project** to be funded under the Schedule. Implementation Plans should be completed in accordance with the Schedules to the Agreement.

Due date:	
Date submitted:	
Primary contact:	
Phone:	
Email:	
Secondary contact:	
Phone:	
Email:	

SCHEDULE X (copy and complete for each Schedule)

(Copy and complete this table for each discrete project under the Schedule)

Project number:	*1*
Hospital/Location (not area health services generally)	*Hospital* *Street Address* *Suburb*
Project Description	*E.g.:* – *Establishment of Medical Assessment Unit in the ED (X beds);* – *Brochovideoscope Colonoscope for X unit ($x) and ENT surgical Navigation System ($x);* – *Construction of X bed day surgery unit; and* – *Recurrent staffing of designated rehabilitation unit with X beds. X doctors, X nurses and X physiotherapists to be funded.* *Notes:* *Project descriptions should include:* – *Number of beds/theatres/units/staff members for individual project elements, where applicable;* – *Details of project costs for individual project elements, where applicable;* – *Details of capital and recurrent funding splits, where applicable; and* – *For Schedule E only – details of subacute care types.*
Relationship with other Commonwealth or state funded activities	*E.g.: relationship to projects previously funded under the Elective Surgery Waiting List Reduction Plan or the National Partnership Agreement of Hospital and Health Workforce Reform, or projects linked to state initiatives.*
Expected improvement as a	*E.g.:* – *How will this project help meet NPA objectives and outcomes?* – *How will this project improve service delivery?*

result of this project	– *How will this project benefit patients?*
Estimated Cost	*$X.X million*
Estimated Start Date	*Month/Year*
Estimated Completion date	*Month/Year*

FINANCIAL STATEMENT

Project No.	Project Description	Estimated cost
1	E.g.: Establishment of Medical Assessment Unit in the ED (X beds)	$3,000,000
2	E.g.: Brochovideoscope Colonoscope for X unit ($x) and ENT surgical Navigation System ($x)	$250,000
3	E.g.: Construction of X bed day surgery unit	$3,000,000
4	E.g.: Recurrent staffing of designated rehabilitation unit with X beds. X doctors, X nurses and X physiotherapists to be funded	$800,000
Total		**$7,050,000**

SIGNED for and on behalf of the <STATE>

....

Printed Name *Signature*

....

Position *Date*

Please send signed electronic copy (in PDF) to: *To be advised*

Please send signed hard copy to: *To be advised*
Department of Health and Ageing
GPO Box 9848
Canberra ACT 2601

Annex 2

NATIONAL HEALTH REFORM AGREEMENT- NATIONAL PARTNERSHIP AGREEMENT ON IMPROVING PUBLIC HOSPITAL SERVICES

PROGRESS REPORT

Please complete a Progress Report, or provide Progress Report details for, **each project** as outlined in your Implementation Plan for each reporting period. Progress Reports should be completed in accordance with Schedules to the Agreement.

Reporting period:	**1 July 2010 – 31 December 2010** *(first Progress Report)*
Due date:	**28 February 2011** *(first Progress Report)*
Date submitted:	
Primary Contact:	
Phone:	
Email:	
Secondary Contact:	
Phone:	
Email:	

SCHEDULE X (copy and complete for each Schedule)

(Copy and complete this table for each discrete project under the Schedule)

Project No.1:		*Project Description) – eg:* Establishment of Medical Assessment Unit in the ED (X beds)
Progress to date (are the objectives and outcomes of the Project as set out in the Implementation Plan being achieved):		*(Please provide a short summary of any activities that have occurred in relation to the project, for example, elements of the project that have been completed or are progressing, details of subcontractors engaged, steps taken to implement the project, equipment purchased, number of new subacute care beds delivered (including location) etc…)*
Benefits to patients:		*(Please provide a short summary of the expected benefits for patients as a result of the progress made so far, including the number of people assisted over the period, where applicable.)*
Next steps:		*(Please provide a short summary of the activities that are expected to occur in the next 12 months and expected dates of completion.)*
Have there been any delays in the project? If yes, please provide details:	YES NO (please circle box)	*(If yes, please provide details of any problems that have been encountered in completing the project, for example, delays in implementation and barriers preventing work.)*
Has the funding in relation to this Project been **fully** spent?	YES NO (please circle box)	*(If no, please provide details as to how much funding has been spent and the anticipated timeframe for expending the remainder of the funding.)*
Has there been any change to overall cost estimates?	YES NO (please circle box)	*(If yes, please provide details of how cost estimates have changed and the reasons why.)*

Other issues/sensitivities including relationship with other Commonwealth or state funded activities.	*(Are there any other issues that may impact on the successful completion of this project by the due date; or any other sensitivities that the Commonwealth should be aware of)*

FINANCIAL STATEMENT

Project Description	Total Project Allocation[1]	Expenditure to date	Unspent funds
E.g:, Establishment of Medical Assessment Unit in the ED (X beds)	$3,000,000	$1,000,000	-$2,000,000
E.g.:, Brochovideoscope Colonoscope for X unit ($x) and ENT surgical Navigation System ($x)	$250,000	$150,000	-$100,000
E.g: Construction of X bed day surgery unit	$3,000,000	$3,000,000	$0
E:g.: Recurrent staffing of designated rehabilitation unit with X beds. X doctors, X nurses and X physiotherapists to be funded	$800,000	$700,000	-$100,000
Total	**$7,050,000**	**$4,850,000**	**-$2,200,000**

Note 1. Show the total years funding amount.

Note 2 Any significant under spend or overspend should be referenced in the body of the Project Report.

Please modify this statement to reflect the structure and scope of your specific funding projects as defined in your Implementation Plans.

I certify that funds have been expended in accordance with the National Partnership Agreement
SIGNED for and on behalf of the <STATE>

....
Printed Name *Signature*

....
Position *Date*

Please send signed electronic copy (in PDF) to: *To be advised*

Please send signed hard copy to: *To be advised*
Department of Health and Ageing
GPO Box 9848
Canberra ACT 2601