

Medicare Urgent Care Clinics - Victoria

FEDERATION FUNDING AGREEMENT - HEALTH

Table 1: Formalities and operation of schedule

Parties	Commonwealth Victoria (VIC)																								
Duration	This Schedule is expected to expire on 30 June 2026, or on completion of the initiative, including final performance reporting and processing of final payments against milestones, unless terminated earlier or extended as agreed in writing by the Parties.																								
Purpose	<p>This Schedule supports the delivery of 20 Medicare Urgent Care Clinics (Medicare UCCs) in VIC. The Medicare UCCs are based in Ballarat, Frankston, Geelong, Heidelberg, Narre Warren, Shepparton, Prahran, Werribee, Inner Melbourne, Sunbury, Bendigo, Dandenong, Epping, Mount Waverley, Maribyrnong, Maroondah, Melton, Warrnambool, Sunshine, and Warragul.</p> <p>Medicare UCCs are intended to ease the pressure on hospitals and give Australian families more options to see a healthcare professional when they have an urgent but not life-threatening need for care. All Medicare UCCs provide free services, are open during extended business hours and accept walk-in patients.</p> <p>Under this Schedule, VIC supports the establishment of Medicare UCCs and oversee the operations of clinics in locations agreed with the Commonwealth.</p> <p>VIC has a responsibility under this Schedule to ensure health system integration of Medicare UCCs, working closely with partner hospitals, Primary Health Networks (PHNs) and Local Health Networks (or equivalent), and work with the Commonwealth Department of Health, Disability and Ageing to monitor and support Medicare UCC operations, including compliance and contractual requirements.</p>																								
Estimated financial contributions	<p>The Commonwealth will provide an estimated financial contribution to VIC of \$94.6 million in respect of this Schedule. The Commonwealth's estimated financial contributions to the operation of this Schedule are shown below.</p> <table border="1"> <thead> <tr> <th>Table 1 (\$ million)</th> <th>2022-23</th> <th>2023-24</th> <th>2024-25</th> <th>2025-26</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Estimated total budget</td> <td>5.192</td> <td>10.063</td> <td>37.781</td> <td>41.518</td> <td>94.554</td> </tr> <tr> <td><i>Less estimated National Partnership Payments</i></td> <td><i>5.192</i></td> <td><i>10.063</i></td> <td><i>37.781</i></td> <td><i>41.518</i></td> <td><i>94.554</i></td> </tr> <tr> <td>Balance of non-Commonwealth contributions</td> <td>0.000</td> <td>0.000</td> <td>0.000</td> <td>0.000</td> <td>0.000</td> </tr> </tbody> </table>	Table 1 (\$ million)	2022-23	2023-24	2024-25	2025-26	Total	Estimated total budget	5.192	10.063	37.781	41.518	94.554	<i>Less estimated National Partnership Payments</i>	<i>5.192</i>	<i>10.063</i>	<i>37.781</i>	<i>41.518</i>	<i>94.554</i>	Balance of non-Commonwealth contributions	0.000	0.000	0.000	0.000	0.000
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<p>Additional terms</p>	<p>Project Output</p> <p>The Parties agree that Medicare UCCs are intended to be:</p> <ul style="list-style-type: none"> • Based in existing GP clinics, community health centres, or Aboriginal Community Controlled Health Services • Operate fourteen hours a day, every day (including public holidays), unless alternative open hours are previously agreed • Accept walk-in patients • Bulk-billed resulting in no out-of-pocket costs to the patient • Flexible and diverse, responding to the needs of the local community • High quality, safe and effective • Provide treatment for conditions that do not require a hospital admission such as broken bones, minor wounds, and minor burns). <p>The Parties have agreed to an approach to data, monitoring and evaluation that has been developed by the Commonwealth and jurisdictions. The key goals of Medicare UCCs are as follows:</p> <ul style="list-style-type: none"> • Medicare UCCs improve access to urgent care in non-hospital settings, particularly for vulnerable groups (including people with a disability, First Nations people and people from culturally and linguistically diverse communities). This includes the aim of changing consumer behaviour when considering options for appropriate care for urgent conditions that are not immediately life-threatening. • Medicare UCCs reduce the demand on Emergency Departments (ED) in partner hospitals by providing patients with short term, episodic care for urgent conditions that are not immediately life-threatening. • Medicare UCCs support integration with existing local health services and complement general practice. <p>The Parties have agreed that Medicare UCCs should support people to connect to pathways of care with the broader health system, including ensuring referrals back to a patient's regular GP or care provider to ensure that the patient receives continuity of care. All referral pathways into and out of the UCC should be driven by local need and co-designed with relevant stakeholders to ensure connectivity to existing community health services, GPs, non-government sector, state and territory funded services, hospital and ambulatory services and other support services.</p> <p>The Parties have jointly developed and agreed on measures of success, underpinned by associated data sources which will ensure a shared view of what Medicare UCCs aim to achieve and guide the approach to evaluation, to be led by the Commonwealth.</p> <p>The Parties have jointly developed and agreed on Operational Guidance for Medicare UCCs which specifies the minimum standard for activity, infrastructure and staffing of a Medicare UCC, while acknowledging that the specific operating model of clinics will vary across locations and is dependent on local conditions including workforce availability. Where exemptions to the Operational Guidance are sought, this must be requested from the Commonwealth in writing.</p> <p>The Parties have agreed that Medicare UCCs will be funded by the Commonwealth through both block funding (which VIC will receive under this Schedule) and Medicare UCCs will have the ability to bill relevant Medicare Benefits Schedule</p>
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(MBS) items. The funding model will be facilitated through a Medicare UCC specific exemption to subsection 19(2) of the *Health Insurance Act 1973* (the Act).

Roles and Responsibilities of Each Party

Role of the Commonwealth

The Parties agree that the Commonwealth (in addition to the roles outlined in the Federation Funding Agreement (FFA) – Health), is responsible for:

- Monitoring and assessing achievement against milestones in the delivery of projects under this Schedule to ensure that outputs are delivered within the agreed timeframe.
- Providing a consequent financial contribution to VIC as outlined in this Schedule to fund the establishment and operation of 20 Medicare UCCs, inclusive of one-off upfront equipment costs (where applicable), ongoing operational costs, and non-labour costs.
- Data management responsibilities will include entering into a Data Sharing Agreement with the Medicare UCC for extraction of data from Patient Management Software. The Department of Health, Disability and Ageing will be the data custodian of this data.
- Preparing and supporting data extraction and/or collection directly from the Medicare UCCs to the Department of Health, Disability and Ageing.
- Provide regular data to VIC to improve clinic service and manage ongoing health planning in line with the finalised Data Sharing Agreement with VIC.
- Assessing Medicare UCC locations against the agreed Medicare UCC definition and assessment criteria to resolve if a clinic should be awarded a (*Health Insurance Medicare Benefits Payable in Respect of Professional Services – Commonwealth Urgent Care Clinic Program*) Direction from subsection 19(2) of the Act. The provision of this exemption also includes:
 - Providing dedicated separate Medicare UCC provider numbers to eligible clinicians for each Medicare UCC to ensure access to the MBS for specified MBS items.
 - Supporting participating locations and jurisdictions to understand their responsibilities in relation to adhering to a granted subsection 19(2) Direction and provide relevant advice and education.
- Considering alternative arrangements for Medicare UCC operators that may be subject to an existing subsection 19(2) Direction (for example, Medicare UCCs established within remote community clinics or Aboriginal Community Controlled Health Services) and working across agencies to ensure appropriate access to the MBS in these instances.
- Leading the national evaluation of the Medicare UCC Program in consultation with VIC and in line with the Senior Officials Advisory Group agreed measures of success.

Role of VIC

The Parties agree that VIC (in addition to the roles outlined in the FFA – Health), is responsible for delivering on project outputs set out in this Schedule, including the delivery of 2017 Medicare UCCs in locations agreed with the Commonwealth. The Parties acknowledge that VIC is delivering Medicare UCCs in partnership with Primary Health Networks.

The Parties acknowledge that VIC will:

- Take all reasonably necessary steps to ensure that Medicare UCCs have clinical governance protocols in place and are providing care that is high quality, safe and effective.

- Ensure Medicare UCCs adhere to Commonwealth guidelines and requirements for Medicare UCCs, including the UCC Design Principles, UCC Operational Guidance (published on the Department of Health, Disability and Ageing Website), data sharing agreements and subsection 19(2) Directions.
- Seek agreement from the Commonwealth if Medicare UCCs are unable to meet the full scope of the UCC Operational Guidance (e.g. extended opening hours), including agreement from the Commonwealth of interim operating arrangements.
- Ensuring Medicare UCC staff undertake any required training as specified by the Commonwealth or can demonstrate that training already undertaken sufficiently meets the Commonwealth's training requirements as outlined within the Medicare UCC Operational Guidance.

The Parties also acknowledge that VIC will:

- Advise the Commonwealth of relevant details for each agreed Medicare UCC location to facilitate the provision of accurate subsection 19(2) Directions.
- Support providers (through Primary Health Networks) to adhere to all Medicare UCC program, policy and operational guidance requirements.
- Ensure that Medicare UCC providers understand the requirement to bulk-bill resulting in no out-of-pocket costs to Medicare-eligible patients.
- Medicare UCCs are encouraged to triage and treat Medicare ineligible patients, noting any service provided must be free of charge to patients. Ensure clinic participation in the Independent Clinical Assessment process led by the Department of Health, Disability and Ageing in collaboration with PHNs and support clinics to address any findings of this assessment within three months of opening or sooner.
- Administer and manage contracts with third party providers who will enter into contracts with Medicare UCC providers.
- Provide funding to PHNs to support Medicare UCCs including to undertake communications activities, data collection and support, development of care pathways, and support broader system integration.
- Work in collaboration with PHNs to support integrated patient pathways between EDs, Medicare UCCs and other health care services and regularly review the pathways to ensure they remain appropriate and working effectively.
- Support the accessibility of Medicare UCCs for priority populations as identified by the Commonwealth.
- Ensure Medicare UCCs adhere to the Medicare UCC Privacy Policy and the Medicare UCC Patient Consent Form (supplied separately), as outlined in the Operational Guidance, and provide clinics with support to complete new data fields where required.
- Report relevant data to the Department of Health, Disability and Ageing in accordance with data reporting requirements (as governed by the VIC Data Sharing Agreement) and supporting clinic adherence to data collection processes.
- Undertake timely reporting to the Department of Health, Disability and Ageing on compliance, management or safety issues and any other notifiable changes as specified within the Medicare UCC Summary of Commissioner Reporting and Notifications to the Commonwealth.

- Participate in the Commonwealth-led evaluation of Medicare UCCs including through the provision of requested relevant information (such as patient experience surveys or case studies) and supporting individual Medicare UCCs to provide such information.
- Ensure Medicare UCCs participate in national communications activities and adhere to Commonwealth branding requirements, including maintaining an accurate online presence (including a website) and each Medicare UCC being exclusively Commonwealth branded.
- Notify the Commonwealth of contractual non-compliance, and any non-compliance with the Medicare UCC's 19(2) Direction.
- Support clinics to understand their compliance responsibilities and provide relevant advice and education where required.
- Report on the delivery of outputs (project milestones, reporting and payments) as set out in Table 2A.

Shared Roles

The Parties agree that the Commonwealth and VIC (in addition to the roles outlined in the FFA – Health), are jointly responsible for agreeing State-specific projects and implementation arrangements under this Schedule.

Both Parties will undertake relevant local communications activities to increase community awareness and understanding of the availability of services and conditions that are appropriate to be managed within a Medicare UCC. The Parties will meet the requirements of Schedule E, Clause 26 of the Intergovernmental Agreement on Federal Financial Relations by ensuring that prior agreement is reached on the nature and content of any events, announcements, promotional material or publicity relating to activities under this Schedule, and that the roles of both Parties will be acknowledged and recognised appropriately.

While the Department of Health, Disability and Ageing provides subsection 19(2) Directions and supports the provision of Medicare UCC flagged provider numbers, both Parties will ensure that Medicare UCCs are operating in accordance with requirements under the associated Medicare UCC Direction.

The Parties agree that the Commonwealth and VIC are jointly responsible for privacy controls and appropriate data governance in accordance with the Privacy Act 1988 and relevant state-based privacy legislation. These responsibilities will be outlined in the Commonwealth and Medicare UCC Data Sharing Agreements. In addition, both parties must ensure patients at Medicare UCCs are provided with the Commonwealth's privacy policy and patient consent forms (to complete) every time patients present at a UCC.

The Parties note that the Commonwealth has undertaken a Privacy Impact Assessment (PIA) for the current terms of data collection. Recommendations identified through the PIA have been actioned and/or adhered to where appropriate and reasonable by both the Commonwealth and VIC. The Parties agree that any significant changes made to data collection processes in the future will need to be considered again by the Commonwealth and VIC and the PIA may need to be updated.

Financial Arrangements

In addition to the financial arrangements as outlined in the FFA – Health, it should be noted that the Commonwealth's funding contribution does not include additional Commonwealth contributions of MBS billings which will be demand

	<p>driven and paid separately to Medicare UCCs through the existing MBS payment mechanism.</p> <p>VIC are unable to seek or utilise funding under the National Health Reform Agreement (NHRA) for the purpose of delivering Medicare UCCs. The Commonwealth will not fund patient services under the NHRA if the same service, or any part of the service, is funded through an existing Commonwealth program including the MBS (see clause A9 and A10 of the 2020-2025 Addendum), and VIC will ensure appropriate records are maintained.</p> <p>Following the expiration of this Schedule, VIC will have no further responsibilities in relation to the service delivery, contract management, performance and funding for the Medicare UCCs included in this agreement.</p>
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Table 2A: Victoria – Performance requirements, reporting and payment summary

Output	Performance milestones	Report due	Payment
Operation of 10 Medicare UCCs in the following locations: Ballarat, Frankston, Geelong, Heidelberg, Narre Warren, Shepparton, Prahran, Werribee. Planning for Medicare UCCs in Inner Melbourne and Sunbury.	Execution of Project Agreement, participation in Medicare UCC governance arrangements, establishment of data sharing agreement, commencing establishment of Medicare UCCs.	30 June 2023	\$5,192,000 (Complete)
Provision of services through the Medicare UCCs	The establishment and the provision of services through the Medicare UCCs for the period 1 July 2023 to 31 March 2024	1 May 2024	\$10,063,000 (Complete)
Establishment and operation of 7 additional Medicare UCCs in the following locations: Bendigo, Dandenong, Epping, Mount Waverley, Maribyrnong, Maroondah and Melton	Establishment and operation of Medicare UCCs in the agreed locations and in accordance with the Additional Terms including execution of funding agreements with existing UCC providers through to 30 June 2026	1 October 2024	\$19,435,000 (Complete)
Extended hours of operation of 12 Victorian state-funded UCCs in 2024-25. Provision of services through Medicare UCCs	Execution of funding agreements with UCC providers through to 30 June 2025 and evidence of extended hours of operation. The provision of services through the 10 Medicare UCCs for the period 1 April 2024 to 31 March 2025 and in accordance with the Additional Terms.	1 November 2024 1 April 2025	\$2,074,000 (Complete) \$16,272,000 (Complete)
Transition of 3 additional Medicare UCCs in Warrnambool, Sunshine, and Warragul to the Medicare UCC program and provision of services	Transition and operation of Warrnambool, Sunshine, and Warragul Medicare UCCs in accordance with the Additional Terms including execution of funding agreements with UCC providers through to 30 June 2026.	1 October 2025	\$6,222,446

Provision of services through Medicare UCCs	The provision of services through all Medicare UCCs for the period 1 April 2025 to 31 December 2025 and in accordance with the Additional Terms.	1 April 2026	\$35,296,000
	Provision of a final report describing the overall delivery of the program; including on the provision of services through all Medicare UCCs for the period 1 January 2026 to 30 June 2026, an assessment of the conduct (including any lessons learned), benefits and outcomes of the program.	1 November 2026	\$0.00

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

Signed for and on behalf of the Commonwealth of Australia by



The Honourable Mark Butler MP
Minister for Health and Ageing
Minister for Disability and the National Disability
Insurance Scheme
23/09/2025

Signed for and on behalf of the State of Victoria by



The Honourable Mary-Anne Thomas MP
Minister for Health and Ambulance Services
13/01/2026