



**IHACPA**

# **Supplementary Block Funding Advice to the Administrator of the National Health Funding Pool for 2024–25**

**June 2025**

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# 1. Overview

## 1.1 Context

The Supplementary Block Funding Advice to the Administrator of the National Health Funding Pool for 2024–25 supplements the National Efficient Cost Determination 2024–25 issued by the Pricing Authority on 13 March 2024.

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

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

## 2. Block-funded services

Table 1 of the Supplementary Block Funding Advice to the Administrator of the National Health Funding Pool for 2024–25 (Supplementary Block Funding Advice 2024–25) updates Table 1 of the National Efficient Cost Determination 2024–25 issued on 13 March 2024.

**Table 1: Block-funded services**

State /Territory	Teaching, training and research	Non-admitted mental health (excluding CAMHS)	Non-admitted CAMHS	Residential mental health <sup>1</sup>	Non-admitted home ventilation	A17 List <sup>2</sup>	Other public hospital programs <sup>3</sup>
<b>NSW</b>	\$847,502,000	\$743,175,851	N/A	N/A	\$26,720,540	N/A	\$4,149,000
<b>Vic</b>	\$413,868,609	\$866,208,744	\$234,616,615	\$167,434,759	\$12,110,464	\$23,645	\$56,053,000
<b>Qld</b>	\$488,668,302	\$584,599,164	\$257,491,186	\$70,910,332	\$19,011,128	\$8,536,920	\$15,200,000
<b>SA</b>	\$118,140,650	\$225,832,951	\$37,531,701	\$25,296,344	\$2,870,039	\$7,984,001	\$24,757,000
<b>WA</b>	\$345,266,425	\$427,031,173	\$100,723,549	\$19,219,458	\$15,587,862	N/A	\$3,458,775
<b>Tas</b>	\$51,828,322	\$63,245,991	\$37,598,902	\$47,094,316	\$5,434,568	N/A	N/A
<b>NT</b>	\$42,647,757	\$40,477,149	\$6,630,383	N/A	\$98,259	N/A	N/A
<b>ACT</b>	\$65,647,333	\$56,380,490	\$12,060,446	N/A	\$1,629,025	N/A	N/A

<sup>1</sup> From 2024–25, a separate block-funded services category has been created for residential mental health care services. Residential mental health care services are eligible for block funding if they meet the criteria outlined in the General List of In-Scope Public Hospital Services for 2024–25.

<sup>2</sup> Under Clause A17 of the National Health Reform Agreement, IHACPA has determined a list of services (the 'A17 List') that IHACPA is satisfied were provided by a particular hospital in 2010. These services are eligible for Commonwealth funding at the local hospital network indicated in the list at Appendix A of the National Efficient Price Determination 2024–25.

<sup>3</sup> Programs as approved by the Pricing Authority for inclusion on the General List of In-Scope Public Hospital Services for 2024–25, including telehealth video consultations delivered by emergency departments.

## 2.1 High cost, highly specialised therapies

Clauses C11–C12 of the Addendum to the National Health Reform Agreement 2020–26 outlines specific arrangements for new high cost, highly specialised therapies recommended for delivery in public hospitals by the Medical Services Advisory Committee, whereby:

- The Commonwealth will provide a contribution of 50% of the growth in the efficient price or cost (including ancillary services), instead of 45%.
- They will be exempt from the national funding cap for a period of 2 years from the commencement of service delivery of the new treatment.

In 2024–25, the following high cost, highly specialised therapies are recommended for delivery in public hospitals:

### **Kymriah® for the treatment of:**

- acute lymphoblastic leukaemia in children and young adults
- diffuse large B-cell lymphoma
- primary mediastinal large B-cell lymphoma
- transformed follicular lymphoma.

### **Yescarta® for the treatment of:**

- diffuse large B-cell lymphoma
- primary mediastinal large B-cell lymphoma
- transformed follicular lymphoma.

### **Qarziba® for the treatment of:**

- high risk neuroblastoma.

### **Luxturna™ for the treatment of:**

- inherited retinal dystrophies.

### **Tecartus® for the treatment of:**

- relapsed or refractory mantle cell lymphoma
- relapsed or refractory B-precursor acute lymphoblastic leukaemia.

The actual number of patients treated and associated costs are reconciled by the Administrator of the National Health Funding Pool at the end of each financial year and as such, states may provide more detailed amounts to the Administrator to support funding calculations.

The indicative costs for the delivery of these high cost, highly specialised therapies were determined for 2024–25 on the advice of states and territories.

Table 2 of the Supplementary Block Funding Advice 2024–25 updates Table 2 of the National Efficient Cost Determination 2024–25 issued on 13 March 2024.

**Table 2: High cost, highly specialised therapies**

State / Territory	Amounts
NSW	\$74,068,648
Vic	\$85,218,651
Qld	\$28,999,303
SA	N/A
WA	\$9,029,983
Tas	N/A
NT	N/A
ACT	N/A

## 2.2 Innovative models of care

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

The indicative costs for the delivery of these innovative models of care have been determined for 2024–25 on the advice of states and territories. These are detailed in Table 3.

Section 2.2 Innovative models of care and Table 3 of the Supplementary Block Funding Advice 2024–25 represent additional block-funded expenditure amounts to the National Efficient Cost Determination 2024–25 issued on 13 March 2024.

**Table 3: Innovative models of care**

State / Territory	Service	Amounts
NSW	Northern Sydney Local Health District Frail Aged Program	\$4,187,100
NSW	Pathways to Community Living	\$5,396,237
NSW	RPA Virtual Hospital	\$19,880,000
NSW	Telestroke	\$5,361,482
NSW	Virtual Clinical Care Centre	\$2,300,000
<b>NSW total</b>		<b>\$37,124,819</b>

# 3. Back-casting

Table 4 of the Supplementary Block Funding Advice 2024–25 updates Table 3 of the National Efficient Cost Determination 2024–25 issued on 13 March 2024.

**Table 4: Block-funded services<sup>4</sup>**

State / Territory	Small rural hospitals	Teaching, training and research	Non-admitted mental health (excluding CAMHS)	Non-admitted CAMHS	Residential mental health <sup>5</sup>	Non-admitted home ventilation	A17 List <sup>6</sup>	Other public hospital programs <sup>7</sup>
<b>NSW</b>	1.0576	1.0000	1.1140	N/A	N/A	1.0000	N/A	1.0000
<b>Vic</b>	1.0421	1.0000	0.8411	1.0000	0.1590	1.0000	1.0000	1.0000
<b>Qld</b>	1.0588	1.0000	0.9342	1.2030	0.1020	1.3656	1.0000	1.1714
<b>SA</b>	1.0355	1.0000	1.4079	0.9952	0.1726	1.0000	1.0000	1.0000
<b>WA</b>	1.0277	1.0000	0.9889	0.9531	0.0388	1.0000	N/A	N/A
<b>Tas</b>	1.0540	1.0000	0.7854	1.0000	N/A	1.0000	N/A	N/A
<b>NT</b>	N/A	1.0000	1.0000	1.0000	N/A	1.0000	N/A	N/A
<b>ACT</b>	N/A	1.0000	1.0000	1.0000	N/A	1.0000	N/A	N/A

<sup>4</sup> Back-casting multipliers apply to amounts in the Supplementary Block Funding Advice to the Administrator of the National Health Funding Pool for 2023–24.

<sup>5</sup> From 2024–25, a separate block-funded services category has been created for residential mental health care services. Residential mental health care services are eligible for block funding if they meet the criteria outlined in the General List of In-Scope Public Hospital Services for 2024–25. Back-casting multipliers for residential mental health services for Vic, Qld, WA and SA apply to amounts for Non-admitted mental health excluding CAMHS in the Supplementary Block Funding Advice to the Administrator of the National Health Funding Pool for 2023–24. Residential mental health services for Tas were transferred from the standalone hospitals providing specialist mental health services category to this category.

<sup>6</sup> Under Clause A17 of the National Health Reform Agreement, IHACPA has determined a list of services (the ‘A17 List’) that IHACPA is satisfied were provided by a particular hospital in 2010. These services are eligible for Commonwealth funding at the local hospital network indicated in the list at Appendix A of the National Efficient Price Determination 2024–25.

<sup>7</sup> Programs as approved by the Pricing Authority for inclusion on the General List of In-Scope Public Hospital Services for 2024–25, including telehealth video consultations delivered by emergency departments.

## Appendix B – Standalone hospitals providing specialist mental health services

Table 5 of the Supplementary Block Funding Advice 2024–25 updates Table 5 of the National Efficient Cost Determination 2024–25 issued on 13 March 2024.

**Table 5: Standalone hospitals providing specialist mental health services in 2024–25<sup>8</sup>**

State / Territory	Hospital name	Australian Statistical Geography Standard region
NSW	Coral Tree Family Centre	Major City
NSW	Cumberland Hospital	Major City
NSW	Forensic Hospital	Major City
NSW	James Fletcher - Morisset	Major City
NSW	Kenmore Hospital	Inner Regional
NSW	Macquarie Hospital	Major City
NSW	Nolan House at Albury Base Hospital	Inner Regional
NSW	Rivendell Child, Adolescent and Family Unit	Major City
Qld	Baillie Henderson Hospital	Inner Regional
Qld	Jacaranda Place - Queensland Adolescent Extended Treatment Centre	Major City
Qld	Kirwan Rehabilitation Unit	Outer Regional
Qld	The Park - Centre For Mental Health	Major City
Tas	Alcohol and Drug Services Detoxification Unit (SMHS)	Inner Regional
Tas	Wilfred Lopes Centre (SMHS)	Inner Regional

<sup>8</sup> Block funding for Illawarra Mental Health Services and Wentworth Psychiatric Services from NSW has been recategorised to Non-admitted mental health excluding child and adolescent mental health services (CAMHS).



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