



AUSTRALIAN CAPITAL TERRITORY

**SUBMISSION TO THE
COMMONWEALTH GRANTS COMMISSION'S
POSITION PAPER 2008/20:
COMMUNITY AND OTHER HEALTH SERVICES**

February 2009



VIEWS ON THE COMMISSION'S ASSESSMENT POSITION

INTRODUCTION

The 2010 Review has been run as an iterative process between the Commonwealth Grants Commission (the Commission) and the States and Territories (the States) over the course of the past four years. As part of this process the ACT has provided a number of submissions in response to the Staff and Commission Discussion Papers, incorporating subsequent multilateral and bilateral discussions with Commission staff and other States. These submissions outlined the ACT's position as to the validity of the conceptual case behind a number of assessments and the proposed assessment methodologies.

It is noted that in some instances the position adopted by the Commissioners, as detailed in the latest Commission Position Papers, is at odds with that of the ACT. In the interests of brevity, the ACT has not sought to reiterate the entirety of its previously stated position unless new data or new thinking has been applied. In this light, a lack of objection does not imply support where such support has not been previously stated. As such, this submission encompasses the ACT's views solely on major issues.

Disabilities influencing State shares of either State or non-State funding

The ACT is broadly supportive of the disabilities that the Commission proposes to assess within the Community and other health category. The disabilities appear to be representative of the influences that impact State and non-State funding in this sector. In particular, the ACT welcomes the Commission's decision to recognise high SES as a determinant of need.

Outside specific demographic or locational disabilities, the ACT has concerns with the proposed separation of ancillary benefit payments between the ACT and New South Wales. The ACT is confident that a significant disjunct does exist between the use characteristics of the two State's populations, which is influencing each State's share of non-State funding. When an adjustment is made for these differences, the ACT's share of ancillary benefit funding is 4.0 per cent, instead of the unadjusted level of 5.2 per cent. Further details of these concerns, and a proposed method for adjusting benefit payments for use, have been outlined in Attachment A. Supporting evidence in respect of this is also provided in the Attachment but has been provided to ACT Treasury by industry participants on a confidential basis. **For commercial reasons, the ACT has agreed to share these data solely with the Commission.**

The validity of joint datasets in the assessment

With the exception of the concerns outlined in the Attachment, the ACT considers the Commission's proposed joint datasets to provide the best available base from which to progress the assessment.

Cross-Border Adjustment

The ACT supports the Commission continuing to assess a cross-border disability for the ACT to reflect the community and other health services the Territory provides to interstate residents. The 2008 Council of Australian Government reforms to Federal Financial Relations resulted in the current cross-border health reimbursement arrangements being maintained. Specifically, Annex B of the *National Healthcare Agreement* stipulates that States can recover costs for treating interstate admitted patients. In light of this outcome, the ACT considers there to be an

ongoing need for the Commission to continue assessing a cross-border disability in this assessment category.

Further specific cross-border comments have been provided in the ACT's submission to Position Paper 2008/13 *Disabilities mainly affecting the ACT – cross-border and national capital*.

Independent Review of the Assessment

The ACT acknowledges the findings of the *Review of the proposed approach to the assessment of Community and Other Health services*, undertaken by the Australian Centre for Economic Research on Health. In particular, the ACT notes the Review's conclusion that there is a high degree of substitutability between State and non-State provided services. These findings appear to be consistent with the Commission's contention that the proposed subtraction model is conceptually valid.