



Future primary health care funding under the Indigenous Australians' Health Programme (IAHP)

Frequently Asked Questions

Why is the Australian Government introducing a Funding Model for primary health care services under the IAHP?

In 2014-15, the Australian Government committed to developing a funding model for Indigenous primary health care grant funding. This was to ensure funding is distributed fairly and transparently amongst services delivering comprehensive primary health care to Aboriginal and Torres Strait Islander communities.

Key benefits

- \$90 million additional investment** to further support primary health care and targeted to need.
- 3 year funding agreements** for greater workforce continuity and planning.
- Annual indexation** for all services.
- No service to lose funding** - funding levels maintained in real terms.
- Streamlined grant application processes** to reduce administrative burden.

When will the IAHP Primary Health Care Funding Model come into effect?

The IAHP Primary Health Care Funding Model will be implemented for eligible Aboriginal Community Controlled Health Services (ACCHS) on **1 July 2020**.

How does the IAHP Primary Health Care Funding Model work?

Calculations are based on three elements to determine the amount of funding to support the delivery of comprehensive primary health care:

1. **Activity:** This is calculated using Client Numbers and Episodes of Care, as reported by organisations in the annual Online Services Report (OSR).
2. **Cost of service delivery:** The Australian Statistical Geography Standard (managed by the Australian Bureau of Statistics) is used to determine the relative cost of service delivery.
3. **Health need:** The model also calculates the impact of the social determinants of health affecting the level of sickness and disadvantage experienced by communities.



For a detailed overview on how the funding model is constructed and calculated, please refer to the IAHP Primary Health Care Funding Model **Technical Factsheet**.

How will the additional \$90 million be allocated across the three year funding period?

The \$90 million will be allocated across the three year period as follows:

Year 1 (2020-21): \$15 million

Year 2 (2021-22): \$30 million

Year 3 (2022-23): \$45 million

Does the IAHP Primary Health Care Funding Model apply to all funded organisations?

No. The initial focus has been the development of a funding model for the ACCHS sector as these services receive the majority of funding.

Why can't the model be applied to all funded organisations from 1 July 2020?

The costs associated with delivery of comprehensive primary health care for ACCHS differ significantly in comparison to state and territory health services. From early 2020, the Department of Health will work with key stakeholders to determine how this can be appropriately factored into the model in future for other funded organisations.

What happens next?

Eligible ACCHS will soon be invited to confirm their intention to renew funding set to expire on 30 June 2020. As part of this process, service-specific detail and information about funding allocated through the IAHP Primary Health Care Funding Model will be provided.

All other organisations will receive a one year agreement, with a possible extension for a further one to two years. The value of these agreements will be equal to current 2019-20 funding levels plus annual indexation. If a funding model is able to be developed, it will be implemented as soon as possible within this grant timeframe.

When will the 2020-21 Primary Health Care Grant Opportunity be open?

The Department will be releasing a closed non-competitive Grant Opportunity in late 2019 for the primary health care grant funding under the IAHP.

Has the grant opportunity process changed?

Yes, the Department has streamlined the process for the 2020-21 grant round to reduce the administrative burden on funded organisations. Organisations will no longer be required to submit a comprehensive grant application, and instead will submit a work plan and budget in July 2020 under the new funding agreement.

Who can I contact for further information?

For further information about the IAHP Primary Health Care Funding Model, please email IAHPFundingModel@health.gov.au.