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TITLE : PROVISIONAL GRANTS

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1. Purpose

This Bulletin defines and describes Provisional Grants, which are intended to achieve orderly and balanced progress towards the Health Service Budget Reform objectives.

2. Definition

Provisional Grants are extraordinary funds which may be allocated to resolve difficulties arising from changes in the WA Price Schedules.

Each Provisional Grant to a Health Service will be an agreed part of the Memorandum of Understanding (MoU), and this MoU will contain conditions, including specific outcomes, which relate the grant to resolving the provider's particular difficulties.

3. General Principles for Provisional Grants

The need for this class of grant arises from changing the Health Department's purchasing processes in accordance with the Health Service Budget Reform initiatives.

New price structures are being introduced in 1997/98 and these will be refined in each subsequent year. As with earlier reforms, differences will arise between the terms of each provider's current MoU and the terms of the next year's MoU.

The general intent of this class of grant is to give all parties time to address and resolve any budget discrepancies produced by year-to-year changes in price schedules. An essential aspect of these grants is some form of linkage between the funds granted and action aimed at resolving these discrepancies.

The new price structures will relate to one base price for costed hospitals and another base price for hospitals whose episodes of care had not been individually costed. For 1997/98, only Teaching Hospitals have episode level costed data.

