

## Update to Rotary Wing Air Transport Fee Increase, and Review of Funding Model for Ambulance Services

31<sup>st</sup> October 2013

The Victorian Government has approved an increase in air ambulance fees in 2013-14 to improve cost recovery of these services. Effective from 1 November 2013, Ambulance Victoria rotary wing air transport fees will increase by 20%. The new rates are shown in the table below<sup>1</sup>.

Table 1:- Ambulance Services Victoria – Rotary Wing Air Transport Fee Increase

	Current	From 1 Nov 2013
<b>Rotary Wing</b>		
• First hour or part thereof (not including road component)	\$3,436.92	\$4,124.31
• Each additional minute	\$57.29	\$68.74

### Context and recent developments

Rural health services are major users of rotary wing transport. However, due to a historical arrangement where rural hospitals are charged at the Rural Road Rate (see Department of Health Hospital Circular 26/12) regardless of the mode of transport used, rural hospitals will not be affected by the rotary wing air transport increase at this time. The Department of Health reported this during a meeting with rural health CEO's earlier this week.

The Department of Health is currently reviewing the funding model for ambulance services. The review will examine a broad array of design choices including:

- Options for who pays for ambulance services and approaches to revenue raising;
- Options for pricing ambulance services including the potential use of loadings and different incentive systems; and
- Options for where review of the responsibility resides for setting ambulance service fees.

The review is looking at aligning fee-setting with the reforms to Ambulance Victoria's service delivery model described in its Draft Strategic Plan 2013-16<sup>2</sup>. Other factors being considered include improving transparency of funding arrangements and ensuring sustainability in funding streams for different types of ambulance services and different users/payment sources.

<sup>1</sup> Source: Victorian Department of Health Hospital Circular 12/13, 18<sup>th</sup> October 2013

<sup>2</sup> Source: Ambulance Victoria Draft Strategic Plan 2013-16, April 2013



We understand changes arising from the review are unlikely to take place until next year.

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