



8 October 2025

Change to the way TAC and WorkSafe pay for delivery of public health services

The Transport Accident Commission (TAC) and WorkSafe Victoria (WorkSafe) support Victorians injured in a transport or workplace accident in their recovery, by paying for treatment and rehabilitation services provided in Victorian public health services.

The TAC and WorkSafe are working with Hospitals Victoria to implement a policy change regarding the funding of services for their clients in Victorian public health services. This aims to ensure funding arrangements are modern and simplified into the future.

What is changing

From 1 July 2026, funding of services provided by Victorian public health services for TAC clients will move to a single payment per episode of care (activity-based funding) and away from the separate billing by health services, medical practitioners and diagnostic providers. Due to an IT transformation program at WorkSafe, an implementation date of 1 July 2027 is anticipated.

Key principles and details

- The total level of funding provided by the TAC and WorkSafe to support the care of Victorians injured in transport and workplace accidents will remain consistent with current arrangements, ensuring all services required will continue to be provided.
- The total level of funding to support care will be provided directly to health services who will be responsible for covering all associated costs, including medical and diagnostic services. Funding will no longer be provided separately to health services, medical practitioners and diagnostic providers.
- All services provided by Victorian health services, including emergency, admitted (acute and mental health), sub-acute and non-admitted activities, will be included in this change.
- Funding for services will be provided via a single price per National Weighted Activity Unit (NWAU), which will be consistent across all health services and all activity types, and reflect the cost to deliver the services.
 - Note, the price per NWAU for TAC patients will be different to the price per NWAU for WorkSafe patients.
- Medical practitioners and diagnostic providers will no longer be able to invoice the TAC directly for services provided in public health services after 1 July 2026. Payment will be provided directly by health services. For WorkSafe, this is 1 July 2027.

- Direct billing for services provided in private settings remains unchanged.
- Medical practitioners and diagnostic providers can continue to bill the TAC directly for services delivered to 30 June 2026, and WorkSafe to 30 June 2027.
- This change does not impact any other TAC and WorkSafe benefits.

Next steps

The TAC, WorkSafe and Hospitals Victoria are currently meeting with health services and peak bodies to provide further information on the future funding model structure for services delivered in public health services, to assist with transition to the new arrangements.

It is recognised this change will require health services to amend administrative processes, and to work with medical practitioners and diagnostic providers to establish new agreed payment arrangements for the care of TAC and WorkSafe clients.

The TAC, WorkSafe and Hospitals Victoria are committed to working closely with you during the transition to ensure the new arrangements are successfully implemented. We will also undertake a review post-implementation to ensure the arrangements are working as intended.

We will continue to provide regular updates and information over coming weeks to assist health services prepare for this change. Our next update will occur in late October after initial engagement with health services and peak bodies has taken place.

Questions and further information

A dedicated project team has been established across the three agencies, who are working to support this change. We welcome questions from all health services, particularly in relation to the process of implementation, so that we can continue to support all parties transition to the new arrangements successfully.

Please provide your questions via the [online query form](#).

Note; this form is intended to be used by health services only. Feedback or queries from medical practitioners and diagnostic providers should be directed via relevant health services. All information received will be collated and themed, with responses provided via regular project updates to all health services.

If you have a question that requires a direct response, please email us at tacwsvpublichospitalfunding@tac.vic.gov.au

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