Change to the way the TAC pays for delivery of public health services

Contents

Overview of changes

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

The TAC is 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.

Services provided by Victorian public health services including emergency, admitted (acute and mental health), sub-acute and non-admitted activities, will be included.

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.

It is anticipated that WorkSafe Victoria will also adopt this funding approach in future years.

Key principles of the future state

- From 1 July 2026, funding for services will be provided via a single TAC price per National Weighted Activity Unit (NWAU) that will encompass all elements of care of attendance/admission, clinician and diagnostic billings.
- This will be consistent across all Victorian public health services and all activity types and reflect the full cost to deliver the services.
- This change aims to improve the transparency on the funding of each TAC patient episode and streamline billing and payment processes for health services and individual practitioners.

Change to the way the TAC pays for delivery of public health services

TAC fee schedules

The current TAC fee schedule for medical practitioners and diagnostic providers has been provided below for your awareness.

This fee schedule outlines the rates at which the TAC currently pay individual providers for their services. This includes services delivered outside of Victorian public health services (such as private practice and general practice).

The TAC cannot determine or influence the individual fee and billing arrangements between public health services and individual clinicians and diagnostic providers under the future model.

Medical services reimbursement rates - TAC

The current TAC fee schedule for non-admitted patients is provided below.

Non-admitted compensable patient fees

A revised fee schedule for Victorian public hospital services will be in place from 1 July 2026. This will cover the services that remain out of scope under the future model.

All in-scope service types will be included in the new TAC price per NWAU. The TAC will pay the Department of Health for all included TAC activity based on this price.

Frequently Asked Questions (FAQs)

When will the NWAU price be released?

We expect to provide more information on the price per NWAU in quarter four of this financial year (April – June 2026).

How do we treat private patients referred to diagnostics?

If a TAC patient attends a public health service from an external referral (e.g. GP, Specialist) for diagnostic services only, then this activity will be invoiced directly to the TAC.

All diagnostic services required for TAC patients **admitted** in Victorian public health services or referred from non-admitted activity are included within the in-scope service types and covered by the new TAC price per NWAU as described in the in-scope table.

How do we capture and bill for admissions that span two financial years?

All admissions are captured based on the **discharge date.** Therefore, if they are discharged on or after 1 July 2026, the cost of their episode of care will align to the new TAC price per NWAU, regardless of what services they received in the previous financial year.

Transport Accident Commission

Change to the way the TAC pays for delivery of public health services

Will this change effect TAC benefits or approval processes?

This change does not affect the services or benefits available to TAC clients, or the current approval processes, timeframes and pathways.

This includes the treatments and services available to TAC clients in the first 90 days of their claim acceptance, without requiring prior approval from the TAC.

Decisions around the clinical care required for TAC patients should not be treated differently, and people injured in Victorian transport accidents will continue to receive the best care in Victorian public hospitals.

Who will set the new fee schedule for practitioners?

It is the responsibility of health services to determine an appropriate and agreeable fee with impacted clinicians and diagnostic providers. Health services will need to undertake appropriate contract and Private Practice Agreement reviews/negotiations on a case-by-case basis.

The TAC has informed its current registered medical practitioners and diagnostic providers that this change is coming. They will expect health services to contact them to commence remuneration and contractual discussions.

The TAC will pay the Department of Health for all included TAC activity based on the new TAC price per NWAU. The TAC cannot determine or influence the individual fee and billing arrangements between health services and individual clinicians and diagnostic providers.

Will the TAC fee schedule still apply in some circumstances?

The TAC fee schedule will be updated on 1 July 2026. This fee schedule will exist in an ongoing capacity and will apply to all medical services delivered outside of Victorian public health services (such as private practice, general practice, and private diagnostic referrals). In these circumstances, providers will still invoice the TAC directly for services.

All services delivered within Victorian public health settings will be captured under the new TAC price per NWAU. Individual providers will not be able to invoice the TAC for these services delivered from 1 July 2026.

For service types that remain out of scope, a revised fee schedule for Victorian public hospital services will be in place from 1 July 2026.

How do we ensure the TAC data is accurate for billing purposes?

It will be important for hospitals to capture compensable patient status (TAC clients) as early as possible and assist clients with TAC claim lodgment where practical so that funding is not delayed. As is currently the case, payment will be subject to the patient having an accepted TAC claim.

TAC patient data will continue to be collected via VEMD, VAED and VINAH data sets, which are supplied to the Department of Health. This will inform the billing of TAC patients according to the new TAC price per NWAU. You will no longer need to individually invoice the TAC for additional services, as these will be captured under the full episode of care for in-scope service types.

Change to the way the TAC pays for delivery of public health services

How will the impact to health services be monitored and evaluated?

The TAC is committed to ensuring a consistent level of funding for Victorian public health services. We will be closely monitoring this change with a 12-month review process to ensure there is no material financial impact to health services based on TAC funding compared to the current model.

How are major hospitals managing contractual arrangements?

The TAC Modernisation of Payments Health Service Working Group has been established with representatives from some of Victoria's major and metropolitan trauma hospitals which treat the highest volume of TAC patients.

The group has been set up as a forum to consider the approach in renegotiating existing and future arrangements for clinicians within their health services.

How do we ask questions or seek support?

Feedback or queries from medical practitioners and diagnostic providers should be directed via relevant health services in the first instance.

We have established a centralised feedback form for health services, where all queries are collated. We are committed to providing regular project updates and information to health services to ensure a smooth transition for all stakeholders.

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