

On behalf of the Transport Accident Commission, I am writing to remind you of important upcoming changes to how TAC will fund care for its clients in Victorian public health settings, and to seek your support in ensuring that medical providers across your membership are aware of these changes.

What's changing

From 1 July 2026, the TAC will move to a simplified, modern funding model for care provided to eligible TAC clients in public health services.

Instead of paying separately for medical, diagnostic and other services, the TAC will make a single bundled payment to health services via the Department of Health (DH) for the full episode of care.

This means that for services provided on or after 1 July 2026, health services will be responsible for paying for medical and diagnostic services. Providers will be paid/remunerated based on mutually agreed arrangements with their employing health service.

How the new funding model will work

- The TAC will provide activity-based payments to health services via DH using a single TAC price per National Weighted Activity Unit (NWAU).
- Health services will manage all associated costs of care, including medical and diagnostic services.
- The TAC price will be consistent across all public health services and reflects the cost of delivering care.
- The new funding model will apply to all public health activity, including:
 - emergency care
 - admitted (acute and mental health)
 - sub-acute care, and
 - non-admitted activities.

What's not changing

- The overall level of TAC funding to support care for TAC patients
- Access to all required services for TAC patients
- Direct billing for services provided in **private settings**
- The pre-approval requirements for services after the first 90 days post-accident
- All other TAC services or benefits
- Current invoicing arrangements will remain in place until 30 June 2026.

Why we're contacting you

These changes will affect how medical and diagnostic providers are paid for services delivered within Victorian public health services.

From 1 July 2026, providers will no longer be able to invoice the TAC directly for these services. Any invoices submitted to the TAC from this date will be declined or subject to recovery processes.

Providers can send their invoices to the TAC after 1 July 2026, as long as it is for services provided to TAC patients on or before 30 June 2026. Providers have up to two years from the date of service to submit their invoice(s) to the TAC.

We have contacted providers directly about this, and we are asking for your assistance to help amplify our efforts to communicate these changes to your members and affiliated providers in Victoria. By now, providers should have had discussions with the relevant public health services to review or confirm their remuneration or payment arrangements ahead of the transition.

Health services have been advised of the changes through the [Health Services Bulletin](#) (also attached for reference) and should be engaging with their provider workforce. However, your support in reinforcing this information will help ensure a smooth transition and avoid disruption to payments.

If your members use third-party billing providers, please encourage them to share this information so that billing processes can be updated.

Need more information?

We encourage providers to discuss questions or concerns with their respective health service in the first instance.

A suite of FAQs are available via the Department of Health's Canto repository - [Canto - Department of Health](#)

For questions that need a response from the TAC, contact us at tacwsvpublichospitalfunding@tac.vic.gov.au

I also welcome the opportunity to meet with you to discuss the changes if you wish.

Thank you for your support in helping ensure providers are informed and prepared for these upcoming changes.

Kind regards



Angela Sormaz

Senior Manager Provider and Service Delivery

Transport Accident Commission