

Scenarios for health services

- The following slides are intended to be a resource for public health services summarising the upcoming funding model changes.
- Each slide illustrates the current, transition, and future states, and provides a clear and accessible quick-reference resource.

Changes to funding of TAC clients in Victorian public health services

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 directly to health services for the full episode of care*.

**An episode of care is a single Emergency Department presentation, an inpatient admission (including acute, sub-acute, or mental health care), or a non-admitted service event. Where a patient receives multiple types of care at different times (for example, an inpatient admission followed by non-admitted services in subsequent weeks or months), each service is treated as a separate episode of care.*

How the new funding model will work

Health services will be funded for TAC patients 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 funding model will apply to **most** public health activity. In-scope activity includes:

- 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 in public health services.

Access to all required services for TAC clients.

Direct billing for services provided in private settings, community mental health and for aids and equipment.

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.

What does this mean for clinicians?

These changes will affect how medical and diagnostic providers are paid for services delivered within Victorian public health services from 1 July 2026.

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

Services that are provided **on or before 30 June 2026** can be billed directly to the TAC as per normal processes.

Providers will be remunerated based upon mutually agreed arrangements with their employing health service/s.

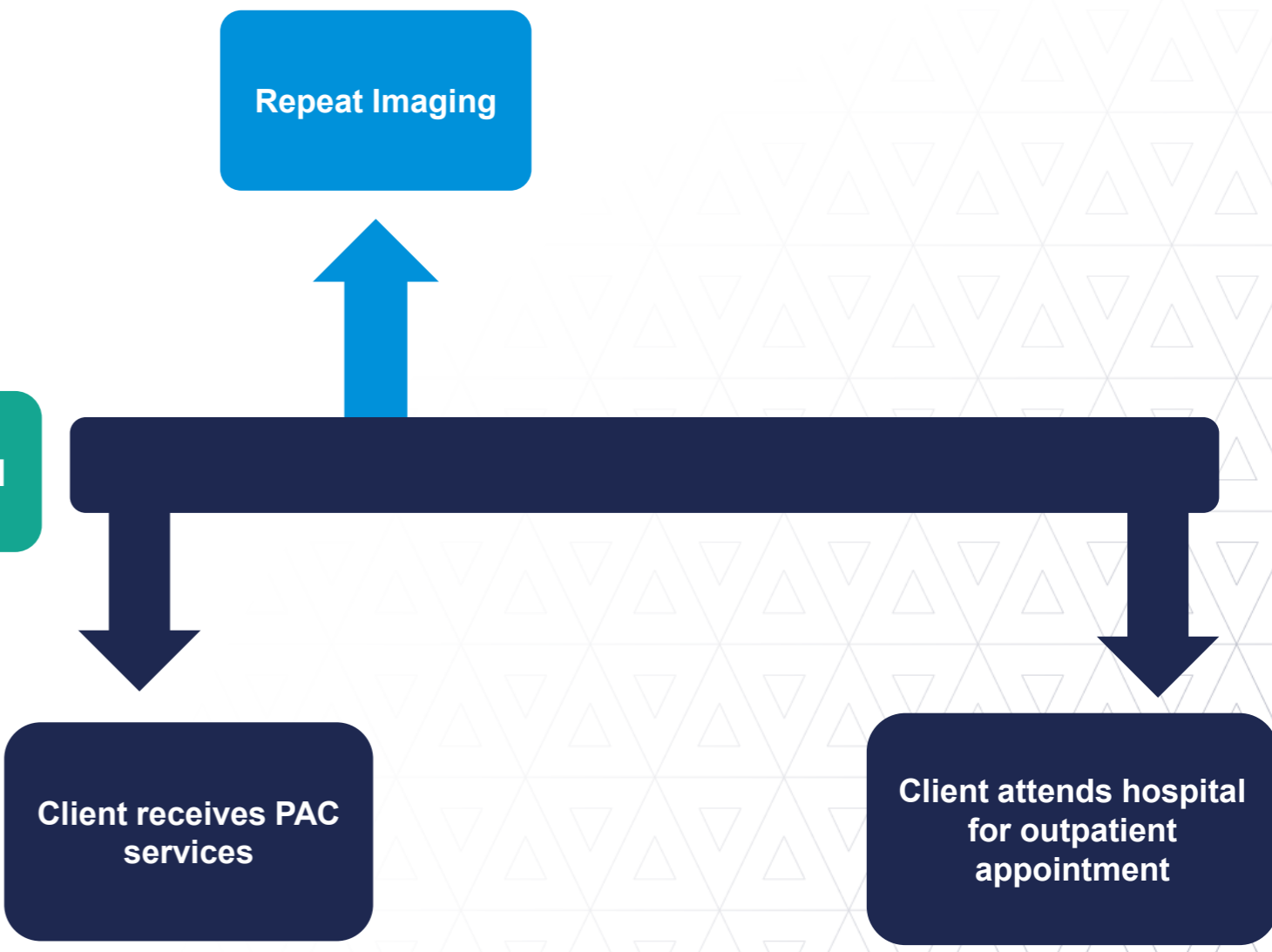
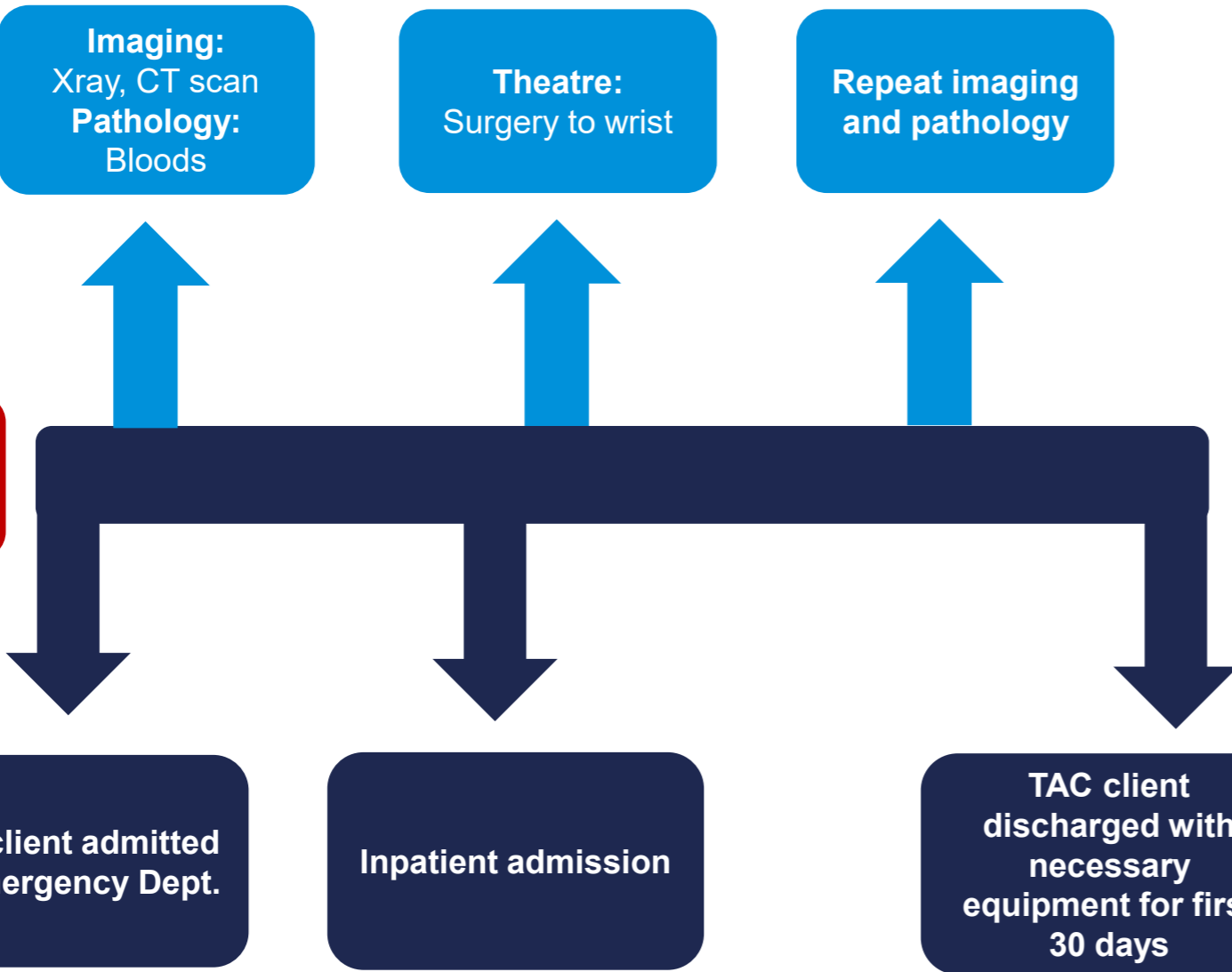
Clinicians should discuss or raise concerns directly with their respective health service/s in the first instance.

Current State: TAC patient admitted and discharged *on or before* 30 June 2026

For services delivered to TAC clients in public hospital settings *on or before* 30 June 2026, existing billing arrangements and processes for medical professional and diagnostic providers remain – providers or health services on behalf of providers invoice the TAC directly for their services.

Clinician / Provider

Health Services



Upfront payment from DH to health services based on forecasted activity. Reconciliation process whereby TAC pays DH for eligible public health service activity. (exclusive of medical practitioners with RoPP and diagnostics)

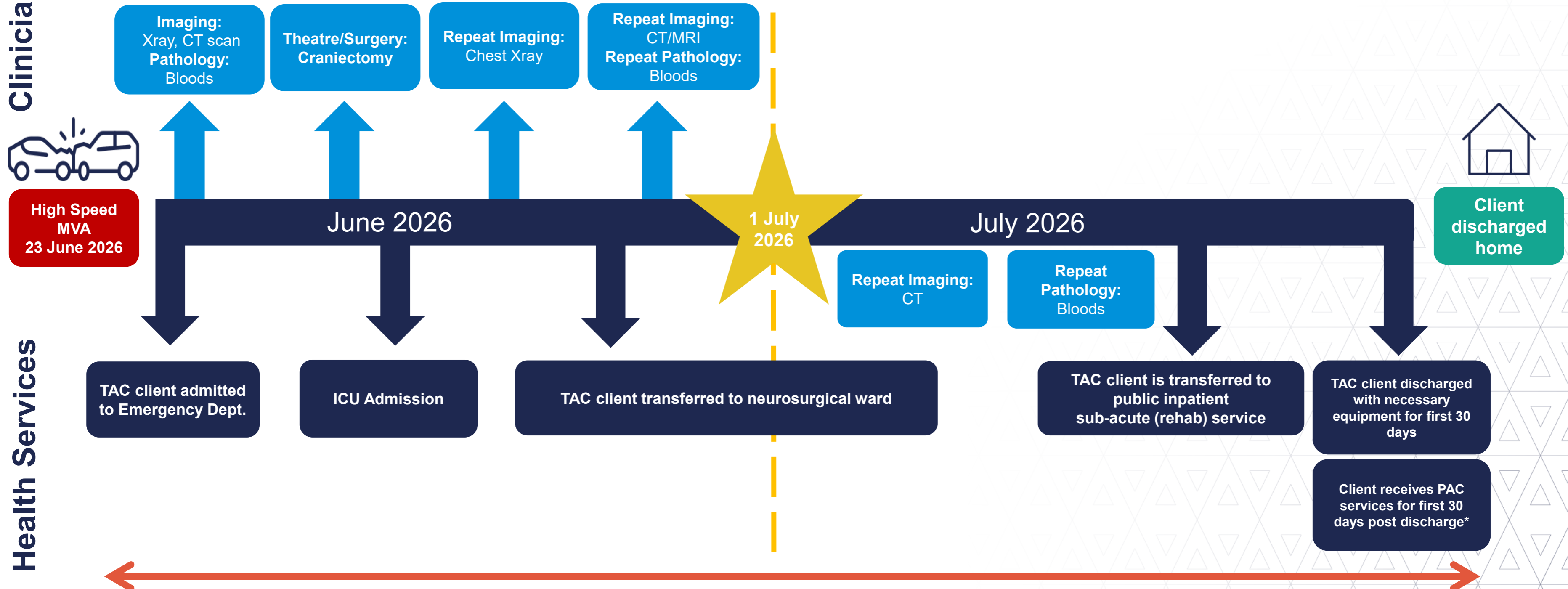
Health services invoice TAC directly for these services. (exclusive of medical practitioners with RoPP and diagnostics)

Transition State: TAC patient admissions spanning FY 25/26 and FY26/27

Clinician / Provider

- For services delivered to TAC clients in public hospital settings **on or before** 30 June, existing billing arrangements and processes for medical professional and diagnostic providers are unchanged.
- Medical and diagnostic providers have up to two years to send their invoices to TAC for services provided up to 30 June 2026.

- For services delivered to TAC clients in public hospital settings **on or after** 1 July 2026, medical professionals and diagnostic providers (in-house or third-party) will no longer be able to directly invoice the TAC.
- Providers will be remunerated based upon mutually agreed arrangements with their employing health service/s.
- Medical practitioners and diagnostic providers will report activity to their health service.



Health Services

This admission represents one episode of care for TAC patients.

Future State: TAC patient admitted and discharged *on or after* 1 July 2026

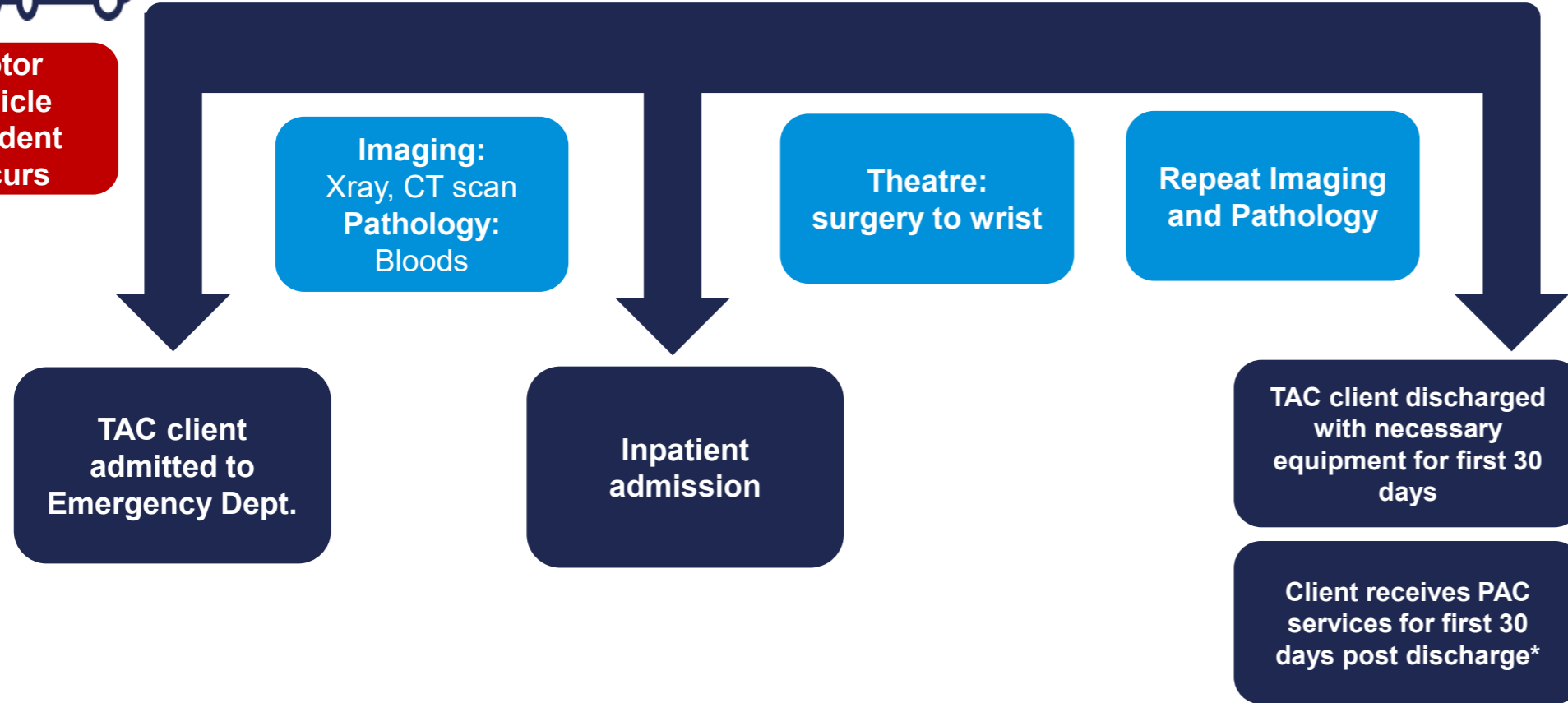
- For in-scope services delivered to TAC clients in public hospital settings *on or after* 1 July 2026, medical professionals and diagnostic providers (in-house or third-party) will no longer be able to directly invoice the TAC.
- Out-of-scope services that are not currently NWAU funded e.g. some community-based services will continue to be billed directly to the TAC.
- Providers will be remunerated based upon mutually agreed arrangements with their employing health service/s.
- Medical practitioners and diagnostic providers will report activity to their health service.

Clinician / Provider



Motor vehicle accident occurs

Health Services



Client discharged home



This admission represents one episode of care for TAC patients. DH to pay upfront to health services based on forecasted activity. Reconciliation process whereby TAC pays DH for eligible public health service activity and is paid at the new 2026/27 TAC NWAU price (inclusive of medical practitioners and diagnostics). Health services will be responsible for the remuneration of medical practitioner and diagnostic providers.

**PAC services post 30 days from discharge will be billed directly to the TAC*

This activity represents one episode of care for TAC patients and will be reported through VINAH. DH to pay upfront to health services based on forecasted activity. Reconciliation process whereby TAC pays DH for eligible public health service activity and is paid at the new 2026/27 TAC NWAU price (inclusive of medical practitioners and diagnostics). Health services will be responsible for the remuneration of medical practitioner and diagnostic providers.