Patient Travel Subsidy Scheme
Finance in Practice, Taxation Unit, GST Team

Custodian/Review Officer: Manager, GST Team

Version no: 4.1

Applicable To: All staff in QH divisions and Commercialised Business Units as well as Hospital and Health Service staff.

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Accreditation References: EQuIP and other criteria and standards

1 Purpose
This procedure describes the processes and treatment of the Patient Travel Subsidy Scheme.

2 Scope
This procedure relates to GST implications and tax codes for Patient Travel Subsidy Scheme.

3 Supporting Documents

References

- PTSS Private Ruling No 24957
- GSTR 2006/10 – Insurance Settlements and Entitlement to Input Tax Credits
- GSTR 2006/9 – Third Party Supplies

Related Business Procedures

- GST Business Procedure – Allowances & Reimbursements
- GST Business Procedure – Tax Invoices

Other Related Research

- Guidelines for the Administration of the Patient Travel Subsidy Scheme at http://qheps.health.qld.gov.au/iptu/docs/ptss/ptssguidelines.pdf (Updated July 2009) http://www.health.qld.gov.au/iptu/docs/ptss_booklet.pdf
- QHEPS - PTSS Application Form at http://qheps.health.qld.gov.au/iptu/docs/ptss/PTSS_app_form.pdf

4 Consultation

Key stakeholders who reviewed this version are:

Director, Taxation
Manager, GST Team
Senior Finance Officer, GST Team

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Version Control

Version No	Date	Author/Reviewer	Version No	Date	Author/Reviewer
1	08/07/2004		4.0	1/02/2011	R.Belton
2	01/07/2007	R.Belton	4.1	01/10/2012	Malcolm Cope
2.1	23/06/2008	Eman Ajaj			
3.0	21/08/2009	R Baker			

Introduction

The ***Patient Travel Subsidy Scheme (PTSS)*** provides direct assistance to patients and in some cases their carers so that patients can access specialist medical services that are not available in their local area. [1] The purpose of the scheme is to facilitate equal access for Queensland residents to essential health care services. This is achieved through the following strategies:

- Contributing to the cost of patient transport;
- Contributing to the cost of patient accommodation; and
- Contributing to the cost of transport and accommodation for escorts that might be required for the effective treatment of patients.

The Scheme provides a subsidy only and *does not* cover all of the costs associated with travel and accommodation. Under certain circumstances, the Scheme can also provide a contribution towards the cost of transport and accommodation for an escort.

Summary of Tax Codes

Accommodation	Tax Code
Patient Accommodation arranged by QH (GST charged on compliant tax invoice)*	**P0**
Patient Accommodation arranged by QH (No GST charged – GST Free)	**P5**
Patient Accommodation arranged by Patient (Exclusive amount only reimbursed by QH)	**P9**
Patient stays with friends or relatives in private accommodation and provided an allowance (no GST applies).	**P9**
Travel	**Tax Code**
Patient Travel arranged by QH (GST charged on compliant tax invoice)*	**P0**
Travel warrant issued to a patient for travel on public transport. QH makes payment on receipt of valid tax invoice in QH's name from transport supplier.	**P0**
Patient Travel arranged by Patient (Exclusive amount only reimbursed by QH)	**P9**
Mileage allowance claims paid to patient.	**P9**
* Non-compliant tax invoice which includes 10% GST in the price	**P2**

[1] Guidelines for the Administration of the Patient Travel Subsidy Scheme

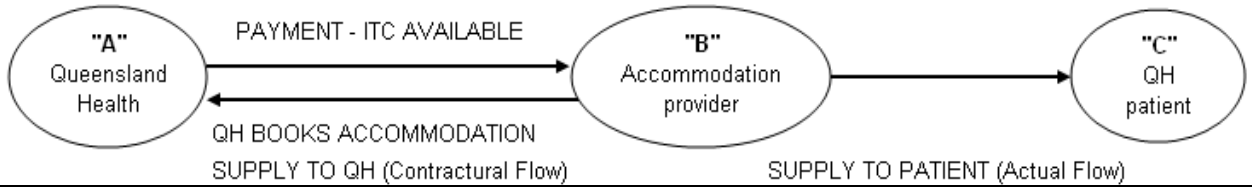
ATO Ruling Rationale

The Australian Taxation Office (ATO) issued **Private Ruling 24957** to QH on 24 February 2003 in relation to PTSS which was explicit in how GST could be applied to this Scheme.

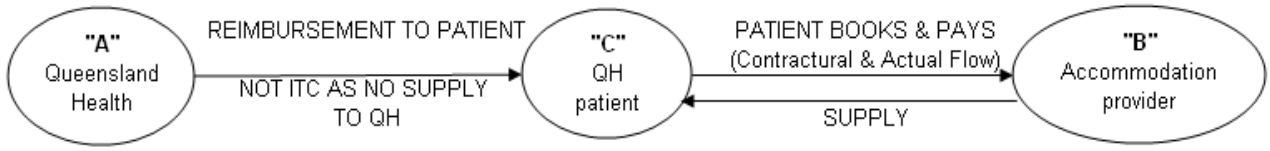
1. Where **QH books and pays for travel and accommodation directly,** it **is entitled** to claim an Input Tax Credit (ITC) as the taxable supply is to QH.

It should be noted that although ***GSTR 2000/36 was used by the ATO in providing Private Ruling 24957***, subsequent ***GSTR 2006/9*** – Supplies including Third Party also supports the decisions contained therein.

Proposition 13: When A has an agreement with B for B to provide a supply to C, there is a supply made by B to A (contractual flow) that B provides to C (actual flow)

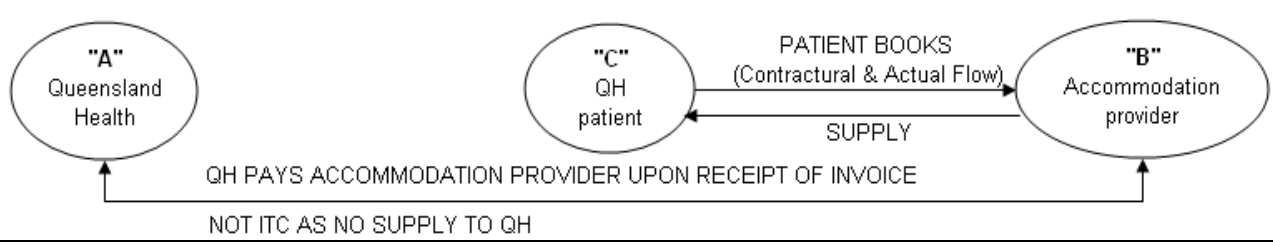


2. Where **a patient books and pays for travel and accommodation** directly, then the taxable supply is to the patient and QH **is not entitled** to an ITC where it later reimburses the patient for the expense.



3. The only exception to this general rule is the scenario where the **patient books the accommodation** of his/her choice and **QH is then billed** the subsidy amount plus GST, directly by the supplier.

   In this scenario, it is still considered that the taxable supply is to the patient; therefore QH **is not entitled** to an ITC when paying the supplier.



Scenario 2 & 3 – Reimbursement of Exclusive Amounts only

If the patient books and pays for travel or accommodation and subsequently seeks reimbursement from Queensland Health as **in scenario 2 and 3** above, **only the GST exclusive amount will be paid** by Queensland Health. As the supply is to the patient, Queensland Health cannot claim the GST portion of the invoice even if the patient produces a valid tax invoice.[2]

Accommodation

An accommodation subsidy is paid up to a specified amount, GST-exclusive, per person per night in commercial accommodation facilities. There are ***five (5) accommodation options*** as follows:

Description	Type of Supply	Tax Code
OPTION 1		
QH directly books the accommodation for the patient. The accommodation provider (supplier) issues a compliant tax invoice to QH and QH makes a payment for the total amount of the invoice which includes GST in the price.	10% GST included in price – Taxable Supply	**P0**
QH directly books the accommodation for the patient. The accommodation provider (supplier) issues an invoice to QH and QH makes a payment for the total amount of the invoice which does not include GST in the price.	0% GST included in price – GST-free or supplier not registered for GST	**P5**
OPTION 2		
After obtaining prior approval, the **patient personally books accommodation**. The accommodation provider (supplier) subsequently bills QH to the value of the subsidy plus GST per night and provides a compliant tax invoice. Private expenses; eg phone calls etc are the responsibility of the patient.	Out of scope supply	**P9**
OPTION 3		
After obtaining prior approval, the **patient books and pays for accommodation in their own name**. The patient claims the subsidy from QH by submitting a copy of the invoice from the accommodation provider. The tax invoice is raised in the name of the patient.	Out of scope supply	**P9**
OPTION 4		
Before obtaining prior approval, the patient books and pays for accommodation in their own name. After formal approval is given by QH, the patient claims the subsidy.	Out of scope supply	**P9**
OPTION 5		
The patient stays with friends or relatives in private accommodation. QH pays an allowance.	Out of scope supply	**P9**

[2] Guidelines for the Administration of the Patient Travel Subsidy Scheme

Travel

Transport costs are covered from the transport terminal (airport, bus station or train station) in the town where the patient is located to the transport terminal in the town or city to which the patient is travelling.

There are ***four (4) travel options***:

Description	Type of Supply	Tax Code
OPTION 1		
The patient is transported, for example by airline or train. The transport is arranged by QH through an internal booking system, in the name of QH and to the QH's account, there is no reimbursement to the patient. A valid tax invoice is received.	10% GST included in price – Taxable Supply	**P0**
OPTION 2		
The patient may be issued with a Travel Authority or Warrant on an air carrier, rail or bus service for a ticket to be issued. The transport supplier bills QH for the supply with a valid tax invoice.	10% GST included in price – Taxable Supply	**P0**
OPTION 3		
The patient elects to travel by airline transport and the level of class of travel of their choice. The patient books this directly with the travel supplier. QH reimburses the patient up to a specified amount. QH cannot claim a GST credit even if the patient provides a valid tax invoice.	Out of scope supply	**P9**
OPTION 4		
The patient claims a subsidy for the cost of transport, other than by motor vehicle, i.e. bus or train. Reimbursement is paid at a set rate per kilometre for motor vehicle usage or by comparison to the cheapest alternative form of transport. The charge or ticket would be in the patient's name. This includes payment of a mileage allowance to the patient.	Out of scope supply	**P9**

DISCLAIMER: This procedure is written in accordance with ***A New Tax System (Goods and Services Tax) Act – 1999***. For further information regarding Queensland Health policies and procedures, the appropriate resources should be researched and/or contacted.

For the latest version of this GST Business Procedure, check the GST site on QHEPS:
http://qheps.health.qld.gov.au/financenetwork/templates/web_pages/tax_procedures.htm