

Service Agreement End-of-Year Final Allocations (Abridged)

An agreement between:

Department of Health Chief Executive Officer

And

South Metropolitan Health Service

for the period

1 July 2020 – 30 June 2021

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BACKGROUND

- A. With effect from 1 July 2020, pursuant to section 46 of the *Health Services Act 2016* (the Act) the Parties entered into a Service Agreement (Interim). Section 46(4) of the Act provides that the Service Agreement is binding on the Parties.
- B. This Service Agreement was interim in its nature to reflect the delay in the 2020-21 State budget due to the COVID-19 pandemic.
- C. The Service Agreement details the health services that the Department CEO will purchase from the South Metropolitan Health Service (SMHS) and the health services SMHS will deliver during the 2020-21 financial year.
- D. The State Budget handed down on 8 October 2020 changed the funding set out in the Service Agreement and an amendment was executed through a Budget Deed of Amendment.
- E. The State Mid-year Review published on 14 December 2020 further changed the budget allocations set out in the Service Agreement and Budget Deed of Amendment and an amendment was executed through a Mid-year Review Deed of Amendment.
- F. Since the State Mid-year Review and up to 30 June 2021 changes to the budget allocations set out in the Mid-year Review Deed of Amendment have occurred and an amendment to these is required.
- G. This document is not required to be executed in accordance with section 41 of the Act as all amendments have been approved through other processes.

DEFINED TERMS

In this Deed:

1. **EOY** means End-of-year and refers to the 2020-21 Financial year
2. **EOY Final Allocations** means this document
3. **MYR Deed** means the Health Service Provider Mid-Year Review Deed of Amendment 2020-21 between the Parties.

1. OPERATION OF AMENDMENTS

The Service Agreement including amendments contained in the Budget Deed and the MYR Deed, will be read and construed subject to this Deed, and in all other respects the provisions of the Service Agreement are confirmed, and subject to the terms of the amendments contained in this Deed and the Service Agreement, Budget Deed and MYR Deed, will continue in full force and effect in accordance with its terms.

Each Party will promptly do and perform all further acts and execute and deliver all further documents (in form and content reasonably satisfactory to that Party) required by law or reasonably requested by any other Party to give effect to this Deed.

This Deed is governed by and will be construed according to the laws in force in Western Australia.

2. ENTIRE AGREEMENT

This Deed together with the Service Agreement, including amendments contained in the Budget Deed and the MYR Deed, constitutes the entire agreement between the Parties and supersedes any previous agreement between the Parties as to the subject matter of this Deed.

3. AMENDMENTS TO SERVICE AGREEMENT

With effect from the date of this Deed the Parties agree that the Service Agreement is varied so that:

- (a) The Schedule B: Summary of Activity and Funding table at page 25 of the Service Agreement, as amended by the Budget Deed and the MYR Deed, is amended. This amendment is attached hereto and marked as Annexure 1.

4. PUBLICATION OF DEED

The Department will publish an abridged version of this Deed on the WA Health internet site, in accordance with Schedule D9 of the National Health Reform Agreement. Any subsequent amendments to this Deed together with the Service Agreement will also be published in accordance with Schedule D9 of the National Health Reform Agreement.

Annexure 1

B: SMHS Summary of Activity and Funding

OBM Service	2020-21		2020-21		2020-21		2020-21		2020-21		2020-21	
	Service Agreement (Interim)		Changes from SA to BUD DOA		Changes from BUD DOA to MYR DOA		Mid-Year Review Deed of Amendment		Changes MYR DOA to EOY Final Alloc.		End-of-Year Final Allocations	
	WALs	\$'000	WALs	\$'000	WALs	\$'000	WALs	\$'000	WALs	\$'000	WALs	\$'000
01 Public Hospital Admitted Services	176,883	1,235,397	3,168	18,780	—	(1,066)	180,051	1,253,110	—	4,782	180,051	1,257,892
02 Public Hospital Emergency Services	29,184	195,899	293	1,728	—	(2)	29,477	197,626	—	688	29,477	198,313
03 Public Hospital Non-Admitted Services	38,043	266,790	2,419	14,334	—	720	40,462	281,845	—	1,163	40,462	283,008
04 Mental Health Services	11,824	144,389	—	—	—	1,803	11,824	146,192	28	1,854	11,852	148,047
05 Aged and Continuing Care Services	—	13,624	—	532	—	165	—	14,321	—	391	—	14,713
06 Public and Community Health Services	—	34,998	—	486	—	582	—	36,067	—	1,008	—	37,313
07 Pathology Services	—	—	—	—	—	—	—	—	—	—	—	—
08 Community Dental Health Services	—	—	—	—	—	—	—	—	—	—	—	—
09 Small Rural Hospital Services	—	—	—	—	—	—	—	—	—	—	—	—
10 Health System Management - Policy and Corporate Services	—	—	—	—	—	—	—	—	—	—	—	—
11 Health Support Services	—	—	—	—	—	—	—	—	—	—	—	—
Government Corrective Measures	—	(53,903)	—	—	—	—	—	(53,903)	—	—	—	(53,903)
Health Allocation Adjustments	—	67,599	—	3,187	—	7,231	—	78,017	—	24,345	—	102,362
Total—Activity and Funding	255,934	1,904,795	5,880	39,048	—	9,433	261,814	1,953,275	28	34,231	261,842	1,987,744
Less Income	—	(884,829)	—	(16,894)	—	(169)	—	(901,892)	—	—	—	(901,892)
Net—Activity and Funding	255,934	1,019,966	5,880	22,154	—	9,264	261,814	1,051,383	28	34,231	261,842	1,085,852

Notes

- a. “Less income” is the estimated value of revenue from sources other than State Appropriations.

SMHS—Commonwealth and State contributions to the National Health Funding Pool

	National Efficient Price (as per IHPA)	Total Expected NWAUs	Total Contribution	Commonwealth		State
				Contribution	Funding Rate	Contribution
ABF Service group	(NEP \$)	(#)	(NEP \$)	(NEP \$)	(%)	(NEP \$)
Acute Admitted	5,320	144,709	769,850,500	304,131,314	42.3	465,719,186
Admitted Mental Health	5,320	10,514	55,934,033	24,137,985	42.3	31,796,048
Sub-Acute	5,320	16,027	85,265,674	39,562,970	42.3	45,702,704
Emergency Department	5,320	27,192	144,661,440	63,140,813	42.3	81,520,627
Non Admitted	5,320	35,445	188,567,400	75,296,237	42.3	113,271,163
Total ABF	5,320	233,887	1,244,279,046	506,269,319	42.3	738,009,728
Non-ABF Service group			(\$)	(\$)	(%)	(\$)
Non Admitted Mental Health			62,392,833	19,834,508	31.8	42,558,325
Non Admitted CAMHS			—	—	—	—
Non Admitted Home Ventilation			2,162,000	972,900	45.0	1,189,100
Rural CSO sites			—	—	—	—
Teaching, Training and Research			74,412,247	28,829,403	38.7	45,582,845
Total Block Funding			138,967,080	49,636,811	35.7	89,330,269

Note:

This schedule relates to Commonwealth "in-scope" activity only and is a subset of the Summary of Activity and Funding Schedule