

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

An agreement between:

Department of Health Chief Executive Officer

And

Child and Adolescent Health Service

for the period

1 July 2019 – 30 June 2020

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BACKGROUND

- A. On 1 July 2019, pursuant to section 46 of the *Health Services Act 2016* (the Act) the Parties entered into a Service Agreement. Section 46(4) of the Act provides that the Service Agreement is binding on the Parties.
- B. The Service Agreement details the health services that the Department CEO undertook to purchase from the Child and Adolescent Health Service (CAHS) and the health services CAHS undertook to deliver during the 2019-20 financial year.
- C. The State Mid-Year Review handed down on 18 December 2019 changed the funding set out in the Service Agreement and an amendment to these was executed through a Mid-year Review Deed of Amendment.
- D. Since the State Mid-year Review and up to 30 June 2020 changes to the funding set out in the Mid-year Review Deed of Amendment have occurred and an amendment to these is required.
- E. 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 2019-20 Financial year
2. **EOY Final Allocations** means this document
3. **MYR Deed** means the Health Service Provider Mid-Year Review Deed of Amendment 2019-20 between the Parties

1. OPERATION OF AMENDMENTS

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

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

2. ENTIRE AGREEMENT

This EOY Final Allocations together with the Service Agreement, including amendments contained in 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 EOY Final Allocations.

3. AMENDMENTS TO SERVICE AGREEMENT

With effect from the date of this EOY Final Allocations the Service Agreement is varied so that:

- (a) The Schedule B: Summary of Activity and Funding table at page 23 of the Service Agreement, as amended by 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 EOY Final Allocations on the WA health system internet site, in accordance with Schedule D9 of the National Health Reform Agreement.

In accordance with Schedule D8(a) and D8(c), included with the abridged version of this EOY Final Allocations is an additional schedule that provides a calculation of the Commonwealth and State contributions to the National Health Funding Pool under this Agreement.

Annexure 1

B: CAHS Summary of Activity and Funding

OBM Service	2019-20		2019-20		2019-20		2019-20		2019-20	
	Executed Service Agreement		Changes from SA to MYR DOA		Mid-Year Review Deed of Amendment		Changes MYR DOA to EOY Final Alloc.		End-of-Year Final Allocations	
	WAOs	\$'000	WAOs	\$'000	WAOs	\$'000	WAOs	\$'000	WAOs	\$'000
01 Public Hospital Admitted Services	46,260	349,738	284	2,825	46,544	352,563	—	7,229	46,544	359,793
02 Public Hospital Emergency Services	7,367	57,751	—	161	7,367	57,911	—	102	7,367	58,013
03 Public Hospital Non-Admitted Services	12,468	92,596	—	329	12,468	92,925	—	206	12,468	93,131
04 Mental Health Services	2,746	73,696	(139)	(721)	2,607	72,976	126	1,575	2,733	74,551
05 Aged and Continuing Care Services	—	1,122	—	626	—	1,748	—	79	—	1,827
06 Public and Community Health Services	—	144,271	—	5,427	—	149,698	—	246	—	149,943
07 Pathology Services	—	—	—	—	—	—	—	—	—	—
08 Community Dental Health Services	—	—	—	—	—	—	—	—	—	—
09 Small Rural Hospital Services	—	—	—	—	—	—	—	—	—	—
10 Health System Management - Policy and Corporate S	—	—	—	—	—	—	—	—	—	—
11 Health Support Services	—	—	—	—	—	—	—	—	—	—
Government Corrective Measures	—	(6,493)	—	(18)	—	(6,511)	—	—	—	(6,511)
Health Allocation Adjustments	—	14,811	—	17,557	—	32,368	—	153	—	32,521
Total	68,841	727,492	145	26,186	68,986	753,678	126	9,590	69,112	763,268

Notes

- For the 2019-20 EOY Final Allocations, Government Corrective Measures (GCM) and Health Allocation Adjustments (HAA) are shown separately. Therefore, the figures in schedules 01-11 exclude GCM and HAA.
- For the 2019-20 EOY Final Allocations, the figures above include an allocation (apportioned across OBM service categories) for Financial Products, HSS-Resources Received Free of Charge (RRFOC) and PathWest-RRFOC.
- The new Accounting Standard "AASB 16 - Leases" was implemented by the Department of Health on the 1 July 2019. The 2019-20 Service Agreement incorrectly treated the AASB 16 – Lease, Borrowing Cost allocations as a Financial Product (i.e. non-cash). This was corrected in the 2019-20 MYR DOA, with the AASB 16 – Lease, Borrowing Costs treated as a Health Allocation Adjustment (HAA) (i.e. cash). This also now reflects the Funding Plan treatment. As the AASB 16 – Lease, Borrowing Costs are no longer treated as a Financial Product there are minor adjustments to OBM 01-11 and HAA (also reflected in OBM and HAA Schedules). These changes did not affect the expense limit of the 2019-20 Service Agreement.

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

	National Efficient Price (as per IHPA) (NEP \$)	Total Expected NWAUs (#)	Total Contribution (NEP \$)	Commonwealth		State
				Contribution (NEP \$)	Funding Rate (%)	Contribution (NEP \$)
ABF Service group						
Acute Admitted	5,134	33,310	171,011,257	73,789,172	43.1	97,222,085
Admitted Mental Health	5,134	2,426	12,454,908	4,607,719	37.0	7,847,189
Sub-Acute	5,134	1	4,446	1,536	34.5	2,911
Emergency Department	5,134	6,705	34,425,093	13,945,862	40.5	20,479,231
Non Admitted	5,134	12,247	62,876,438	33,152,257	52.7	29,724,180
Total ABF	5,134	54,689	280,772,141	125,496,546	44.7	155,275,595
Non-ABF Service group						
Non Admitted Mental Health			1,847,070	572,115	31.0	1,274,956
Non Admitted CAMHS			45,827,365	4,315,422	9.4	41,511,944
Non Admitted Home Ventilation			6,968,288	3,135,730	45.0	3,832,558
Rural CSO sites			—	—	—	—
Teaching, Training and Research			24,869,791	9,577,563	38.5	15,292,229
Total Block Funding			79,512,515	17,600,829	22.1	61,911,686

Note:

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