

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

An agreement between:

Department of Health Chief Executive Officer

And

East Metropolitan Health Service

for the period

1 July 2019 – 30 June 2020

CONTENTS

BACKGROUND	3
DEFINED TERMS	4
1. OPERATION OF AMENDMENTS	5
2. ENTIRE AGREEMENT	5
3. AMENDMENTS TO SERVICE AGREEMENT	5
4. PUBLICATION OF DEED	5
Annexure 1.....	6
B: EMHS Summary of Activity and Funding.....	6
 EMHS—Commonwealth and State contributions to the National Health Funding Pool.....	 7

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 East Metropolitan Health Service (EMHS) and the health services EMHS 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 25 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: EMHS 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	
	WALUs	\$'000	WALUs	\$'000	WALUs	\$'000	WALUs	\$'000	WALUs	\$'000
01 Public Hospital Admitted Services	147,880	987,547	678	9,062	148,558	996,609	318	6,846	148,876	1,003,455
02 Public Hospital Emergency Services	28,853	193,806	—	737	28,853	194,543	—	515	28,853	195,058
03 Public Hospital Non-Admitted Services	23,623	160,173	—	744	23,623	160,917	(62)	132	23,561	161,049
04 Mental Health Services	18,267	190,749	82	885	18,349	191,633	924	6,442	19,273	198,076
05 Aged and Continuing Care Services	—	12,398	—	409	—	12,807	—	436	—	13,243
06 Public and Community Health Services	—	25,102	—	3,094	—	28,196	—	(646)	—	27,550
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	—	(22,854)	—	(20)	—	(22,874)	—	—	—	(22,874)
Health Allocation Adjustments	—	27,971	—	3,764	—	31,735	—	(1,159)	—	30,577
Total	218,623	1,574,892	760	18,674	219,383	1,593,566	1,180	12,567	220,563	1,606,133

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.

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

	National	Total	Total	Commonwealth		State
	Efficient Price	Expected	Contribution	Contribution	Funding	Contribution
	(as per IHPA)	NWAUs	(NEP \$)	(NEP \$)	Rate	(NEP \$)
	(NEP \$)	(#)	(NEP \$)	(NEP \$)	(%)	(NEP \$)
ABF Service group						
Acute Admitted	5,134	122,510	628,967,726	271,391,536	43.1	357,576,190
Admitted Mental Health	5,134	16,576	85,101,366	31,483,426	37.0	53,617,940
Sub-Acute	5,134	9,258	47,529,608	16,416,671	34.5	31,112,938
Emergency Department	5,134	25,705	131,971,901	53,462,801	40.5	78,509,099
Non Admitted	5,134	23,311	119,678,156	63,101,556	52.7	56,576,600
Total ABF	5,134	197,360	1,013,248,757	435,855,989	44.7	577,392,768
Non-ABF Service group						
Non Admitted Mental Health			69,631,952	21,567,923	31.0	48,064,028
Non Admitted CAMHS			—	—	—	—
Non Admitted Home Ventilation			—	—	—	—
Rural CSO sites			—	—	—	—
Teaching, Training and Research			67,313,480	25,922,979	38.5	41,390,501
Total Block Funding			136,945,432	47,490,902	34.7	89,454,530