

**Department of Health  
Notional Contracted Services  
Local Health Network  
Service Agreement  
End-of-year  
Final Allocations  
(Abridged)**

An agreement between:

**Department of Health Chief Executive Officer**

And

**Department of Health  
Purchasing and System Performance Division**

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 Notional LHN and the services the Notional LHN undertook to deliver during the 2019-20 financial year.
- C. An update to the Commonwealth specific purpose payment activity and funding changes the funding set out in the Service Agreement and an amendment to this is required.
- D. This EOY Final Allocations is representative of the partnership between the Department CEO and the Notional LHN and shared commitment to deliver on WA Government's goal of greater focus on achieving results in key service delivery areas for the benefit of all Western Australians.
- 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 EOY Final Allocation:

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.

### **2.1 Notional Contracted Services Determination**

The Department Notional Contracted Services Local Hospital Network (Notional LHN) consists of an aggregation of contracted public hospital services for the Department.

The Department Notional Contracted Services LHN only includes in scope health services that are eligible for a Commonwealth funding contribution.

As stated in Clause A54(a) of the *National Health Reform Agreement 2011*, the Administrator of the National Health Funding Pool prescribes that the Notional Contracted Services LHN is not required to meet the LHN governance arrangements set out in clauses D11 to D21. However, all requirements and responsibilities outlined in the *National Health Reform Agreement 2011* and *National Health Reform Act 2011* still apply to the LHN.

## **3. PUBLICATION OF EOY FINAL ALLOCATIONS**

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.

## Notional LHN—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 \$)
<b>ABF Service group</b>						
Acute Admitted	5,134	3,011	15,456,053	6,669,089	43.1	8,786,964
Admitted Mental Health	5,134	—	—	—	—	—
Sub-Acute	5,134	1,251	6,421,322	2,217,917	34.5	4,203,405
Emergency Department	5,134	—	—	—	—	—
Non Admitted	5,134	15,382	78,972,230	41,638,932	52.7	37,333,298
<b>Total ABF</b>	<b>5,134</b>	<b>19,643</b>	<b>100,849,605</b>	<b>50,525,938</b>	<b>44.7</b>	<b>50,323,667</b>
<b>Non-ABF Service group</b>						
Non Admitted Mental Health		—	—	—	—	—
Non Admitted CAMHS		—	—	—	—	—
Non Admitted Home Ventilation		—	—	—	—	—
Rural CSO sites		—	—	—	—	—
Teaching, Training and Research		—	—	—	—	—
<b>Total Block Funding</b>		—	—	—	—	—

**Note:**

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