

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

An agreement between:

**Department of Health Chief Executive Officer**

And

**North 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 North Metropolitan Health Service (NMHS) and the health services NMHS will deliver during the 2020-21 financial year.
- D. 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.
- E. 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.
- F. 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 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 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 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 MYR Deed, is amended. This amendment is attached hereto and marked as Annexure 1.
- (b) The Schedule E: Dental Health Service Summary of Activity and Funding table at page 39 of the Service Agreement, as amended by the MYR Deed, is amended. This amendment is attached hereto and marked as Annexure 11.

## **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: NMHS Summary of Activity and Funding

OBM Service	2020-21		2020-21		2020-21		2020-21		2020-21	
	Service Agreement (Interim)		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	173,981	1,201,982	1,694	15,666	175,675	1,217,648	936	6,060	176,611	1,223,708
02 Public Hospital Emergency Services	27,194	181,424	(230)	(826)	26,964	180,598	—	90	26,964	180,689
03 Public Hospital Non-Admitted Services	36,801	257,857	1,810	13,114	38,611	270,972	—	257	38,611	271,229
04 Mental Health Services	26,806	261,056	—	4,571	26,806	265,627	454	3,426	27,260	269,053
05 Aged and Continuing Care Services	—	22,623	—	2,534	—	25,157	—	84	—	25,240
06 Public and Community Health Services	—	92,162	—	(5,821)	—	86,341	—	15	—	86,356
07 Pathology Services	—	—	—	—	—	—	—	—	—	—
08 Community Dental Health Services	—	—	—	—	—	—	—	—	—	—
09 Small Rural Hospital Services	—	426	—	2	—	428	—	1	—	429
10 Health System Management - Policy and Corporate Services	—	—	—	—	—	—	—	—	—	—
11 Health Support Services	—	—	—	—	—	—	—	—	—	—
Government Corrective Measures	—	(55,362)	—	2,307	—	(53,055)	—	—	—	(53,055)
Health Allocation Adjustments	—	136,597	—	10,593	—	147,190	—	11,769	—	158,959
<b>Total—Activity and Funding</b>	<b>264,782</b>	<b>2,098,765</b>	<b>3,274</b>	<b>42,140</b>	<b>268,056</b>	<b>2,140,905</b>	<b>1,390</b>	<b>21,703</b>	<b>269,446</b>	<b>2,162,608</b>
Less Income	—	(1,034,157)	—	(33,526)	—	(1,034,788)	—	—	—	(1,034,788)
<b>Net—Activity and Funding</b>	<b>264,782</b>	<b>1,064,608</b>	<b>3,274</b>	<b>8,615</b>	<b>268,056</b>	<b>1,106,118</b>	<b>1,390</b>	<b>21,703</b>	<b>269,446</b>	<b>1,127,820</b>

#### Notes

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

b. NMHS 2020-21 Budget Deed of Amendment was not executed—all 2020-21 Budget related allocation adjustments included in 2020-21 Mid-year Review Deed of Amendment.

## Annexure 11

### E: Dental Health Service Summary of Activity and Funding

OBM Service	2020-21	2020-21	2020-21	2020-21	2020-21
	Service Agreement (Interim)	Changes from SA to MYR DOA	Mid-Year Review Deed of Amendment	Changes MYR DOA to EOY Final Alloc.	End-of-Year Final Allocations
	\$'000	\$'000	\$'000	\$'000	\$'000
01 Public Hospital Admitted Services	—	—	—	—	—
02 Public Hospital Emergency Services	—	—	—	—	—
03 Public Hospital Non-Admitted Services	—	—	—	—	—
04 Mental Health Services	—	—	—	—	—
05 Aged and Continuing Care Services	—	—	—	—	—
06 Public and Community Health Services	—	—	—	—	—
07 Pathology Services	—	—	—	—	—
08 Community Dental Health Services	103,831	6,899	110,730	298	111,029
09 Small Rural Hospital Services	—	—	—	—	—
10 Health System Management - Policy and Corporate Services	—	—	—	—	—
11 Health Support Services	—	—	—	—	—
Government Corrective Measures	(6,134)	—	(6,134)	—	(6,134)
Health Allocation Adjustments	(585)	12	(573)	1,965	1,393
<b>Total—Activity and Funding</b>	<b>97,112</b>	<b>6,911</b>	<b>104,023</b>	<b>2,264</b>	<b>106,287</b>
Less Income	(10,916)	(9,801)	(20,602)	—	(20,602)
<b>Net—Activity and Funding</b>	<b>86,196</b>	<b>(2,890)</b>	<b>83,421</b>	<b>2,264</b>	<b>85,685</b>

#### Notes

- a. NMHS 2020-21 Budget Deed of Amendment was not executed—all 2020-21 Budget related allocation adjustments included in 2020-21 Mid-year Review Deed of Amendment.

## NMHS—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
<b>ABF Service group</b>	<b>(NEP \$)</b>	<b>(#)</b>	<b>(NEP \$)</b>	<b>(NEP \$)</b>	<b>(%)</b>	<b>(NEP \$)</b>
Acute Admitted	5,320	150,272	799,446,497	307,545,800	42.3	491,900,697
Admitted Mental Health	5,320	25,037	133,194,488	63,448,151	42.3	69,746,337
Sub-Acute	5,320	7,480	39,792,157	9,441,975	42.3	30,350,183
Emergency Department	5,320	25,336	134,787,520	56,934,261	42.3	77,853,259
Non Admitted	5,320	34,289	182,417,480	78,611,859	42.3	103,805,621
<b>Total ABF</b>	<b>5,320</b>	<b>242,413</b>	<b>1,289,638,142</b>	<b>515,982,046</b>	<b>42.3</b>	<b>773,656,096</b>
<b>Non-ABF Service group</b>			<b>(\$)</b>	<b>(\$)</b>	<b>(%)</b>	<b>(\$)</b>
Non Admitted Mental Health			85,469,348	27,170,468	31.8	58,298,880
Non Admitted CAMHS			1,134,742	123,450	10.9	1,011,292
Non Admitted Home Ventilation			—	—	—	—
Rural CSO sites			—	—	—	—
Teaching, Training and Research			90,027,571	34,879,219	38.7	55,148,352
<b>Total Block Funding</b>			<b>176,631,662</b>	<b>62,173,137</b>	<b>35.2</b>	<b>114,458,524</b>

**Note:**

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