

**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 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. 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 2020-21 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 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 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 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 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 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	3,121	16,603,720	4,770,470	42.3	11,833,250
Admitted Mental Health	5,320	—	—	71,989	42.3	(71,989)
Sub-Acute	5,320	1,297	6,900,040	1,976,217	42.3	4,923,823
Emergency Department	5,320	—	—	—	—	—
Non Admitted	5,320	15,842	84,279,440	29,378,930	42.3	54,900,510
Total ABF	5,320	20,260	107,783,200	36,197,606	42.3	71,585,594
Non-ABF Service group			(\$)	(\$)	(%)	(\$)
Non Admitted Mental Health		—	—	—	—	—
Non Admitted CAMHS		—	—	—	—	—
Non Admitted Home Ventilation		—	—	—	—	—
Rural CSO sites		—	—	—	—	—
Teaching, Training and Research		—	—	—	—	—
Total Block Funding		—	—	—	—	—

Note:

This schedule relates to Commonwealth "in-scope" activity only and is a subset of the Summary of Activity and Funding Schedule
Mental Health funding relates to 2019-20 reconciliation and not funding for 2020-21 activity.