

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

An agreement between:

Department of Health Chief Executive Officer

And

WA Country Health Service

for the period

1 July 2020 – 30 June 2021

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: WACHS Summary of Activity and Funding.....	6
WACHS—Commonwealth and State contributions to the National Health Funding Pool	7

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 WA Country Health Service (WACHS) and the health services WACHS will deliver during the 2020-21 financial year.
- D. The State Budget handed down on 8 October 2020 changed the funding set out in the Service Agreement and an amendment was executed through a Budget Deed of Amendment.
- E. The State Mid-year Review published on 14 December 2020 further changed
- F. 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.
- G. 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.
- H. 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 Budget Deed and 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, Budget Deed 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 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 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 Budget Deed and the 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 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: WACHS Summary of Activity and Funding

OBM Service	2020-21		2020-21		2020-21		2020-21		2020-21		2020-21	
	Service Agreement (Interim)		Changes from SA to BUD DOA		Changes from BUD DOA 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	WALUs	\$'000
01 Public Hospital Admitted Services	110,058	736,648	2,152	11,183	—	1,037	112,210	748,868	2,363	14,136	114,573	763,004
02 Public Hospital Emergency Services	39,984	264,630	812	4,096	—	403	40,796	269,129	—	(171)	40,796	268,958
03 Public Hospital Non-Admitted Services	19,473	129,028	1,269	7,747	—	208	20,742	136,984	—	(87)	20,742	136,897
04 Mental Health Services	5,831	126,345	—	1,936	—	338	5,831	128,618	16	1,042	5,847	129,660
05 Aged and Continuing Care Services	—	106,554	—	2,373	—	8,517	—	117,443	—	6,140	—	123,583
06 Public and Community Health Services	—	302,974	—	(5,418)	—	1,440	—	298,996	—	5,430	—	304,427
07 Pathology Services	—	—	—	—	—	—	—	—	—	—	—	—
08 Community Dental Health Services	—	—	—	—	—	—	—	—	—	—	—	—
09 Small Rural Hospital Services	—	313,030	—	759	—	(44)	—	313,746	—	1,057	—	314,802
10 Health System Management - Policy and Corporate Services	—	—	—	—	—	—	—	—	—	—	—	—
11 Health Support Services	—	—	—	—	—	—	—	—	—	—	—	—
Government Corrective Measures	—	(32,233)	—	—	—	—	—	(32,233)	—	—	—	(32,233)
Health Allocation Adjustments	—	14,937	—	(1,244)	—	6,786	—	20,478	—	27,145	—	47,623
Total—Activity and Funding	175,346	1,961,913	4,233	21,432	—	18,685	179,579	2,002,030	2,379	54,691	181,958	2,056,721
Less Income	—	(730,563)	—	(8,413)	—	(992)	—	(739,967)	—	—	—	(739,967)
Net—Activity and Funding	175,346	1,231,350	4,233	13,020	—	17,693	179,579	1,262,063	2,379	54,691	181,958	1,316,754

Notes

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

WACHS—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	91,637	487,510,797	201,364,883	42.3	286,145,914
Admitted Mental Health	5,320	5,182	27,570,805	15,313,861	42.3	12,256,944
Sub-Acute	5,320	7,031	37,404,358	14,334,528	42.3	23,069,830
Emergency Department	5,320	37,254	198,191,280	91,634,504	42.3	106,556,776
Non Admitted	5,320	18,144	96,526,080	46,569,677	42.3	49,956,403
Total ABF	5,320	159,249	847,203,319	369,217,452	42.3	477,985,866
Non-ABF Service group			(\$)	(\$)	(%)	(\$)
Non Admitted Mental Health			62,442,211	19,850,205	31.4	42,592,006
Non Admitted CAMHS			15,750,165	1,713,476	10.6	14,036,689
Non Admitted Home Ventilation			—	—	—	—
Rural CSO sites			310,748,505	110,000,851	35.4	200,747,654
Teaching, Training and Research			29,578,278	11,459,459	38.8	18,118,819
Total Block Funding			418,519,160	143,023,991	34.2	275,495,168

Note:

This schedule relates to Commonwealth "in-scope" activity only and is a subset of the Summary of Activity and Funding Schedule
 WA funds nine (9) Rural CSO sites via ABF although the Commonwealth funds these same hospitals as block.