

Service Agreement Mid-year Review Deed of Amendment (Abridged)

An agreement between:

Department of Health Chief Executive Officer

And

North Metropolitan 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	6
9. FUNDING AND PURCHASED ACTIVITY TO DELIVER HEALTH SERVICES	6
Annexure 1	8
B: NMHS Summary of Activity and Funding	8
NMHS—Commonwealth and State contributions to the National Health Funding Pool.....	9

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 Budget handed down on 8 October 2020 and the State Mid-year Review published on 14 December 2020 changed the funding set out in the Service Agreement and a Mid-year Review amendment is therefore required to reflect these and other WA health system allocation adjustments.
- E. Section 50 of the Act stipulates that a Party that wants to amend the terms of the Service Agreement must provide written notice of the proposed amendment to the other party. This written notice was provided to NMHS on 15 January 2021.
- F. This Deed is executed in accordance with section 41 of the Act.

DEFINED TERMS

In this Deed:

1. **Mid-year Review Deed** means the Health Service Provider Mid-year Review Deed of Amendment.

1. OPERATION OF AMENDMENTS

The Service Agreement 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, 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 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 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.

9. FUNDING AND PURCHASED ACTIVITY TO DELIVER HEALTH SERVICES

9.1 Funding

The Department CEO will fund the CAHS to meet its service delivery obligations under this Agreement in accordance with the schedules to this Agreement. A summary of the funding to be paid to the CAHS is set out in the Schedule B: CAHS Summary of Activity and Funding.

The CAHS is to use the funding provided by the Department only for the delivery of health services specified under this Agreement. The funding will include direct service costs and the cost of overheads that the Department considers inherent in the delivery of the health services.

Additional budget allocations for COVID-19 related costs, excluding activity-based allocations (e.g. outpatient COVID clinics), are identified separately in the Schedule D: Health Allocation Adjustments (HAA). These COVID-19 allocations are provided specifically for the purpose of meeting COVID-19 costs and the budget amounts are to be quarantined for this purpose only. Included is an allocation for costs associated with PathWest services and this amount is to only to be used to pay for PathWest's COVID-19 related services.

Parties to the Agreement:

Executed as a Deed of Amendment in the State of Western Australia.

Parties to the Agreement:

Department CEO

Dr D J Russell-Weisz
Director General
Department of Health

Date: 27/8/21


Signed: 

The Common Seal of the
North Metropolitan Health Service
was hereunto affixed in the presence of:)




Clinical Professor David Forbes AM
Board Chair
North Metropolitan Health Service

Date: 7 May 2021

Signed: 

Tony Dolan
A/Chief Executive
North Metropolitan Health Service

Date: 7/5/21

Signed: 

Annexure 1

B: NMHS Summary of Activity and Funding

OBM Service	2019-20		2020-21		2020-21		2021-22		2022-23		2023-24	
	End-of-year Final Allocations		Service Agreement (Interim)		Mid-year Review Deed of Amendment		Forward Estimate		Forward Estimate		Forward Estimate	
	WAOs	\$'000	WAOs	\$'000	WAOs	\$'000	WAOs	\$'000	WAOs	\$'000	WAOs	\$'000
01 Public Hospital Admitted Services	174,256	1,188,879	173,981	1,201,982	175,675	1,217,648	178,354	1,231,433	182,232	1,266,663	186,196	1,305,692
02 Public Hospital Emergency Services	27,194	177,758	27,194	181,424	26,964	180,598	27,550	184,276	28,149	189,693	28,761	195,623
03 Public Hospital Non-Admitted Services	36,863	249,645	36,801	257,857	38,611	270,972	39,451	274,953	40,308	282,638	41,185	291,363
04 Mental Health Services	26,485	259,700	26,806	261,056	26,806	265,627	27,389	174,349	27,984	179,270	28,593	184,712
05 Aged and Continuing Care Services	—	22,936	—	22,623	—	25,157	—	25,104	—	20,744	—	20,797
06 Public and Community Health Services	—	91,785	—	92,162	—	86,341	—	81,374	—	76,974	—	74,663
07 Pathology Services	—	—	—	—	—	—	—	—	—	—	—	—
08 Community Dental Health Services	—	—	—	—	—	—	—	—	—	—	—	—
09 Small Rural Hospital Services	—	417	—	426	—	428	—	425	—	424	—	424
10 Health System Management - Policy and Corporate Services	—	—	—	—	—	—	—	—	—	—	—	—
11 Health Support Services	—	—	—	—	—	—	—	—	—	—	—	—
Government Corrective Measures	—	(54,342)	—	(55,362)	—	(53,055)	—	(55,103)	—	(55,111)	—	(55,041)
Health Allocation Adjustments	—	132,629	—	146,597	—	147,190	—	95,144	—	87,182	—	89,444
Total—Activity and Funding	264,798	2,069,408	264,782	2,108,765	268,056	2,140,905	272,744	2,011,953	278,673	2,048,477	284,735	2,107,678
Less Income	—	(992,806)	—	(1,034,157)	—	(1,034,788)	—	(980,831)	—	(1,025,867)	—	(12,034)
Net—Activity and Funding	264,798	1,076,603	264,782	1,074,608	268,056	1,106,118	272,744	1,031,122	278,673	1,022,610	284,735	2,095,644

Notes

- 2019-20 WAOs are presented in the 2020-21 Framework. Under the 2019-20 Framework the target is 262,107 WAOs.
- “Less income” is the estimated value of revenue from sources other than State Appropriations.
- The 2019-20 Income figure has been recast to align to the presentation being introduced for Income in the 2020-21 Service Agreement Deed of Amendment. The 2020-21 Service Agreement (Interim) Income figure has not been recast.

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
ABF Service group	(NEP \$)	(#)	(NEP \$)	(NEP \$)	(%)	(NEP \$)
Acute Admitted	5,320	154,416	821,493,120	347,668,370	42.3	473,824,750
Admitted Mental Health	5,320	25,727	136,867,640	57,924,465	42.3	78,943,175
Sub-Acute	5,320	7,686	40,889,520	17,305,066	42.3	23,584,454
Emergency Department	5,320	25,336	134,787,520	57,044,126	42.3	77,743,394
Non Admitted	5,320	34,289	182,417,480	77,201,849	42.3	105,215,631
Total ABF	5,320	247,454	1,316,455,280	557,143,876	42.3	759,311,404
Non-ABF Service group			(\$)	(\$)	(%)	(\$)
Non Admitted Mental Health			83,607,769	26,278,206	31.4	57,329,563
Non Admitted CAMHS			1,126,351	119,674	10.6	1,006,677
Non Admitted Home Ventilation			—	—	—	—
Rural CSO sites			—	—	—	—
Teaching, Training and Research			90,135,989	34,928,007	38.8	55,207,982
Total Block Funding			174,870,109	61,325,887	35.1	113,544,222

Note:

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