

**Department of Health  
Notional Contracted Services  
Local Hospital Network  
Service Agreement  
Mid-year Review  
Deed of Amendment  
(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. This Agreement supports the delivery of safe, quality, financially sustainable and accountable healthcare for all Western Australians by setting out the service and performance expectations and funding arrangements for the Department of Health's Notional Contracted Services Local Hospital Network (Notional LHN).
- B. The Service Agreement details the health services that the Department CEO will purchase from the Notional LHN and the services the Notional LHN will deliver during the 2020-21 financial year.
- C. 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.
- D. The State Mid-year Review published on 14 December 2020 further changes the funding set out in the Service Agreement and Budget Deed of Amendment and a Mid-year Review amendment is therefore required to reflect these and other WA health system allocation adjustments.
- E. Through execution of this Deed the Notional LHN agrees to meet the service obligations and performance requirements as detailed in this Deed.
- F. This Deed 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.
- G. This Deed is executed in accordance with part five of the *Health Services Act 2016*.

## DEFINED TERMS

In this Agreement:

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

## **1. OPERATION OF AMENDMENTS**

The Service Agreement including amendments contained in the Budget 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 Budget 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, constitutes the entire agreement between the Parties and supersedes any previous agreement between the Parties as to the subject matter of this Deed.

### **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 DEED**

The Department will publish an abridged version of this Deed on the WA health system 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.

## 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
<b>ABF Service group</b>	(NEP \$)	(#)	(NEP \$)	(NEP \$)	(%)	(NEP \$)
Acute Admitted	5,320	3,121	16,603,720	7,026,947	42.3	9,576,773
Admitted Mental Health	5,320	—	—	—	—	—
Sub-Acute	5,320	1,297	6,900,040	2,920,202	42.3	3,979,838
Emergency Department	5,320	—	—	—	—	—
Non Admitted	5,320	15,842	84,279,440	35,668,340	42.3	48,611,100
<b>Total ABF</b>	<b>5,320</b>	<b>20,260</b>	<b>107,783,200</b>	<b>45,615,488</b>	<b>42.3</b>	<b>62,167,712</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>		—	—	—	—	—