

Service Agreement Budget Deed of Amendment (Abridged)

An agreement between:

Department of Health Chief Executive Officer

And

East 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 health pandemic.
- C. The Service Agreement details the health services that the Department CEO will purchase from the East Metropolitan Health Service (EMHS) and the health services EMHS will deliver during the 2020-21 financial year.
- D. Where the State Budget handed down on 8 October 2020 contains any changes to the funding set out in the 2020-21 Service Agreement (Interim), this information will be included in the Deed of Amendment.
- E. Since the commencement of 2020-21, changes to funding set out in the Service Agreement (Interim) have occurred and these also will be included in the Deed of Amendment.
- F. 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 EMHS on 23 October 2020.
- G. This Deed is executed in accordance with section 41 of the Act.

DEFINED TERMS

In this Deed:

1. **Deed** means this Deed of Amendment
2. **Parties** means the parties to the Service Agreement and to the Deed and “Party” means any one of them
3. **Schedule** means a schedule to the Service Agreement
4. **Service Agreement** means the Health Service Provider 2020-21 Service Agreement (Interim) between the Parties and as amended from time-to-time including all schedules and annexures

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 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.

Parties to the Agreement:

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

Parties to the Agreement:

Department CEO

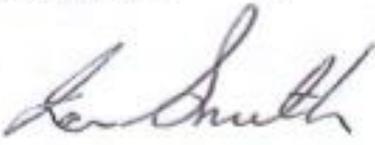
Dr David J Russell-Weisz
Director General
Department of Health

Date: 11/1/21

PI Signed: 

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

Mr Ian Smith PSM
Board Chair
East Metropolitan Health Service



Date: 24/11/20

Signed: _____



Ms Elizabeth MacLeod
Chief Executive
East Metropolitan Health Service

Date: 24.11.2020

Signed: EMacLeod

Annexure 1

B: EMHS 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)		Budget Deed of Amendment		Forward Estimate		Forward Estimate		Forward Estimate	
	WALs	\$'000	WALs	\$'000	WALs	\$'000	WALs	\$'000	WALs	\$'000	WALs	\$'000
01 Public Hospital Admitted Services	148,325	1,002,195	148,604	1,001,838	153,147	1,031,885	154,755	1,042,080	158,121	1,071,317	161,558	1,104,530
02 Public Hospital Emergency Services	28,964	195,058	28,964	193,442	30,035	200,295	30,688	204,976	31,355	210,806	32,037	217,328
03 Public Hospital Non-Admitted Services	25,749	161,049	25,811	173,966	26,318	178,028	26,891	181,582	27,475	186,643	28,073	192,398
04 Mental Health Services	19,541	198,076	19,663	198,986	19,663	202,357	20,091	128,738	20,528	132,270	20,975	136,187
05 Aged and Continuing Care Services	—	13,243	—	10,934	—	11,854	—	7,856	—	7,917	—	7,995
06 Public and Community Health Services	—	27,271	—	24,878	—	23,152	—	21,424	—	19,716	—	19,482
07 Pathology Services	—	—	—	—	—	—	—	—	—	—	—	—
08 Community Dental Health Services	—	—	—	—	—	—	—	—	—	—	—	—
09 Small Rural Hospital Services	—	—	—	—	—	—	—	—	—	—	—	—
10 Health System Management - Policy and Corporate Services	—	—	—	—	—	—	—	—	—	—	—	—
11 Health Support Services	—	—	—	—	—	—	—	—	—	—	—	—
Government Corrective Measures	—	(22,874)	—	(23,244)	—	(23,244)	—	(23,278)	—	(23,280)	—	(23,156)
Health Allocation Adjustments	—	32,115	—	46,113	—	56,367	—	54,593	—	54,426	—	56,170
Total	222,579	1,606,133	223,042	1,626,913	229,163	1,680,694	232,425	1,617,970	237,479	1,659,815	242,643	1,710,933
Less Income	—	(785,399)	—	(824,982)	—	(842,891)	—	(789,775)	—	(835,282)	—	(889,719)
Net—Activity and Funding	222,579	820,734	223,042	801,931	229,163	837,803	232,425	828,195	237,479	824,533	242,643	821,215

Notes

- 2019-20 WALs are presented in the 2020-21 Framework. Under the 2019-20 Framework the target is 220,563 WALs.
- "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.

EMHS—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	130,111	692,190,520	292,945,545	42.3	399,244,975
Admitted Mental Health	5,320	17,926	95,366,320	40,360,476	42.3	55,005,844
Sub-Acute	5,320	8,346	44,400,720	18,791,059	42.3	25,609,661
Emergency Department	5,320	26,986	143,565,520	60,759,109	42.3	82,806,411
Non Admitted	5,320	24,049	127,940,680	54,146,440	42.3	73,794,240
Total ABF	5,320	207,418	1,103,463,760	467,002,629	42.3	636,461,131
Non-ABF Service group			(\$)	(\$)	(%)	(\$)
Non Admitted Mental Health			72,569,125	22,808,723	31.4	49,760,402
Non Admitted CAMHS			—	—	—	—
Non Admitted Home Ventilation			—	—	—	—
Rural CSO sites			—	—	—	—
Teaching, Training and Research			68,667,018	26,608,706	38.8	42,058,311
Total Block Funding			141,236,143	49,417,429	35.0	91,818,714

Note:

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