

**Department of Health
Notional Contracted Services
Local Hospital Network
Service Agreement
Budget
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

CONTENTS

BACKGROUND	3
DEFINED TERMS	4
1. OPERATION OF AMENDMENTS	5
2. ENTIRE AGREEMENT	5
2.1 Notional Contracted Services Determination	5
3. PUBLICATION OF DEED	5
Notional LHN—Commonwealth and State contributions to the National Health Funding Pool	6

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. Where the State Budget handed down on 8 October 2020 contains any changes to the funding set out in the Service Agreement, this information will be included in the Deed of Amendment.
- D. Since the commencement of 2020-21, changes to funding set out in the Service Agreement may have occurred and these also will be included in the Deed of Amendment.
- 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. **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 and understanding of 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	Total	Total	Commonwealth		State
	Efficient Price (as per IHPA)	Expected NWAUs	Contribution	Contribution	Funding Rate	Contribution
ABF Service group	(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
Total ABF	5,320	20,260	107,783,200	45,615,488	42.3	62,167,712
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		—	—	—	—	—