

Service Agreement Budget Deed of Amendment (Abridged)

An agreement between:

Department of Health Chief Executive Officer

And

South 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 South Metropolitan Health Service (SMHS) and the health services SMHS 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 SMHS 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 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: 10/12/20

Signed: 

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



Adj Assoc Professor Robyn Collins
A/Board Chair
South Metropolitan Health Service

Date: 26 NOV 2020

Signed: 

Mr Paul Forden
Chief Executive
South Metropolitan Health Service

Date: 26 NOV 2020

Signed: 

Annexure 1

B: SMHS 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	176,883	1,217,933	176,883	1,235,397	180,051	1,249,514	182,925	1,257,031	186,901	1,288,229	190,966	1,322,464
02 Public Hospital Emergency Services	29,184	192,797	29,184	195,899	29,477	197,113	30,117	200,268	30,772	205,643	31,442	211,530
03 Public Hospital Non-Admitted Services	38,043	254,173	38,043	266,790	40,462	280,991	41,341	284,036	42,241	291,086	43,159	298,875
04 Mental Health Services	11,109	140,841	11,824	144,389	11,824	145,758	12,081	83,799	12,344	85,426	12,612	87,123
05 Aged and Continuing Care Services	—	16,037	—	13,624	—	14,244	—	11,177	—	11,271	—	11,374
06 Public and Community Health Services	—	39,241	—	34,998	—	35,554	—	30,709	—	37,547	—	44,525
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	—	(53,069)	—	(53,903)	—	(53,903)	—	(53,732)	—	(53,729)	—	(53,605)
Health Allocation Adjustments	—	70,154	—	67,599	—	67,675	—	14,927	—	11,642	—	10,423
Total	255,219	1,878,107	255,934	1,904,795	261,814	1,936,945	266,464	1,828,215	272,258	1,877,114	278,179	1,932,708
Less Income	—	(836,539)	—	(898,602)	—	(901,723)	—	(873,773)	—	(918,591)	—	(973,272)
Net—Activity and Funding	255,219	1,041,568	255,934	1,006,193	261,814	1,035,222	266,464	954,442	272,258	958,523	278,179	959,437

Notes

- 2019-20 WALs are presented in the 2020-21 Framework. Under the 2019-20 Framework the target is 251,973 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.

SMHS—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	148,371	789,333,720	334,058,023	42.3	455,275,697
Admitted Mental Health	5,320	10,780	57,349,600	24,271,222	42.3	33,078,378
Sub-Acute	5,320	16,433	87,423,560	36,998,979	42.3	50,424,581
Emergency Department	5,320	27,192	144,661,440	61,222,919	42.3	83,438,521
Non Admitted	5,320	35,445	188,567,400	79,804,589	42.3	108,762,811
Total ABF	5,320	238,221	1,267,335,720	536,355,732	42.3	730,979,988
Non-ABF Service group			(\$)	(\$)	(%)	(\$)
Non Admitted Mental Health			61,027,896	19,181,275	31.4	41,846,620
Non Admitted CAMHS			—	—	—	—
Non Admitted Home Ventilation			2,162,000	972,900	45.0	1,189,100
Rural CSO sites			—	—	—	—
Teaching, Training and Research			74,501,854	28,869,726	38.8	45,632,128
Total Block Funding			137,691,750	49,023,901	35.6	88,667,849

Note:

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