

Service Agreement Deed of Amendment (Abridged)

An agreement between:

Department of Health Chief Executive Officer

and

Child and Adolescent Health Service

for the period

1 July 2021 – 30 June 2022

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BACKGROUND

- A. With effect from 1 July 2021, pursuant to section 46 of the *Health Services Act 2016* (the Act) the Parties entered into a 2021-22 Service Agreement (Interim). Section 46(4) of the Act provides that the 2021-22 Service Agreement (Interim) is binding on the Parties.
- B. The 2021-22 Service Agreement (Interim) details the health services that the Department CEO will purchase from the Child and Adolescent Health Service (CAHS) and the health services CAHS will deliver during the 2021-22 financial year.
- C. The 2021-22 Service Agreement (Interim) was issued on an interim basis due to delivery of the 2021-22 State Budget being delayed to 9 September 2021, following the 13 March 2021 State election.
- D. Updated 2021-22 budget allocations have been advised by letter to CAHS where applicable since 1 July 2021.
- E. This Deed of Amendment reflects adjustments to the 2021-22 Service Agreement (Interim) resulting from the 2021-22 State Budget, the 2021-22 Mid-year Review, the 2022-23 budget process and other WA health system allocation adjustments since the 2021-22 Service Agreement (Interim) was issued.
- 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 CAHS on 16 December 2021.
- G. This Deed is executed in accordance with section 41 of the Act.

DEFINED TERMS

In this Deed:

1. **Deed** means the 2021-22 Deed of Amendment.

1. OPERATION OF AMENDMENTS

The 2021-22 Service Agreement (Interim) will be read and construed subject to this Deed, and in all other respects the provisions of the 2021-22 Service Agreement (Interim) are confirmed, and subject to the terms of the amendments contained in this 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 2021-22 Service Agreement (Interim) 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 2021-22 Service Agreement (Interim) is varied so that:

- (a) The following paragraphs are included under Section 5 “Funding and Purchasing” of the 2021-22 Service Agreement (Interim) as follows:

Living with COVID-19

Additional beds and funding have been approved by Government under the “Living with COVID-19” initiative for 2021-22 and 2022-23. The funding (which represents 70% of total bed-day cost) is for the purpose of ensuring the additional 270 beds across the WA health system announced on 3 November 2021 to support COVID-19 preparedness are staffed and ready to operate and can also be utilised to cover costs associated with other initiatives such as “Call Care in ED”.

Should the additional beds be utilised as a result of COVID-19, funding will be provided for the remaining 30% non-fixed costs, where overall base activity levels are tracking above target. Monthly reporting to the System Manager of the status of the “Living with COVID-19” beds and associated utilisation is required. The funding is approved on a strictly time-limited basis covering 2021-22 and 2022-23 only and the Government has noted:

- Costs and any activity associated with the 270 beds will not be considered in the development of future base activity and funding requirements; and
- Measures will be implemented to support a return to a pre-COVID-19 cost and activity baseline accounting for natural base growth and any on-going COVID-19 impacts.

General COVID-19 Allocations

Additional budget allocations for general 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. Underspent funds in 2021-22 are to be carried over and used to offset expenditure in 2022-23. An allocation for costs associated with PathWest services is included and this amount is to only to be used to pay for PathWest's COVID-19 related services.

- (b) The Schedule B: CAHS Summary of Activity and Funding table at page 24 of the 2021-22 Service Agreement (Interim) 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.

5. EXECUTION

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

Angela Kelly

Date: 13/07/22

Signed: *Angela Kelly*

The Common Seal of the
Child and Adolescent Health Service)
was hereunto affixed in the presence of:)

Dr Rosanna Capolingua
Board Chair
Child and Adolescent Health Service

Date: 27/06/2022

Signed: *Rosanna Capolingua*

Dr Aresh Anwar
Chief Executive
Child and Adolescent Health Service

Date: 27/06/2022

Signed: *Aresh Anwar*



Annexure 1

B: CAHS Summary of Activity and Funding

OBM Service	2021-22		2021-22		2022-23		2023-24		2024-25	
	Service Agreement (Interim)		Deed of Amendment		Forward Estimate		Forward Estimate		Forward Estimate	
	WALs	\$'000	WALs	\$'000	WALs	\$'000	WALs	\$'000	WALs	\$'000
1. Public Hospital Admitted Services	48,601	340,235	53,575	380,441						
2. Public Hospital Emergency Services	6,846	48,305	7,210	51,203						
3. Public Hospital Non-Admitted Services	14,529	100,523	16,286	113,914						
4. Mental Health Services	2,873	78,468	3,067	84,472						
5. Aged and Continuing Care Services	—	3,104	—	3,226						
6. Public and Community Health Services	—	151,853	—	160,311						
7. Pathology Services	—	—	—	—						
8. Community Dental Health Services	—	—	—	—						
9. Small Rural Hospital Services	—	—	—	—						
10. Health System Management - Policy and Corporate Services	—	—	—	—						
11. Health Support Services	—	—	—	—						
Government Corrective Measures	—	(1,469)	—	(1,360)						
Health Allocation Adjustments (HAA)	—	64,290	—	116,714						
Total—Activity and Funding	72,849	785,310	80,138	908,921						
Less Income	—	(285,415)	—	(67,118)						
Net—Activity and Funding	72,849	499,895	80,138	841,803						

NOT APPLICABLE

1. The allocations included in "Less Income" have been subject to a changed classification standard which means that significant items previously included in Own Source Revenue have been re-classified as sourced from the Government sector.

CAHS—Commonwealth and State contributions to the National Health Funding Pool

	National Efficient Price	Total Expected NWAUs	Total Contribution	Commonwealth		State
				Contribution	Funding Rate	Contribution
ABF Service group	(NEP \$)	(#)	(NEP \$)	(NEP \$)	(%)	(NEP \$)
Acute Admitted	5,597	48,846	273,392,953	103,552,205	41.4	169,840,749
Admitted Mental Health	5,597	2,822	15,797,333	7,359,085	41.4	8,438,248
Sub-Acute	5,597	228	1,277,403	1,005,992	41.4	271,411
Emergency Department	5,597	6,635	37,136,867	16,919,371	41.4	20,217,496
Non Admitted	5,597	13,502	75,570,490	35,942,405	41.4	39,628,085
Total ABF	5,597	72,034	403,175,047	164,779,058	41.4	238,395,989
Non-ABF Service group			(\$)	(\$)	(%)	(\$)
Non Admitted Mental Health			—	—	—	—
Non Admitted CAMHS			54,318,342	8,553,007	15.7	45,765,335
Non Admitted Home Ventilation			11,659,509	5,246,779	45.0	0
Rural CSO sites			—	—	—	—
Teaching, Training and Research			30,286,389	11,827,398	39.1	18,458,991
Total Block Funding			96,264,240	25,627,184	26.6	64,224,326

Note:

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

WA funds Ventilation Services at CAHS via ABF although the Commonwealth funds these same services as block.

Commonwealth \$ contribution is inclusive of adjustments related to the 2020-21 annual reconciliation.