

# **Service Agreement End-of-year Final Allocations (Abridged)**

An agreement between:

**Department of Health Chief Executive Officer**

and

**WA Country 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 WA Country Health Service (WACHS) and the health services WACHS 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 WACHS where applicable since 1 July 2021.
- E. A Deed of Amendment was issued on 9 May 2022 reflecting 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. Since the Deed of Amendment and up to 30 June 2021 changes to the budget allocations may have occurred and an amendment to these is required.
- G. This document is not required to be executed in accordance with section 41 of the Act as all amendments have been approved through other processes.

## **1. OPERATION OF AMENDMENTS**

The 2021-22 Service Agreement (Interim) including amendments contained in the Deed of Amendment, 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 and the Deed of Amendment, 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), including amendments contained in the Deed of Amendment, 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 Schedule B: WACHS Summary of Activity and Funding table at page 23 of the 2021-22 Service Agreement (Interim), as amended by the 2021-22 Deed of Amendment, 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.

## Annexure 1

### B: WACHS Summary of Activity and Funding

OBM Service	2021-22		2021-22		2021-22		2021-22		2021-22	
	Service Agreement (Interim)		Changes from SA to Deed of Amendment		Deed of Amendment		Changes from DOA to EOY Final Alloc.		End-of-Year Final Allocations	
	WALs	\$'000	WALs	\$'000	WALs	\$'000	WALs	\$'000	WALs	\$'000
1. Public Hospital Admitted Services	110,164	703,391	5,574	39,106	115,738	742,496	—	7,016	115,738	749,513
2. Public Hospital Emergency Services	42,218	267,746	2,195	15,991	44,413	283,737	—	2,681	44,413	286,418
3. Public Hospital Non-Admitted Services	20,758	132,009	2,434	16,466	23,192	148,474	—	1,403	23,192	149,877
4. Mental Health Services	5,958	138,902	735	8,514	6,693	147,416	—	1,640	6,693	149,057
5. Aged and Continuing Care Services	—	127,257	—	4,198	—	131,454	—	(784)	—	130,671
6. Public and Community Health Services	—	328,127	—	29,851	—	357,978	—	184	—	358,162
7. Pathology Services	—	—	—	—	—	—	—	—	—	—
8. Community Dental Health Services	—	—	—	—	—	—	—	—	—	—
9. Small Rural Hospital Services	—	261,097	—	7,350	—	268,448	—	2,962	—	271,410
10. Health System Management - Policy and Corporate Services	—	—	—	—	—	—	—	—	—	—
11. Health Support Services	—	—	—	—	—	—	—	—	—	—
Government Corrective Measures	—	(5,182)	—	160	—	(5,022)	—	—	—	(5,022)
Health Allocation Adjustments (HAA)	—	74,957	—	78,470	—	153,427	—	11,991	—	165,418
<b>Total—Activity and Funding</b>	<b>179,097</b>	<b>2,028,304</b>	<b>10,939</b>	<b>200,106</b>	<b>190,036</b>	<b>2,228,410</b>	<b>—</b>	<b>27,095</b>	<b>190,036</b>	<b>2,255,505</b>
Less Income	—	(788,090)	—	619,395	—	(168,695)	—	51,369	—	(117,327)
<b>Net—Activity and Funding</b>	<b>179,097</b>	<b>1,240,214</b>	<b>10,939</b>	<b>819,500</b>	<b>190,036</b>	<b>2,059,714</b>	<b>—</b>	<b>78,463</b>	<b>190,036</b>	<b>2,138,178</b>

## WACHS—Commonwealth and State contributions to the National Health Funding Pool

	National Efficient Price	Total Expected NWAUs	Total Contribution	Commonwealth		State
				Contribution	Funding Rate	Contribution
<b>ABF Service group</b>	(NEP \$)	(#)	(NEP \$)	(NEP \$)	(%)	(NEP \$)
Acute Admitted	5,597	96,199	538,428,245	213,394,990	41.4	325,033,256
Admitted Mental Health	5,597	6,159	34,473,932	15,128,155	41.4	19,345,777
Sub-Acute	5,597	7,234	40,489,645	18,475,248	41.4	22,014,397
Emergency Department	5,597	40,872	228,760,012	91,466,338	41.4	137,293,674
Non Admitted	5,597	19,227	107,615,793	46,776,652	41.4	60,839,142
<b>Total ABF</b>	<b>5,597</b>	<b>169,692</b>	<b>949,767,629</b>	<b>385,241,384</b>	<b>41.4</b>	<b>564,526,245</b>
<b>Non-ABF Service group</b>			(\$)	(\$)	(%)	(\$)
Non Admitted Mental Health			66,994,952	22,257,200	33.2	44,737,752
Non Admitted CAMHS			19,699,046	3,101,827	15.7	16,597,219
Non Admitted Home Ventilation			—	—	—	—
Rural CSO sites			329,817,195	121,814,954	36.9	142,424,215
Teaching, Training and Research			31,413,281	12,267,470	39.1	19,145,811
<b>Total Block Funding</b>			<b>447,924,474</b>	<b>159,441,451</b>	<b>35.6</b>	<b>222,904,997</b>

**Note:**

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

WA funds nine (9) Rural CSO sites via ABF although the Commonwealth funds these same hospitals as block.

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