



Government of Western Australia
Department of Health

East Metropolitan Health Service Service Agreement 2016-17 Deed of Amendment February 2017

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This Deed is made on 13 February 2017.

Parties

East Metropolitan Health Service of Royal Perth Hospital,
Roberts Road, Perth, WA 6000
(EMHS)

Department CEO, Dr David J Russell-Weisz Director General,
Department of Health of 189 Royal Street East Perth, WA
6004
(Department CEO)

1. Background

The WA Health System has the meaning given under Section 19(1) of the Act. The Department CEO is recognised as the System Manager of the WA Health System under Section 19(2) of the Act.

On 1 July 2016, pursuant to Section 46 of the Act the Parties entered into the Service Agreement. Section 46(4) of the Act provides that the Service Agreement is binding on the Parties.

Section 50 of the Act stipulates that a Party that wants to amend the terms of the agreed Service Agreement must provide written notice of the proposed amendment to the other Party. A term decided under this Section by the Department CEO must be included in the Service Agreement. The Parties agree that the Service Agreement is amended in the manner specified in Section 50 of the Act.

2. Definition and interpretation

“Act” means the *Health Services Act 2016*.

“Deed” means this deed of amendment.

“Parties” means the parties to the Service Agreement and to the Deed.

“Party” means any one of the parties to the Service Agreement and to the Deed.

“Service Agreement” means the East Metropolitan Health Service Service Agreement 2016-17 between the Parties and as amended from time to time including all schedules and annexures.

3. Terms of Amendment

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, the Service Agreement will continue in full force and effect in accordance with its terms.

Each Party will bear its own legal costs and other expenses in connection with this Deed.

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 together with the Service Agreement constitutes the entire agreement between the Parties and supersedes all communications, negotiations, arrangements and agreements, whether oral or written, between the Parties with respect to the subject matter of this Deed.

This Deed is governed by and will be construed according to the laws in force in Western Australia.

4. Amendments to Service Agreement

With effect from the date of this Deed the Parties agree that the Service Agreement is varied so that:

- (a) Section 3 is amended to insert the following paragraph after the existing first paragraph and before the existing second paragraph:

“Pursuant to Section 46(3) of the *Health Services Act 2016* the Service Agreement includes the health services to be provided by Health Service Providers that are within the overall expense limit set by the Department CEO in accordance with the State Government’s purchasing intentions”.

- (b) Section 3 is amended to insert the following paragraph after the existing sixth paragraph and before the existing seventh paragraph:

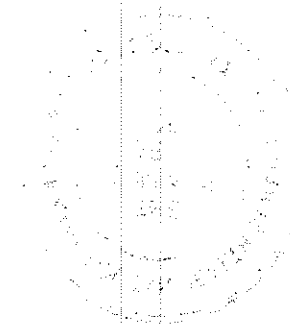
“EMHS may agree with any Health Service Provider for that Health Service Provider to provide services to EMHS according to EMHS’ business needs. EMHS remains responsible for ensuring that it meets the performance measures and operational targets for the provision of the services”.

- (c) The existing Summary of Activity and Funding table at page 13 of the Service Agreement is amended. This amendment is attached hereunto and marked as Annexure 1.

- (d) The existing Schedule A: Inpatient ABF Activity and Funding table at page 14 of the Service Agreement is amended. This amendment is attached hereto and marked as Annexure 2.
- (e) The existing Schedule B: Emergency Department ABF Activity and Funding table at page 15 of the Service Agreement is amended. This amendment is attached hereto and marked as Annexure 3.
- (f) The existing Schedule C: Non-admitted Patient-level ABF Activity and Funding table at page 16 of the Service Agreement is amended. This amendment is attached hereto and marked as Annexure 4.
- (g) The existing Schedule C1: Non-admitted Aggregate ABF Activity and Funding table at page 17 of the Service Agreement is amended. This amendment is attached hereto and marked as Annexure 5.
- (h) The existing Schedule C2: Paediatric ABF Activity and Funding table at page 18 of the Service Agreement is amended. This amendment is attached hereto and marked as Annexure 6.
- (i) The existing Schedule E: Public Health and Ambulatory Care Program Funding table at page 19 of the Service Agreement is amended. This amendment is attached hereto and marked as Annexure 7.

- (j) The existing Schedule F: Teaching, Training and Research Funding table at page 20 of the Service Agreement is amended. This amendment is attached hereto and marked as Annexure 8.
- (k) The existing Schedule G: Special Purpose Funding table at page 21 of the Service Agreement is amended. This amendment is attached hereunto and marked as Annexure 9.
- (l) The existing Schedule I: Financial Products table at page 24 of the Service Agreement is amended. This amendment is attached hereunto and marked as Annexure 10.
- (m) The existing Schedule J: Cash Budget table at page 25 of the Service Agreement is amended. This amendment is attached hereunto and marked as Annexure 11.
- (n) The existing Schedule K: Capital Works Program table at page 26 of the Service Agreement is amended. This amendment is attached hereunto and marked as Annexure 12.
- (o) The existing Schedule M: Revenue Plan table at page 28 of the Service Agreement is amended. This amendment is attached hereunto and marked as Annexure 13.
- (p) The existing Schedule N: Notional HSS Budget Allocation table at page 31 of the Service Agreement is amended. This amendment is attached hereunto and marked as Annexure 14.
- (q) The existing Schedule P: Inpatient, Emergency Department and Non-admitted ABF Activity and Funding table at page 32 of the Service Agreement is amended. This amendment is attached hereto and marked as Annexure 15.
- (r) The existing Schedule P1: Inpatient ABF Activity and Funding table at page 33 of the Service Agreement is amended. This amendment is attached hereto and marked as Annexure 16.
- (s) The existing Schedule Q: Mental Health Commission Activity and Funding table at page 34 of the Service Agreement is amended. This amendment is attached hereto and marked as Annexure 17.
- (t) The existing OBM-Summary of Activity and Funding table at page 38 of the Service Agreement is amended. This amendment is attached hereto and marked as Annexure 18.
- (u) The existing Appendix A: Inpatient ABF Activity by Extended Service Related Groups (ESRG) table at page 44 of the Service Agreement is amended. This amendment is attached hereto and marked as Annexure 19.
- (v) The existing Appendix B: Emergency Department ABF Activity by Urgency Related Groups (URG) table at page 49 of the Service Agreement is amended. This amendment is attached hereto and marked as Annexure 20.

- (w) The existing Appendix C: Non-admitted Patient-level ABF Activity by Tier2 table at page 50 of the Service Agreement is amended. This amendment is attached hereto and marked as Annexure 21.
- (x) The existing Appendix C1: Non-admitted Aggregate ABF Activity by Tier2 table at page 54 of the Service Agreement is amended. This amendment is attached hereto and marked as Annexure 22.
- (y) The existing Appendix C2: Inpatient Paediatric ABF Activity by ESRG table at page 55 of the Service Agreement is amended. This amendment is attached hereto and marked as Annexure 23.



Execution

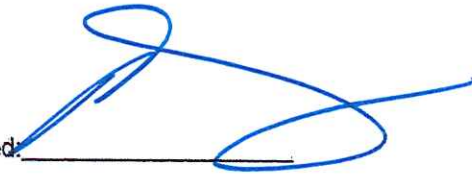
Executed as a Deed in Western Australia.

Parties to the Agreement:

Department CEO

Dr David J Russell-Weisz
Director General
Department of Health

Date: 22/3/17

Signed: 

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



Mr Ian Smith
Board Chair
East Metropolitan Health Service

Date: 14/3/17

Signed: 

Ms Elizabeth MacLeod
Chief Executive
East Metropolitan Health Service

Date: 14.3.17

Signed: 

CAVEAT

We acknowledge receipt of your responses to our key concerns/issues with the deed of amendment for both 2016/17 and 2017/18 budget advices raised in our email dated 24 February 2017 and your email dated 10 March 2017:

1. *Capital Works program, we acknowledge that DOH will use its best endeavours to negotiate and ensure the revised cashflow aligns to EMHS carryover requests.*
2. *We note that 2017/18 is a preliminary draft that will be refined as part of the 2017/18 SLA process and note that DOH will consider the issues we have raised during this process.*

ANNEXURE 1

Summary of Activity and Funding

	2016-17 Budget		Forward Estimates					
	WAUs (#)	Budget (\$m)	2017-18		2018-19		2019-20	
			WAUs (#)	Budget (\$m)	WAUs (#)	Budget (\$m)	WAUs (#)	Budget (\$m)
East Metropolitan Health Service	195,836	1,338,939,849	199,885	1,308,004,241	204,363	1,355,118,881	208,545	1,396,946,702
ACTIVITY BASED SERVICES	179,756	1,016,707,776	183,611	1,048,585,960	187,942	1,086,542,813	191,960	1,121,526,386
Schedule A—Inpatient ABF Activity and Funding	128,552	727,626,123	130,542	746,032,933	132,881	768,666,254	134,959	788,790,731
Schedule B—Emergency Department ABF Activity and Funding	25,314	142,644,062	26,565	151,164,826	27,908	160,852,391	29,161	170,038,228
Schedule C1—Non-admitted Aggregate ABF Activity and Funding	1,244	7,146,237	1,277	7,393,878	1,311	7,671,762	1,345	7,923,257
Schedule C—Non-admitted ABF Activity and Funding	24,647	139,291,355	25,228	143,994,323	25,842	149,352,405	26,494	154,774,170
NON ACTIVITY BASED SERVICES	—	119,831,191	—	65,396,505	—	72,405,489	—	75,495,858
Schedule D2—Small Rural Hospitals	—	—	—	—	—	—	—	—
Schedule E—Public Health Program Funding	—	6,654,404	—	4,029,635	—	4,130,376	—	4,254,288
Schedule F—Teaching Training and Research	—	51,946,028	—	54,190,649	—	56,655,392	—	59,105,088
Schedule G—Special Purpose Program Funding	—	61,230,760	—	7,176,221	—	11,619,721	—	12,136,482
FINANCIAL PRODUCTS	—	39,306,023	—	39,719,325	—	38,437,889	—	36,718,485
Schedule I—Financial Products	—	39,306,023	—	39,719,325	—	38,437,889	—	36,718,485
MENTAL HEALTH	16,080	163,094,859	16,274	154,302,451	16,421	157,732,690	16,586	163,205,973
Schedule Q—Mental Health Funding (MHC funds only)	16,080	163,094,859	16,274	154,302,451	16,421	157,732,690	16,586	163,205,973
Other Adjustments								
East Metropolitan Health Service	—	513,898	—	—	—	—	—	—
Carry-over	—	513,898	—	—	—	—	—	—
Expense Transfer	—	—	—	—	—	—	—	—
Total Approved Expense Limit	195,836	1,339,453,747	199,885	1,308,004,241	204,363	1,355,118,881	208,545	1,396,946,702

Note:

1 Expense Transfers and Carry-overs are not considered permanent transfers of budget, but rather approved one-off transfers of expense. These items combined with the approved allocated budget form the Total Approved Expense Limit.

10. Service Activity Schedule

Commonwealth Specific Purpose Payment Activity and Funding

ABF Service Group	National Efficient Price (NEP\$) (as set by IHPA)	Total expected NWAU(#) (modified for IHPA adjustments)	Commonwealth	
			Funding Rate (%)	Contribution (\$)
Total Activity Funded	4,883	172,003	42.4%	356,201,995
Acute Admitted	4,883	99,712	42.5%	207,170,825
Admitted Mental Health (<i>Includes MHC</i>)	4,883	9,901	34.0%	16,450,460
Sub-Acute (<i>Includes MHC</i>)	4,883	14,429	38.6%	27,163,558
Emergency Department	4,883	24,399	42.2%	50,224,585
Non Admitted	4,883	23,562	48.0%	55,192,566

Non-ABF Service Group	Total Contribution (\$)	Commonwealth		State Contribution (\$)
		Contribution (\$)	Funding Rate (%)	
Total Block Funding	108,699,152	36,257,144	33.4%	72,442,008
Non Admitted Mental Health	51,429,681	14,612,971	28.4%	36,816,710
Other 'In Scope' Program Services	—	—	—	—
Rural CSO sites	—	—	—	—
Teaching, Training and Research (<i>Includes MHC</i>)	57,269,471	21,644,172	37.8%	35,625,299

Note:

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