



Government of Western Australia
Department of Health

South 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

South Metropolitan Health Service of Fiona Stanley Hospital,
Robin Warren Drive, Murdoch, WA 6150
(SMHS)

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 South 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:

“SMHS may agree with any Health Service Provider for that Health Service Provider to provide services to SMHS according to SMHS’ business needs. SMHS 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 32 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 33 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 34 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 35 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 39 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 45 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 50 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 51 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 55 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 56 of the Service Agreement is amended. This amendment is attached hereto and marked as Annexure 23.



Execution

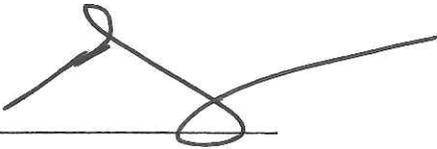
Executed as a Deed in Western Australia.

Parties to the Agreement:

Department CEO

Dr David J Russell-Weisz
Director General
Department of Health

Date: 7/3/17

Signed: 

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



Mr Robert McDonald
Board Chair
South Metropolitan Health Service

Date: 7/3/17

Signed: 

Dr Robyn Lawrence
Chief Executive
South Metropolitan Health Service

Date: 7.3.17

Signed: 

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)
South Metropolitan Health Service	231,126	1,703,987,707	235,856	1,626,312,253	241,034	1,673,784,679	245,765	1,712,518,006
ACTIVITY BASED SERVICES	221,380	1,257,002,314	226,067	1,295,792,348	231,157	1,340,594,722	235,861	1,380,999,352
Schedule A—Inpatient ABF Activity and Funding	160,359	910,690,404	162,552	931,873,700	165,285	958,675,740	167,769	982,378,344
Schedule B—Emergency Department ABF Activity and Funding	26,686	151,146,280	28,334	162,069,450	29,796	172,512,140	31,071	181,727,013
Schedule C1—Non-admitted Aggregate ABF Activity and Funding	3,074	17,660,400	3,155	18,272,392	3,240	18,959,124	3,324	19,580,640
Schedule C—Non-admitted ABF Activity and Funding	31,260	177,505,230	32,026	183,576,806	32,836	190,447,717	33,697	197,313,355
NON ACTIVITY BASED SERVICES	—	223,082,277	—	104,689,694	—	105,680,929	—	106,259,663
Schedule D2—Small Rural Hospitals	—	—	—	—	—	—	—	—
Schedule E—Public Health Program Funding	—	6,500,990	—	6,224,739	—	6,380,358	—	6,571,768
Schedule F—Teaching Training and Research	—	61,372,349	—	63,962,982	—	66,648,885	—	69,420,000
Schedule G—Special Purpose Program Funding	—	155,208,939	—	34,501,973	—	32,651,686	—	30,267,895
FINANCIAL PRODUCTS	—	107,796,821	—	103,296,255	—	102,372,197	—	95,747,357
Schedule I—Financial Products	—	107,796,821	—	103,296,255	—	102,372,197	—	95,747,357
MENTAL HEALTH	9,746	116,106,294	9,789	122,533,957	9,877	125,136,831	9,904	129,511,634
Schedule Q—Mental Health Funding (MHC funds only)	9,746	116,106,294	9,789	122,533,957	9,877	125,136,831	9,904	129,511,634
Other Adjustments								
South Metropolitan Health Service	—	130,078	—	—	—	—	—	—
Expense Transfer	—	130,078	—	—	—	—	—	—
Total Approved Expense Limit	231,126	1,704,117,785	235,856	1,626,312,253	241,034	1,673,784,679	245,765	1,712,518,006

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	212,405	42.7%	442,477,252
Acute Admitted	4,883	130,192	42.5%	270,498,878
Admitted Mental Health <i>(Includes MHC)</i>	4,883	5,822	34.0%	9,673,223
Sub-Acute <i>(Includes MHC)</i>	4,883	20,120	38.6%	37,877,247
Emergency Department	4,883	26,001	42.2%	53,522,252
Non Admitted	4,883	30,270	48.0%	70,905,653

Non-ABF Service Group	Total Contribution (\$)	Commonwealth		State Contribution (\$)
		Contribution (\$)	Funding Rate (%)	
Total Block Funding	109,451,653	37,131,178	33.9%	72,320,475
Non Admitted Mental Health	45,143,612	12,826,879	28.4%	32,316,733
Other 'In Scope' Program Services	—	—	—	—
Rural CSO sites	—	—	—	—
Teaching, Training and Research <i>(Includes MHC)</i>	64,308,041	24,304,299	37.8%	40,003,742

Note:

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