



Government of Western Australia
Department of Health

WA Country Health Service Service Agreement 2016-17 Deed of Amendment February 2017

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This Deed is made on 13 February 2017.

Parties

WA Country Health Service of 189 Wellington Street, Perth,
WA 6000
(WACHS)

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 WA Country 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:

“WACHS may agree with any Health Service Provider for that Health Service Provider to provide services to WACHS according to WACHS’ business needs. WACHS 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 14 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 15 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 17 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 18 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 19 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 20 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 22 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 24 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 26 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 31 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 32 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 33 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 39 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 43 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 44 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 46 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 48 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 52 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 58 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 63 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 65 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 67 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 ESG table at page 68 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: 28/3/17

Signed: 

The Common Seal of the
WA Country Health Service
was hereunto affixed in the presence of:)
)
)

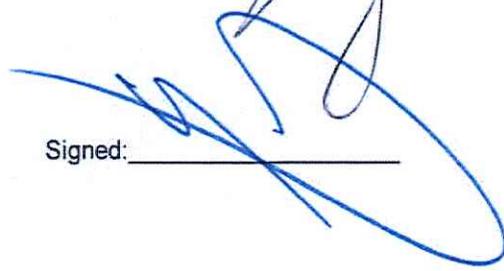
Dr Neal Fong
Board Chair
WA Country Health Service

Date: 27/07/2017

Signed: 

Mr Jeffrey Moffet
Chief Executive
WA Country Health Service

Date: 23/03/2017

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)
WA Country Health Service	149,208	1,686,064,578	150,481	1,567,560,603	152,079	1,576,424,710	153,875	1,575,784,563
ACTIVITY BASED SERVICES	144,123	801,379,392	145,307	817,300,879	146,841	838,316,029	148,580	860,881,832
Schedule A—Inpatient ABF Activity and Funding	94,899	527,674,981	95,522	537,279,702	96,441	550,580,523	97,520	565,035,925
Schedule B—Emergency Department ABF Activity and Funding	32,401	180,161,558	32,795	184,459,928	33,202	189,553,188	33,626	194,832,302
Schedule C1—Non-admitted Aggregate ABF Activity and Funding	684	3,803,459	702	3,947,905	721	4,116,118	740	4,285,644
Schedule C—Non-admitted ABF Activity and Funding	16,139	89,739,395	16,288	91,613,344	16,477	94,066,200	16,694	96,727,961
NON ACTIVITY BASED SERVICES	—	709,424,201	—	584,902,982	—	555,016,784	—	524,284,887
Schedule D2—Small Rural Hospitals	—	189,948,000	—	197,829,000	—	206,258,000	—	214,774,000
Schedule E—Public Health Program Funding	—	186,867,739	—	178,998,641	—	149,241,251	—	153,396,943
Schedule F—Teaching Training and Research	—	21,902,221	—	22,706,623	—	23,509,928	—	24,366,643
Schedule G—Special Purpose Program Funding	—	310,706,240	—	185,368,717	—	176,007,605	—	131,747,301
FINANCIAL PRODUCTS	—	78,982,090	—	74,257,462	—	90,029,981	—	94,117,535
Schedule I—Financial Products	—	78,982,090	—	74,257,462	—	90,029,981	—	94,117,535
MENTAL HEALTH	5,084	96,278,895	5,174	91,099,280	5,239	93,061,917	5,296	96,500,309
Schedule Q—Mental Health Funding (MHC funds only)	5,084	96,278,895	5,174	91,099,280	5,239	93,061,917	5,296	96,500,309
Other Adjustments								
WA Country Health Service	—	270,600	—	—	—	—	—	—
Expense Transfer	—	270,600	—	—	—	—	—	—
Total Approved Expense Limit	149,208	1,686,335,178	150,481	1,567,560,603	152,079	1,576,424,710	153,875	1,575,784,563

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	115,379	42.6%	240,092,711
Acute Admitted	4,883	68,273	42.5%	141,850,266
Admitted Mental Health (<i>Includes MHC</i>)	4,883	3,187	34.0%	5,295,184
Sub-Acute (<i>Includes MHC</i>)	4,883	6,494	38.6%	12,225,390
Emergency Department	4,883	24,453	42.2%	50,335,742
Non Admitted	4,883	12,972	48.0%	30,386,129

Non-ABF Service Group	Total Contribution (\$)	Commonwealth		State Contribution (\$)
		Contribution (\$)	Funding Rate (%)	
Total Block Funding	355,133,113	133,027,542	37.5%	222,105,571
Non Admitted Mental Health	47,261,386	13,428,613	28.4%	33,832,773
Other 'In Scope' Program Services	—	—	—	—
Rural CSO sites	284,769,914	110,867,931	38.9%	173,901,983
Teaching, Training and Research (<i>Includes MHC</i>)	23,101,813	8,730,998	37.8%	14,370,815

Note:

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