

# **Service Agreement Mid-Year Review Deed of Amendment (Abridged)**

An agreement between:

**Department of Health Chief Executive Officer**

And

**East Metropolitan Health Service**

for the period

1 July 2017 – 30 June 2018

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## BACKGROUND

- A. On 1 July 2017, pursuant to section 46 of the Act the Parties entered into a Service Agreement. Section 46(4) of the Act provides that the Service Agreement is binding on the Parties.
- B. The Service Agreement details the health services that the Department CEO will purchase from the East Metropolitan Health Service and the health services the East Metropolitan Health Service will deliver during the 2017-18 financial year.
- C. The State budget delivered in September 2017 changed the funding set out in the Service Agreement. After September 2017, the Parties agreed to changes to the Service Agreement and executed the Budget Deed of Amendment.
- D. The State Mid-Year Review published on 20 December 2017 changes the funding set out in the Service Agreement and the Budget Deed of Amendment and an amendment to these is required.
- E. 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.
- F. This Deed is executed in accordance with section 50 of the Act.

## DEFINED TERMS

In this Deed:

1. **Act** means the *Health Services Act 2016*.
2. **Budget Deed of Amendment** means the Deed of Amendment signed by the Parties after the State budget was delivered in September 2017
3. **Deed** means this Deed of Amendment
4. **Parties** means the parties to the Service Agreement and to the Deed and to the Budget Deed of Amendment and “Party” means any one of them
5. **Policy Framework** means a policy framework issued under section 26 of the Act.
6. **Service Agreement** means the Health Service Provider Service Agreement 2017–18 between the Parties and as amended from time-to-time including all schedules and annexures
7. **Schedule** means a schedule to the Service Agreement.

## **1. OPERATION OF AMENDMENTS**

The Service Agreement and the Budget Deed of Amendment will be read and construed subject to this Deed, and in all other respects the provisions of the Service Agreement and the Budget Deed of Amendment are confirmed, and subject to the terms of the amendments contained in this Deed, the Service Agreement and the Budget 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 Service Agreement and the Budget 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 Service Agreement is varied so that:

- (a) The schedule A: Summary of Activity and Funding table at page 18 of the Service Agreement 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 system 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.

**Parties to the Deed:**

Executed as a Deed of Amendment in the state of Western Australia.

**Parties to the Deed:**

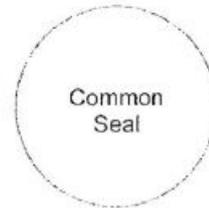
**Department CEO**

Dr David J Russell-Weisz  
Director General  
Department of Health

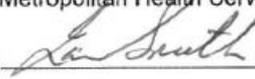
Date: 1/5/18

Signed: 

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

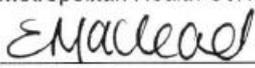


Mr Ian Smith PSM  
Board Chair  
East Metropolitan Health Service

Date: 

Signed: 27/2/18

Ms Elizabeth MacLeod  
Chief Executive  
East Metropolitan Health Service

Date: 

Signed: 27 02 18

## Annexure 1

### A: EMHS Summary of Activity and Funding

OBM Service	2016-17		2017-18		2017-18		2018-19		2019-20		2020-21	
	Final Position		Deed of Amendment		Mid-Year Review DOA		Forward Estimate		Forward Estimate		Forward Estimate	
	WAs	\$'000	WAs	\$'000	WAs	\$'000	WAs	\$'000	WAs	\$'000	WAs	\$'000
01 Public Hospital Admitted Services	129,124	821,939	136,203	899,062	136,203	901,506	139,388	930,727	142,251	952,850	144,919	979,238
02 Public Hospital Emergency Services	25,314	159,823	27,235	177,927	27,235	178,333	28,354	187,263	29,474	195,385	30,594	204,577
03 Public Hospital Non-Admitted Services	25,891	166,190	23,697	158,236	23,697	158,900	24,305	164,218	24,982	169,020	25,668	175,021
04 Mental Health Services	16,080	172,618	16,468	177,379	16,468	177,711	16,745	108,366	16,945	111,079	17,140	113,887
05 Aged and Continuing Care Services	—	12,387	—	22,696	—	23,265	—	19,910	—	20,827	—	21,589
06 Public and Community Health Services	—	38,564	—	22,358	—	26,129	—	10,980	—	10,615	—	(33,666)
07 Community Dental Health Services	—	—	—	—	—	—	—	—	—	—	—	—
08 Small Rural Hospital Services	—	—	—	—	—	—	—	—	—	—	—	—
09 Health System Management - Policy and Corporate Service:	—	—	—	—	—	—	—	—	—	—	—	—
10 Health Support Services	—	—	—	—	—	—	—	—	—	—	—	—
<i>Expense Transfer</i>	—	514	—	—	—	—	—	—	—	—	—	—
<i>System Manager Initiatives</i>	—	15,776	—	(28,233)	—	(28,233)	—	(26,594)	—	(26,769)	—	(17,267)
<b>Total</b>	<b>196,408</b>	<b>1,387,811</b>	<b>203,603</b>	<b>1,429,425</b>	<b>203,603</b>	<b>1,437,612</b>	<b>208,792</b>	<b>1,394,871</b>	<b>213,652</b>	<b>1,433,007</b>	<b>218,321</b>	<b>1,443,379</b>

#### Notes

- The figures in all schedules include an allocation for Financial Products and HSS Resources Received Free of Charge. These may be subject to change.
- Mid-Year Review Deed of Amendment (DOA) reflects adjustments endorsed by the WA State Government through the 2017 18 Mid-Year Review process as well as all other approved adjustments that have occurred since the release of the Service Agreement Deed of Amendment 2017 18 on 15 September 2017.

## EMHS Commonwealth Specific Purpose Payment Activity and Funding

ABF Service group	National Efficient Price (NEP \$) (as set by IHPA)	Total Expected NWAUs (#)	Commonwealth	
			Funding Rate (%)	Contribution (\$)
			Acute Admitted	4,910
Admitted Mental Health	4,910	15,478	38.3	29,072,225
Sub-Acute	4,910	7,909	35.6	13,810,320
Emergency Department	4,910	24,872	42.4	51,787,024
Non Admitted	4,910	23,421	51.4	59,109,846
<b>ABF Total</b>	<b>4,910</b>	<b>183,556</b>	<b>43.3</b>	<b>390,633,224</b>

Non-ABF Service group	Total	Commonwealth		State
	Contribution (\$)	Contribution (\$)	Funding Rate (%)	Contribution (\$)
Non Admitted Mental Health	62,293,408	18,257,812	29.3	44,035,597
Other "In scope" Program Services	—	—	—	—
Rural CSO sites	—	—	—	—
Teaching, Training and Research	61,356,294	23,336,199	38.0	38,020,095
<b>Total Block Funding</b>	<b>123,649,702</b>	<b>41,594,011</b>	<b>33.6</b>	<b>82,055,691</b>

**Note:**

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