

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

An agreement between:

**Department of Health Chief Executive Officer**

And

**South 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 South Metropolitan Health Service and the health services the South 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 Agreement:**

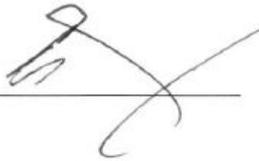
Executed as a Deed of Amendment in the state of Western Australia.

**Parties to the Agreement:**

**Department CEO**

Dr David J Russell-Weisz  
Director General  
Department of Health

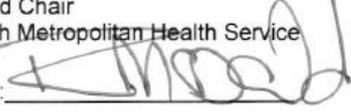
Date: 1/8/18

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:  Signed: date March 1, 2018.

Mr Paul Forden  
A/Chief Executive  
South Metropolitan Health Service

Date: 1/3/18 Signed: 

## Annexure 1

### A: SMHS 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	
	WALs	\$'000	WALs	\$'000	WALs	\$'000	WALs	\$'000	WALs	\$'000	WALs	\$'000
01 Public Hospital Admitted Services	160,940	1,072,102	165,414	1,140,132	165,414	1,137,090	169,128	1,168,823	172,492	1,190,396	175,657	1,222,219
02 Public Hospital Emergency Services	26,686	175,055	26,448	180,067	26,448	179,576	27,571	188,065	28,684	195,475	29,812	204,650
03 Public Hospital Non-Admitted Services	34,335	231,994	35,752	249,774	35,752	249,169	36,485	255,487	37,282	260,505	38,076	268,141
04 Mental Health Services	9,746	126,926	10,010	127,967	10,010	127,556	10,197	68,801	10,370	70,653	10,508	72,507
05 Aged and Continuing Care Services	—	16,915	—	17,038	—	18,329	—	13,041	—	13,407	—	13,635
06 Public and Community Health Services	—	36,189	—	23,518	—	25,621	—	14,298	—	14,529	—	(20,717)
07 Community Dental Health Services	—	—	—	—	—	—	—	—	—	—	—	—
08 Small Rural Hospital Services	—	—	—	—	—	—	—	—	—	—	—	—
09 Health System Management - Policy and Corporate Services	—	—	—	—	—	—	—	—	—	—	—	—
10 Health Support Services	—	—	—	—	—	—	—	—	—	—	—	—
<i>Expense Transfer</i>	—	130	—	—	—	—	—	—	—	—	—	—
<i>System Manager Initiatives</i>	—	103,641	—	20,469	—	20,469	—	(34,241)	—	(34,898)	—	(30,341)
<b>Total</b>	<b>231,707</b>	<b>1,762,953</b>	<b>237,624</b>	<b>1,758,965</b>	<b>237,624</b>	<b>1,757,810</b>	<b>243,381</b>	<b>1,674,273</b>	<b>248,828</b>	<b>1,710,065</b>	<b>254,053</b>	<b>1,730,094</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.

## SMHS 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	9,417	38.3	17,687,889
Sub-Acute	4,910	12,489	35.6	21,807,699
Emergency Department	4,910	24,951	42.4	51,951,513
Non Admitted	4,910	33,535	51.4	84,635,527
<b>ABF Total</b>	<b>4,910</b>	<b>216,830</b>	<b>43.7</b>	<b>464,936,895</b>

Non-ABF Service group	Total	Commonwealth		State
	Contribution (\$)	Contribution (\$)	Funding Rate (%)	Contribution (\$)
Non Admitted Mental Health	45,296,228	13,276,044	29.3	32,020,184
Other "In scope" Program Services	—	—	—	—
Rural CSO sites	—	—	—	—
Teaching, Training and Research	66,684,872	25,362,866	38.0	41,322,006
<b>Total Block Funding</b>	<b>111,981,100</b>	<b>38,638,909</b>	<b>34.5</b>	<b>73,342,190</b>

**Note:**

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