

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

An agreement between:
Department of Health Chief Executive Officer
And
WA Country 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 the 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 WA Country Health Service and the health services the WA Country 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 October 2017 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 WA Country Health Service 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: WACHS Summary of Activity and Funding table at page 19 of the Service Agreement is amended. This amendment is attached hereto and marked as Annexure 1.
- (b) The schedule C Election Commitments table is amended. This amendment is attached hereto and marked as Annexure 2.

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: 1/5/18

Signed: 

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



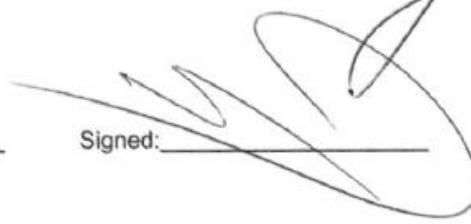
Dr Neale Fong
Board Chair
WA Country Health Service

Date: 29/3/2018

Signed: 

Mr Jeffrey Moffet
Chief Executive
WA Country Health Service

Date: 29/3/18

Signed: 

Annexure 1

A: WACHS 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	
	WAUs	\$'000	WAUs	\$'000	WAUs	\$'000	WAUs	\$'000	WAUs	\$'000	WAUs	\$'000
01 Public Hospital Admitted Services	94,899	582,455	96,857	618,202	96,857	617,709	97,600	629,341	98,447	641,884	99,545	656,979
02 Public Hospital Emergency Services	32,401	201,483	32,921	212,622	32,921	212,455	33,369	217,767	33,828	223,171	34,299	228,775
03 Public Hospital Non-Admitted Services	16,823	105,074	16,039	104,423	16,039	104,342	16,215	106,565	16,415	109,008	16,615	111,538
04 Mental Health Services	5,084	99,588	5,189	107,419	5,189	107,330	5,277	33,220	5,344	34,180	5,431	35,330
05 Aged and Continuing Care Services	—	88,183	—	87,942	—	92,207	—	64,546	—	36,958	—	36,056
06 Public and Community Health Services	—	306,469	—	298,157	—	295,454	—	235,941	—	235,101	—	136,567
07 Community Dental Health Services	—	—	—	—	—	—	—	—	—	—	—	—
08 Small Rural Hospital Services	—	285,159	—	275,194	—	272,366	—	306,651	—	301,620	—	89,973
09 Health System Management - Policy and Corporate Service	—	—	—	—	—	—	—	—	—	—	—	—
10 Health Support Services	—	—	—	—	—	—	—	—	—	—	—	—
<i>Expense Transfer</i>	—	271	—	—	—	—	—	—	—	—	—	—
<i>System Manager Initiatives</i>	—	38,902	—	19,954	—	19,957	—	(21,122)	—	(16,930)	—	(3,999)
Total	149,208	1,707,583	151,006	1,723,913	151,006	1,721,820	152,461	1,572,909	154,034	1,564,993	155,890	1,291,218

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.

WACHS 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	75,155	43.1	159,111,410
Admitted Mental Health	4,910	5,137	38.3	9,648,793
Sub-Acute	4,910	6,200	35.6	10,826,146
Emergency Department	4,910	25,075	42.4	52,209,698
Non Admitted	4,910	12,549	51.4	31,671,127
ABF Total	4,910	124,116	43.2	263,467,173

Non-ABF Service group	Total Contribution (\$)	Commonwealth		State Contribution (\$)
		Contribution (\$)	Funding Rate (%)	
Non Admitted Mental Health	50,456,586	14,788,512	29.3	35,668,073
Other "In scope" Program Services	—	—	—	—
Rural CSO sites	272,429,831	101,500,505	37.3	170,929,326
Teaching, Training and Research	24,499,924	9,318,280	38.0	15,181,644
Total Block Funding	347,386,340	125,607,297	36.2	221,779,043

Note:

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