

# **Service Agreement End-of-year Final Allocations (Abridged)**

An agreement between:

**Department of Health Chief Executive Officer**

And

**North Metropolitan Health Service**

for the period

1 July 2018 – 30 June 2019

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## BACKGROUND

- A. On 1 July 2018, pursuant to section 46 of the *Health Services Act 2016* (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 North Metropolitan Health Service (NMHS) and the health services NMHS will deliver during the 2018-19 financial year.
- C. The State Mid-Year Review handed down on 20 December 2018 changed the funding set out in the Service Agreement and an amendment to these was executed through a Mid-year Review Deed of Amendment.
- D. Since the State Mid-year Review and up to 30 June 2019 changes to the funding set out in the Mid-year Review Deed of Amendment have occurred and an amendment to these is required.
- E. This document is not required to be executed in accordance with section 41 of the Act as all amendments have been approved through other processes.

## DEFINED TERMS

In this EOY Final Allocations:

1. **EOY** means End-of-year and refers to the 2018-19 Financial year
2. **EOY Final Allocations** means this document
3. **MYR Deed** means the Health Service Provider Mid-Year Review Deed of Amendment 2018–19 between the Parties
4. **Parties** means the parties to the Service Agreement, the MYR Deed and to the EOY Final Allocations and “Party” means any one of them

## **1. OPERATION OF AMENDMENTS**

The Service Agreement, including amendments contained in the MYR Deed, will be read and construed subject to this EOY Final Allocations, and in all other respects the provisions of the Service Agreement are confirmed, and subject to the terms of the amendments contained in this EOY Final Allocations and the Service Agreement will continue in full force and effect in accordance with its terms.

This EOY Final Allocations is governed by and will be construed according to the laws in force in Western Australia.

## **2. ENTIRE AGREEMENT**

This EOY Final Allocations together with the Service Agreement, including amendments contained in the MYR Deed, constitutes the entire agreement between the Parties and supersedes any previous agreement between the Parties as to the subject matter of this EOY Final Allocations.

## **3. AMENDMENTS TO SERVICE AGREEMENT**

With effect from the date of this EOY Final Allocations the Service Agreement is varied so that:

- (a) The Schedule B: Summary of Activity and Funding table at page 22 of the Service Agreement, as amended by MYR Deed, is amended. This amendment is attached hereto and marked as Annexure 1.
- (b) The Schedule D: Dental Health Service Summary of Activity and Funding table at page 35 of the Service Agreement is amended. This amendment is attached hereto and marked as Annexure 2.

## **4. PUBLICATION OF EOY FINAL ALLOCATIONS**

The Department will publish an abridged version of this EOY Final Allocations on the WA health system internet site, in accordance with Schedule D9 of the National Health Reform Agreement.

## Annexure 1

### B: NMHS Summary of Activity and Funding

OBM Service	2018-19		2018-19		2018-19		2018-19		2018-19	
	Executed Service Agreement		Changes from SA to MYR DOA		Mid-Year Review Deed of Amendment		Changes MYR DOA to EOY Final Alloc.		End-of-Year Final Allocations	
	WALUs	\$'000	WALUs	\$'000	WALUs	\$'000	WALUs	\$'000	WALUs	\$'000
01 Public Hospital Admitted Services	181,586	1,240,730	650	10,331	182,236	1,251,061	—	11,099	182,236	1,262,160
02 Public Hospital Emergency Services	26,281	177,531	—	611	26,281	178,141	—	649	26,281	178,790
03 Public Hospital Non-Admitted Services	37,564	260,508	—	1,453	37,564	261,960	—	1,867	37,564	263,827
04 Mental Health Services	25,703	249,091	(129)	499	25,574	249,590	354	1,538	25,928	251,127
05 Aged and Continuing Care Services	—	16,847	—	1,097	—	17,944	—	3,211	—	21,155
06 Public and Community Health Services	—	118,872	—	2,790	—	121,662	—	6,010	—	127,672
07 Community Dental Health Services	—	—	—	—	—	—	—	—	—	—
08 Small Rural Hospital Services	—	405	—	1	—	405	—	(1)	—	405
09 Health System Management - Policy and Corporate Services	—	—	—	—	—	—	—	—	—	—
10 Health Support Services	—	—	—	—	—	—	—	—	—	—
<b>Total</b>	<b>271,134</b>	<b>2,063,982</b>	<b>521</b>	<b>16,781</b>	<b>271,655</b>	<b>2,080,763</b>	<b>354</b>	<b>24,372</b>	<b>272,009</b>	<b>2,105,135</b>

#### Notes

- The figures in all schedules include an allocation for Financial Products, HSS-RRFOC, PathWest-RRFOC and System Manager Initiatives. These may be subject to change.
- Mid-Year Review Deed of Amendment (MYR Deed) reflects adjustments endorsed by the WA State Government through the 2018-19 Mid-Year Review process as well as all other approved adjustments that have occurred since the release of the Service Agreement 2018-19 on 1 July 2018.
- End-of-year (EOY) Final Allocations reflects all other approved adjustments that have occurred since the release of the MYR Deed in January 2019.

## Annexure 2

### D: Dental Health Service Summary of Activity and Funding

OBM Service	2018-19	2018-19	2018-19	2018-19	2018-19
	Executed Service Agreement	Changes from SA to MYR DOA	Mid-Year Review Deed of Amendment	Changes MYR DOA to EOY Final Alloc.	End-of-Year Final Allocations
	\$'000	\$'000	\$'000	\$'000	\$'000
01 Public Hospital Admitted Services	—	—	—	—	—
02 Public Hospital Emergency Services	—	—	—	—	—
03 Public Hospital Non-Admitted Services	—	—	—	—	—
04 Mental Health Services	—	—	—	—	—
05 Aged and Continuing Care Services	—	—	—	—	—
06 Public and Community Health Services	—	—	—	—	—
07 Community Dental Health Services	93,638	(163)	93,475	2,050	95,525
08 Small Rural Hospital Services	—	—	—	—	—
09 Health System Management - Policy and Corporate Services	—	—	—	—	—
10 Health Support Services	—	—	—	—	—
<b>Total</b>	<b>93,638</b>	<b>(163)</b>	<b>93,475</b>	<b>2,050</b>	<b>95,525</b>

## NMHS 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	5,012	162,961	42.6	348,064,289
Admitted Mental Health	5,012	22,059	37.8	41,802,671
Sub-Acute	5,012	14,507	35.3	25,662,998
Emergency Department	5,012	23,510	41.0	48,360,734
Non Admitted	5,012	31,689	50.6	80,372,972
<b>ABF Total</b>	<b>5,012</b>	<b>254,726</b>	<b>42.6</b>	<b>544,263,664</b>

Non-ABF Service group	Total Contribution (\$)	Commonwealth		State Contribution (\$)
		Contribution (\$)	Funding Rate (%)	
Non Admitted Mental Health	82,660,338	25,000,580	30.2	57,659,758
Other "In scope" Program Services	—	—	—	—
Rural CSO sites	—	—	—	—
Teaching, Training and Research	88,416,395	33,886,178	38.3	54,530,217
<b>Total Block Funding</b>	<b>171,076,733</b>	<b>58,886,758</b>	<b>34.4</b>	<b>112,189,975</b>

**Note:**

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