

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

An agreement between:

Department of Health Chief Executive Officer

And

South Metropolitan Health Service

for the period

1 July 2018 – 30 June 2019

CONTENTS

BACKGROUND	3
DEFINED TERMS	4
1. OPERATION OF AMENDMENTS	5
2. ENTIRE AGREEMENT	5
3. AMENDMENTS TO SERVICE AGREEMENT	5
4. PUBLICATION OF EOY FINAL ALLOCATIONS	5
Annexure 1.....	6
B: SMHS Summary of Activity and Funding.....	6
SMHS Commonwealth Specific Purpose Payment Activity and Funding.....	7

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 South Metropolitan Health Service (SMHS) and the health services SMHS 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 Allocation 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 21 of the Service Agreement, as amended by MYR Deed, is amended. This amendment is attached hereto and marked as Annexure 1.

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: SMHS 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	
	WALs	\$'000	WALs	\$'000	WALs	\$'000	WALs	\$'000	WALs	\$'000
01 Public Hospital Admitted Services	170,984	1,204,898	583	(30,261)	171,567	1,174,638	—	5,908	171,567	1,180,546
02 Public Hospital Emergency Services	27,794	190,095	—	(4,321)	27,794	185,774	—	(1,173)	27,794	184,601
03 Public Hospital Non-Admitted Services	38,925	278,996	—	(10,251)	38,925	268,745	—	(2,732)	38,925	266,013
04 Mental Health Services	10,327	128,926	250	2,065	10,577	130,990	79	5,823	10,656	136,813
05 Aged and Continuing Care Services	—	(823)	—	12,479	—	11,656	—	3,090	—	14,746
06 Public and Community Health Services	—	(4,391)	—	45,455	—	41,063	—	1,169	—	42,233
07 Community Dental Health Services	—	—	—	—	—	—	—	—	—	—
08 Small Rural Hospital Services	—	—	—	—	—	—	—	—	—	—
09 Health System Management - Policy and Corporate S	—	—	—	—	—	—	—	—	—	—
10 Health Support Services	—	—	—	—	—	—	—	—	—	—
Total	248,030	1,797,701	833	15,166	248,863	1,812,867	79	12,084	248,942	1,824,951

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.

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	5,012	148,990	42.6	318,224,029
Admitted Mental Health	5,012	8,855	37.8	16,780,869
Sub-Acute	5,012	15,915	35.3	28,153,778
Emergency Department	5,012	25,017	41.0	51,461,852
Non Admitted	5,012	32,212	50.6	81,697,985
ABF Total	5,012	230,989	42.9	496,318,513

Non-ABF Service group	Total Contribution (\$)	Commonwealth		State Contribution (\$)
		Contribution (\$)	Funding Rate (%)	
Non Admitted Mental Health	43,423,855	13,133,524	30.2	30,290,331
Other "In scope" Program Services	3,556,514	1,600,431	45.0	1,956,083
Rural CSO sites	—	—	—	—
Teaching, Training and Research	68,768,737	26,356,081	38.3	42,412,656
Total Block Funding	115,749,106	41,090,036	35.5	74,659,070

Notes:

1. This schedule relates to Commonwealth "in-scope" activity only and is a subset of the Summary of Activity and Funding Schedule
2. Other "In scope" Program Services includes Home Ventilation