

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

An agreement between:

**Department of Health Chief Executive Officer**

And

**Child and Adolescent Health Service**

for the period

1 July 2019 – 30 June 2020

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## BACKGROUND

- A. On 1 July 2019, 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 Child and Adolescent Health Service (CAHS) and the health services CAHS will deliver during the 2019-20 financial year.
- C. Where the State Mid-Year Review handed down on 18 December 2019 contains any changes to the funding set out in the 2019-20 Service Agreement, this information will be included.
- D. 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. This was provided to CAHS on 9 December 2019.
- E. This Deed is executed in accordance with section 41 of the Act.

## DEFINED TERMS

In this Deed:

1. **Deed** means this Deed of Amendment.
2. **Parties** means the parties to the Service Agreement and to the Deed and “Party” means any one of them.
3. **Relevant Health Service Providers (HSP)** means East Metropolitan Health Service (EMHS); North Metropolitan Health Service (NMHS); South Metropolitan Health Service (SMHS); WA Country Health Service (WACHS); PathWest Laboratory Medicine WA (PathWest) and Quadriplegic Centre.
4. **Service Agreement** means the Health Service Provider Service Agreement 2019-20 between the Parties and as amended from time-to-time including all schedules and annexures.
5. **Schedule** means a schedule to the Service Agreement.

## **1. OPERATION OF AMENDMENTS**

The Service Agreement will be read and construed subject to this Deed, and in all other respects the provisions of the Service Agreement are confirmed, and subject to the terms of the amendments contained in this Deed and the Service Agreement 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 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) Clause 7.5 at page 12 of the Service Agreement is deleted and replaced. This amendment is attached hereto and marked as Annexure 1.
- (b) The Schedule B: Summary of Activity and Funding table at page 23 of the Service Agreement 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**

Angela Kelly  
A/Director General  
Department of Health

Date: Angela Kelly Signed: 12/07/20

The Common Seal of the  
Child and Adolescent Health Service )  
was hereunto affixed in the presence of: )

Ms Deborah Karasinski AM  
Board Chair  
Child and Adolescent Health Service

Date: 2/7/2020 Signed: DKarasinski

Dr Aresh Anwar  
Chief Executive  
Child and Adolescent Health Service

Date: 02/07/2020 Signed: Aresh AS



## Annexure 1

### 7.5 Agreements with other Health Service Providers

For the purpose of section 48(1)(b) of the Act, CAHS may agree with:

- (1) any HSP for that HSP to provide services for CAHS according to CAHS business needs.
- (2) The relevant HSPs for those HSPs to provide clinical incident investigation services including Root Cause Analysis, for CAHS in the following circumstances:
  - a. Where the patient, who is the subject of the clinical incident investigation, has received health services from multiple HSPs and those HSPs agree that a joint review of the multi-site clinical incident is to be undertaken by more than one of the HSPs that treated the patient;
  - b. Where the patient, who is the subject of the clinical incident investigation, has received health services from multiple HSPs and those HSPs agree that a multi-site clinical incident investigation is to be undertaken by one of the HSPs that treated the patient;
  - c. Where the patient, who is the subject of the clinical incident investigation, has received health services from multiple health service providers and those HSPs agree that an independent multi-site clinical incident investigation is to be undertaken by a HSP with no involvement in the patient's care; or
  - d. Where the patient, who is the subject of the clinical incident investigation, has only received health services at CAHS but CAHS determines that an independent clinical incident investigation, undertaken by a HSP with no involvement in the patient's care, is necessary.

All clinical incident investigation services must be performed in accordance with the Clinical Incident Management Policy issued by the Department CEO under the Clinical Governance, Safety and Quality Policy Framework.

The terms of an agreement made pursuant to section 48(1)(b) of the Act do not limit CAHS obligations under this Agreement, including the performance standards provided for in this Agreement.

## Annexure 2

### B: CAHS Summary of Activity and Funding

OBM Service	2018-19		2019-20		2019-20		2020-21		2021-22		2022-23	
	End-of-year Final Allocations		Service Agreement		Mid-Year Review DOA		Forward Estimate		Forward Estimate		Forward Estimate	
	WALUs	\$'000	WALUs	\$'000	WALUs	\$'000	WALUs	\$'000	WALUs	\$'000	WALUs	\$'000
01 Public Hospital Admitted Services	37,285	299,657	46,260	349,738	46,544	352,563	46,242	343,047	46,690	348,395	47,183	351,591
02 Public Hospital Emergency Services	7,126	55,687	7,367	57,751	7,367	57,911	7,480	57,338	7,575	58,340	7,671	58,864
03 Public Hospital Non-Admitted Services	12,922	95,002	12,468	92,596	12,468	92,925	12,684	92,140	12,936	94,425	13,154	95,947
04 Mental Health Services	2,448	72,751	2,746	73,696	2,607	72,976	2,607	22,108	2,607	22,213	2,607	21,927
05 Aged and Continuing Care Services	—	1,904	—	1,122	—	1,748	—	1,137	—	1,157	—	1,158
06 Public and Community Health Services	—	166,514	—	144,271	—	149,698	—	141,342	—	139,024	—	139,466
07 Pathology Services	—	—	—	—	—	—	—	—	—	—	—	—
08 Community Dental Health Services	—	—	—	—	—	—	—	—	—	—	—	—
09 Small Rural Hospital Services	—	—	—	—	—	—	—	—	—	—	—	—
10 Health System Management - Policy and Corporate Services	—	—	—	—	—	—	—	—	—	—	—	—
11 Health Support Services	—	—	—	—	—	—	—	—	—	—	—	—
Government Corrective Measures (GCM)	—	(6,882)	—	(6,493)	—	(6,511)	—	(7,263)	—	(7,066)	—	(7,045)
Health Allocation Adjustments (HAA)	—	16,886	—	14,811	—	32,368	—	6,500	—	5,522	—	5,854
<b>Total</b>	<b>59,781</b>	<b>701,519</b>	<b>68,841</b>	<b>727,492</b>	<b>68,986</b>	<b>753,678</b>	<b>69,013</b>	<b>656,351</b>	<b>69,808</b>	<b>662,010</b>	<b>70,615</b>	<b>667,763</b>

#### Notes

- For the 2019-20 Mid-Year Deed of Amendment (MYR DOA), Government Corrective Measures (GCM) and Health Allocation Adjustments (HAA) are shown separately. Therefore, the figures in schedules 01-09 exclude GCM and HAA. The 2018-19 MYR DOA previously showed System Manager Initiatives; these have been reclassified to GCM and HAA to enable comparison.
- For the 2019–20 MYR DOA, the figures above include an allocation (apportioned across OBM service categories) for Financial Products, HSS-Resources Received Free of Charge (RRFOC) and PathWest-RRFOC.
- The new Accounting Standard “AASB 16 - Leases” was implemented by the Department of Health on the 1 July 2019. The 2019-20 Service Agreement incorrectly treated the AASB 16 – Lease, Borrowing Cost allocations as a Financial Product (i.e. non-cash). This has been corrected in the MYR DOA, with the AASB 16 – Lease, Borrowing Costs treated as a Health Allocation Adjustment (HAA) (i.e. cash). This also now reflects the Funding Plan treatment. As the AASB 16 – Lease, Borrowing Costs are no longer treated as a Financial Product there are minor changes to OBM Schedules 01-09 as well as the HAA item in the Summary Schedule and the HAA Schedule. These changes did not affect the expense limit of the 2019-20 Service Agreement.
- 2018-19 activity has been rebased to the 2019-20 weighting framework.

## CAHS 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	5,134	33,310	43.1	73,789,172
Admitted Mental Health	5,134	2,426	37.0	4,607,719
Sub-Acute	5,134	1	34.5	1,536
Emergency Department	5,134	6,705	40.5	13,945,862
Non Admitted	5,134	12,247	52.7	33,152,257
<b>ABF Total</b>	<b>5,134</b>	<b>54,689</b>	<b>44.7</b>	<b>125,496,546</b>

Non-ABF Service group	Total	Commonwealth		State
	Contribution (\$)	Contribution (\$)	Funding Rate (%)	Contribution (\$)
Non Admitted Mental Health	1,847,070	572,115	31.0	1,274,956
Non Admitted CAMHS	45,827,365	4,315,422	9.4	41,511,944
Non Admitted Home Ventilation	6,968,288	3,135,730	45.0	3,832,558
Rural CSO sites	—	—	—	—
Teaching, Training and Research	24,869,791	9,577,563	38.5	15,292,229
<b>Total Block Funding</b>	<b>79,512,515</b>	<b>17,600,829</b>	<b>22.1</b>	<b>61,911,686</b>

**Note:**

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