

**Department of Health
Notional Contracted Services
Local Health Network
Service Agreement
Mid-Year Review
Deed of Amendment
(Abridged)**

An agreement between:

Department of Health Chief Executive Officer

And

**Department of Health
Purchasing and System Performance Division**

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 Notional LHN and the services the Notional LHN will deliver during the 2019-20 financial year.
- C. An update to the Commonwealth specific purpose payment activity and funding changes the funding set out in the Service Agreement and an amendment to this is required.
- D. This Deed is representative of the partnership between the Department CEO and the Notional LHN and shared commitment to deliver on WA Government's goal of greater focus on achieving results in key service delivery areas for the benefit of all Western Australians.
- E. This Deed is executed in accordance with section 41 of the Act.

DEFINED TERMS

In this Agreement:

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. **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
4. **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 Agreement constitutes the entire agreement and understanding of the Parties and supersedes any previous agreement between the Parties as to the subject matter of this Agreement.

2.1 Notional Contracted Services Determination

The Department Notional Contracted Services Local Hospital Network (Notional LHN) consists of an aggregation of contracted public hospital services for the Department.

The Department Notional Contracted Services LHN only includes in scope health services that are eligible for a Commonwealth funding contribution.

As stated in Clause A54(a) of the *National Health Reform Agreement 2011*, the Administrator of the National Health Funding Pool prescribes that the Notional Contracted Services LHN is not required to meet the LHN governance arrangements set out in clauses D11 to D21. However, all requirements and responsibilities outlined in the *National Health Reform Agreement 2011* and *National Health Reform Act 2011* still apply to the LHN.

3. PUBLICATION OF DEED

The Department will publish an abridged version of this Agreement on the WA health system internet site, in accordance with Schedule D9 of the National Health Reform Agreement. Any subsequent amendments to this Agreement will also be published in accordance with Schedule D9 of the National Health Reform Agreement.

Notional LHN 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 | 3,011 | 43.1 | 6,669,089 |
| Admitted Mental Health | 5,134 | — | — | — |
| Sub-Acute | 5,134 | 1,251 | 34.5 | 2,217,917 |
| Emergency Department | 5,134 | — | — | — |
| Non Admitted | 5,134 | 15,382 | 52.7 | 41,638,932 |
| ABF Total | 5,134 | 19,643 | 50.1 | 50,525,938 |

| Non-ABF Service group | Total Contribution (\$) | Commonwealth | | State Contribution (\$) |
|---------------------------------|-------------------------------|----------------------|---------------------|-------------------------------|
| | | Contribution (\$) | Funding Rate (%) | |
| Non Admitted Mental Health | — | — | — | — |
| Non Admitted CAMHS | — | — | — | — |
| Non Admitted Home Ventilation | — | — | — | — |
| Rural CSO sites | — | — | — | — |
| Teaching, Training and Research | — | — | — | — |
| Total Block Funding | — | — | — | — |

Note:

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