

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

An agreement between:

Department of Health Chief Executive Officer

And

East Metropolitan Health Service

for the period

1 July 2020 – 30 June 2021

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BACKGROUND

- A. With effect from 1 July 2020, pursuant to section 46 of the *Health Services Act 2016* (the Act) the Parties entered into a Service Agreement (Interim). Section 46(4) of the Act provides that the Service Agreement is binding on the Parties.
- B. This Service Agreement was interim in its nature to reflect the delay in the 2020-21 State budget due to the COVID-19 pandemic.
- C. The Service Agreement details the health services that the Department CEO will purchase from the East Metropolitan Health Service (EMHS) and the health services EMHS will deliver during the 2020-21 financial year.
- D. The State Budget handed down on 8 October 2020 changed the funding set out in the Service Agreement and an amendment was executed through a Budget Deed of Amendment.
- E. The State Mid-year Review published on 14 December 2020 further changes the funding set out in the Service Agreement and Budget Deed of Amendment and a Mid-year Review amendment is therefore required to reflect these and other WA health system allocation adjustments.
- F. 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 written notice was provided to EMHS on 15 January 2021.
- G. This Deed is executed in accordance with section 41 of the Act.

DEFINED TERMS

In this Deed:

1. **Budget Deed** means the Health Service Provider Budget Deed of Amendment.
2. **Mid-year Review Deed** means the Health Service Provider Mid-year Review Deed of Amendment.

1. OPERATION OF AMENDMENTS

The Service Agreement including amendments contained in the Budget Deed, 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 and Budget Deed, 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, including amendments contained in the Budget Deed, 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 B: Summary of Activity and Funding table at page 25 of the Service Agreement, as amended by the Budget Deed, is amended. This amendment is attached hereto and marked as Annexure 1.

4. PUBLICATION OF DEED

The Department will publish an abridged version of this Deed on the WA Health 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.

9. FUNDING AND PURCHASED ACTIVITY TO DELIVER HEALTH SERVICES

9.1 Funding

The Department CEO will fund the EMHS to meet its service delivery obligations under this Agreement in accordance with the schedules to this Agreement. A summary of the funding to be paid to the EMHS is set out in the Schedule B: EMHS Summary of Activity and Funding.

The EMHS is to use the funding provided by the Department only for the delivery of health services specified under this Agreement. The funding will include direct service costs and the cost of overheads that the Department considers inherent in the delivery of the health services.

Additional budget allocations for COVID-19 related costs, excluding activity-based allocations (e.g. outpatient COVID clinics), are identified separately in the Schedule D: Health Allocation Adjustments (HAA). These COVID-19 allocations are provided specifically for the purpose of meeting COVID-19 costs and the budget amounts are to be quarantined for this purpose only. Included is an allocation for costs associated with PathWest services and this amount is only to be used to pay for PathWest's COVID-19 related services.

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: 15/3/21

Signed: 



The Common Seal of the
East Metropolitan Health Service
was hereunto affixed in the presence of:)
)
)



Mr Ian Smith PSM
Board Chair
East Metropolitan Health Service

Date: 23/2/21

Signed: 

Ms Elizabeth MacLeod
Chief Executive
East Metropolitan Health Service

Date: 23/02/2021

Signed: EMacLeod

Annexure 1

B: EMHS Summary of Activity and Funding

OBM Service	2019-20		2020-21		2020-21		2021-22		2022-23		2023-24	
	End-of-year Final Allocations		Budget Deed of Amendment		Mid-year Review Deed of Amendment		Forward Estimate		Forward Estimate		Forward Estimate	
	WAOs	\$'000	WAOs	\$'000	WAOs	\$'000	WAOs	\$'000	WAOs	\$'000	WAOs	\$'000
01 Public Hospital Admitted Services	148,325	1,002,195	153,147	1,031,885	153,147	1,033,952	154,755	1,042,563	158,121	1,071,233	161,558	1,104,408
02 Public Hospital Emergency Services	28,964	195,058	30,035	200,295	30,035	200,597	30,688	205,097	31,355	210,843	32,037	217,359
03 Public Hospital Non-Admitted Services	25,749	161,049	26,318	178,028	26,318	178,359	26,891	181,694	27,475	186,660	28,073	192,408
04 Mental Health Services	19,541	198,076	19,663	202,357	19,663	202,735	20,091	128,854	20,528	132,338	20,975	136,252
05 Aged and Continuing Care Services	—	13,243	—	11,854	—	12,101	—	11,250	—	7,917	—	7,995
06 Public and Community Health Services	—	27,271	—	23,152	—	23,323	—	21,087	—	19,371	—	19,032
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	—	(22,874)	—	(23,244)	—	(23,244)	—	(23,278)	—	(23,280)	—	(23,156)
Health Allocation Adjustments	—	32,115	—	56,367	—	76,640	—	55,099	—	54,818	—	56,612
Total	222,579	1,606,133	229,163	1,680,694	229,163	1,704,465	232,425	1,622,366	237,479	1,659,901	242,643	1,710,910
Less Income	—	(785,399)	—	(842,891)	—	(844,409)	—	(789,775)	—	(835,282)	—	(889,719)
Net—Activity and Funding	222,579	820,734	229,163	837,803	229,163	860,056	232,425	832,591	237,479	824,619	242,643	821,192

Notes

- 2019-20 WAOs are presented in the 2020-21 Framework. Under the 2019-20 Framework the target is 220,563 WAOs.
- “Less income” is the estimated value of revenue from sources other than State Appropriations.

EMHS—Commonwealth and State contributions to the National Health Funding Pool

	National Efficient Price (as per IHPA)	Total Expected NWAUs	Total Contribution	Commonwealth		State
				Contribution	Funding Rate	Contribution
ABF Service group	(NEP \$)	(#)	(NEP \$)	(NEP \$)	(%)	(NEP \$)
Acute Admitted	5,320	130,111	692,190,520	292,945,545	42.3	399,244,975
Admitted Mental Health	5,320	17,926	95,366,320	40,360,476	42.3	55,005,844
Sub-Acute	5,320	8,346	44,400,720	18,791,059	42.3	25,609,661
Emergency Department	5,320	26,986	143,565,520	60,759,109	42.3	82,806,411
Non Admitted	5,320	24,049	127,940,680	54,146,440	42.3	73,794,240
Total ABF	5,320	207,418	1,103,463,760	467,002,629	42.3	636,461,131
Non-ABF Service group			(\$)	(\$)	(%)	(\$)
Non Admitted Mental Health			72,569,125	22,808,723	31.4	49,760,402
Non Admitted CAMHS			—	—	—	—
Non Admitted Home Ventilation			—	—	—	—
Rural CSO sites			—	—	—	—
Teaching, Training and Research			68,667,018	26,608,706	38.8	42,058,311
Total Block Funding			141,236,143	49,417,429	35.0	91,818,714

Note:

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