Service Agreement (Interim)
(Abridged)

An agreement between:

Department of Health Chief Executive Officer

and

Child and Adolescent Health Service

for the period

1 July 2021 – 30 June 2022

CONTENTS

DEFINED TERMS

In this Agreement:

1. **Act** means the *Health Services Act 2016*.
2. **Activity Based Funding (ABF)** means the funding framework used to fund those public health care health services whose costs are related to the activity of services delivered across Western Australia.
3. **Agreement** means this Service Agreement and any Schedules to this Agreement.
4. **Block Funding** means the funding for hospital services that are not funded by Activity Based Funding, and are functions and services based on a fixed amount (i.e. Non-Admitted Mental Health (NAMH); Teaching, Training and Research (TTR) and Small Rural Hospitals (SRH)), and funding for non-hospital services.
5. **Budget Deed** refers to the Deed of Amendment following delivery of the State budget, where the State Budget occurs after the release of the Service Agreement.
6. **Chief Executive (CE)**, in relation to a Health Service Provider, means the person appointed as chief executive of the Health Service Provider under section 108(1) of the Act.
7. **Commission CEO** refers to the Mental Health Commission Chief Executive (also known as the Mental Health Commissioner) and has the meaning given in section 43 of the Act.
8. **Contracted Health Entity** has the meaning given in section 6 of the Act.
9. **CSA** means a Commission Service Agreement between the Mental Health Commission CEO and an HSP under section 45 of the Act.
10. **Deed and Deed of Amendment (DOA)** means an amendment made under section 50 of the Act that becomes an addendum to the original Agreement and forms the revised basis on which the original Agreement will be conducted.
11. **Department** means the Department of Health as the Department of the Public Service principally assisting the Minister for Health in the administration of the Act.
12. **Department CEO** means the Chief Executive Officer of the Department (also known as the Director General), whose roles include responsibility for the overall management of the WA health system (the system manager role) under section 19(2) of the Act.
13. **Enduring Strategies** means the framework which organises the Sustainable Health Review Panel's Final Report recommendations. The Panel's recommendations have been grouped or consolidated within the eight Enduring Strategies to identify the focus areas that will be fundamental to shift the WA health system and progress the sustainability agenda. Enduring Strategies 1-4 focus on key areas of service delivery, while Enduring Strategies 5-8 focus on the enablers to facilitate change. Each Enduring Strategy is informed by evidence and best practice and reinforced by feedback received through the SHR's consultation with staff, stakeholders and the public.
14. **EOY** means End-of-year (Financial Year).
15. **EOY Final Allocations** means the Service Agreement End-of-year Final Allocations.
16. **Financial Products** are non-cash costs such as Depreciation, Borrowing Costs, Doubtful Debts and Resources Received Free of Charge (RRFOC), other than Health Support Services (HSS) RRFOC and PathWest RRFOC.
17. **Health Service** has the meaning given in section 7 of the Act.
18. **Health Service Provider (HSP)** means a Health Service Provider established by an order made under section 32(1)(b) of the Act.

19. **HSS** means the Health Support Services, a Board governed HSP.
20. **MHC** means the Western Australian Mental Health Commission as a Department of the Public Service principally assisting the Minister for Mental Health in the administration of the *Mental Health Act 2014*.
21. **MYR Deed** means the Service Agreement Mid-year Review Deed of Amendment.
22. **NHRA** means National Health Reform Agreement 2011 and its Addenda.
23. **OBM** means the WA health system Outcome Based Management Framework as endorsed by the Under Treasurer.
24. **OSR** means Own Source Revenue.
25. **Parties** means the Department CEO and the HSP to the Service Agreement, the Budget Deed, the MYR Deed and to the EOY Final Allocations, and "Party" means any one of them.
26. **PathWest** means PathWest Laboratory Medicine WA, a Board governed HSP.
27. **Performance Indicator** provides an indication of progress towards achieving the organisation's objectives or outputs.
28. **PMP** means the Performance Management Policy.
29. **Policy Framework** means a policy framework issued under section 26 of the Act.
30. **Relevant Health Service Providers** 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 the Quadriplegic Centre.
31. **Schedule** means a schedule to the Service Agreement.
32. **Service Agreement** means the HSP 2021-22 Service Agreement between the Parties and as amended from time-to-time including all schedules and annexures.
33. **State-wide support Health Services** means health services provided by HSS and PathWest to or on behalf of the other HSPs as described in the HSS and PathWest Service Agreements.
34. **System Manager** refers to the Department CEO's role as responsible for the overall management of the WA health system under section 19(2) of the Act.
35. **Term** means the period of this Agreement as detailed in section 2.1.1.
36. **TTR** means Teaching, Training and Research.
37. **WA** means the State of Western Australia.
38. **WA health system** has the meaning given in section 19(1) of the Act.

1 PURPOSE AND STRATEGIC CONTEXT

1.1 Objectives of the Agreement

This Service Agreement (Agreement) represents the partnership between the Department of Health (Department) CEO and the Child and Adolescent Health Service (CAHS) in delivering the WA health system goal of safe, high quality, financially sustainable and accountable healthcare.

The principal purpose of this Agreement, pursuant to section 46(3) of the Act, is to detail the Department CEO's purchasing requirements of the Health Service Provider (HSP) including:

- the health services that the Department CEO will purchase from CAHS and the health services CAHS will deliver during the Term of this Agreement, including health services delivered on behalf of CAHS by Contracted Health Entities, and within the overall expense limit set by the Department CEO in accordance with the State Government's purchasing intentions, and
- performance and accountability measures.

The Schedules to this Agreement outline the health services to be purchased and the associated funding to be provided by the Department CEO for the delivery of these health services.

1.2 Strategic Context

This Agreement is informed by a wider strategic context related to the delivery of safe, quality, financially sustainable and accountable healthcare for all Western Australians. The delivery of health services within the following strategic context is the mutual responsibility of both Parties, whether with reference to supporting information and guidelines or mandatory policy requirements.

1.2.1 WA Health System Strategic Directions

A new strategy outlining the future directions for the WA health system is under review and is anticipated to be delivered in late 2021. As outlined in the priorities of the *WA Health System Strategic Intent 2015-2020*, system-wide objectives continue to focus on delivering a safe, high quality, sustainable health system for all Western Australians.

Using the Quadruple Aim of Healthcare, this is promoted through improving the value of what is spent on health services and reducing waste, working to improve the health of the population, and improving safety and quality of healthcare. At the heart of sustainability is improving the patient journey and satisfaction and recognising that a happier more engaged workforce delivers high quality care.

1.2.2 Sustainable Health Review

The Sustainable Health Review (SHR) is the Government's blueprint for sustainable reform and transformation of the WA health system over the next decade. The SHR identifies eight Enduring Strategies and 30 Recommendations to drive a cultural shift from a predominantly reactive, acute, hospital-based system to one with a strong focus on prevention, equity, early child health, end of life care, and seamless access to services at home and in the community through use of technology and innovation.

Following the release of the SHR Final Report in April 2019, the WA health system commenced building a Sustainable Health Implementation Program (the Program)

while progressing SHR priorities, with many early activities aligned to the WA COVID-19 Recovery Plan.

HSP Chief Executives, Department of Health Assistant Directors General, and the Mental Health Commissioner are appointed as Executive Sponsors for implementation of specific SHR Recommendations by the Director General as the Program Owner, and collectively form the Program Steering Committee responsible for the Program's progress and strategic decisions. The Program Steering Committee, through the Director General, reports to the Ministers for Health and Mental Health on the Program. The Cabinet-appointed Independent Oversight Committee provides impartial advice to the Program's Executive Sponsors and a public quarterly report to the Ministers for Health and Mental Health.

HSPs are required to support scoping and delivery of SHR Recommendations in partnership with key stakeholders, contributing to planning, governance, implementation, communications and reporting on progress with clear measures to track progress and outcomes.

1.2.3 Aboriginal Health

In WA there needs to be sustained effort to improve health outcomes and access to care for Aboriginal people. The WA health system is committed to a strengths-based approach in which the health and wellbeing of Aboriginal people living in WA is everybody's business. The *WA Aboriginal Health and Wellbeing Framework 2015-2030* (the Framework) outlines a set of strategic directions and priority areas that takes forward this commitment. Supported by the *Implementation Guide*, CAHS is required to progress the six strategic directions of the Framework:

- promote good health across the life-course,
- prevention and early intervention,
- a culturally respectful and non-discriminatory health system,
- individual, family and community wellbeing,
- a strong, skilled and growing Aboriginal health workforce, and
- equitable and timely access to the best quality and safe care.

1.2.4 Additional Policy Considerations

This Agreement is also informed by the following frameworks, policies, guidelines and plans (noting this is a non-exhaustive list):

- *WA Disability Health Framework 2015-2025,*
- *Clinical Health Services Framework 2014-2024,*
- *Information Management Policy Framework,*
- *Purchasing and Resource Allocation Policy Framework,*
- *Performance Policy Framework,*
- *Outcome Based Management Policy Framework,*
- *Clinical Governance, Safety and Quality Policy Framework,*
- *Research Policy Framework,*
- *Clinical Teaching and Training Policy Framework,*
- *ICT Policy Framework,* and
- *Purchasing Intentions 2021-22*.

1.3 Department CEO Strategic Priorities for 2021-22

The Department CEO priorities for 2021-22 are to:

- support the Minister for Health in delivering the WA Government Election Commitments and other Ministerial priorities, as they pertain to the health and wellbeing of the WA community, including but not limited to the Voluntary Assisted Dying and Stop the Violence Programs,
- promote equitable access to healthcare for the WA community, in particular in relation to delivery of services for country patients in a metropolitan setting, and for delivery of dental services, and
- support the delivery of the recommendations in the Sustainable Health Review.

1.4 HSP Strategic Priorities for 2021-22

The strategic priorities for CAHS for 2021-22 are as follows:

- support children to meet their optimal social, emotional, and physical potential, with a focus on the first 1,000 days, through the implementation of community based, collaborative, evidence-based models of care including, community hubs [CAHS Strategic Aspiration: First 1000 days; SHR Recommendation 1],
- systems and partnerships enable CAHS to identify and target resources toward: the most vulnerable children in our community; those with complex health needs; and those who otherwise fall between the gaps [CAHS Strategic Aspiration: the most vulnerable children],
- increase engagement with and improve access for Aboriginal children and families, supported through a strong Aboriginal health capability across CAHS and an increased Aboriginal workforce [CAHS Strategic Aspiration: Aboriginal Health],
- systems and partnerships ensure that all consumers experience integrated models of mental health care across a continuum from prevention to recovery, with services that meet current and future needs [CAHS Strategic Aspiration: Mental Health],
- support CAHS clinicians, who are leaders in their field, to deliver the best possible health outcomes for children and young people [CAHS Strategic Aspiration: Clinical Excellence],
- enhance the use of technology to enable safer, higher quality, integrated care that will provide transparent, real-time information to improve health outcomes for children and young people [CAHS Strategic Aspiration: Technology Enhanced Care],
- support respectful and appropriate end of life care and choices, and ensure accessible and compassionate palliative care options, including through delivery of the first children's hospice [CAHS Strategic Aspiration: the most vulnerable children; SHR Recommendation 9],
- support and empower CAHS employees to look after their wellbeing, ensure they are physically and psychologically safe in our workplaces, and are supported to maximise their health and wellbeing [CAHS Strategic Aspiration: Culture and Wellbeing; SHR Recommendation 23], and
- support a culture and environment which centres on care for children, young people and families, and value and respect for our people. Provide high-value healthcare, promote teaching and research and collaborate with key support partners [CAHS Strategic Aspiration: Culture and Wellbeing; SHR Recommendation 23].

1.5 Election Commitments

Funding for WA Government election commitments may be included in the 2021-22 Budget. Progress on implementation of election commitments will be requested and reviewed on a regular basis.

CAHS is to progress election commitments allocated to their health service in line with specific implementation plans and requests approved by the Department CEO.

2 LEGISLATION AND GOVERNANCE

2.1 Background, Legislation and Scope

2.1.1 Agreement Background

In accordance with section 49 of the Act, the Term of this Agreement is for the period 1 July 2021 to 30 June 2022.

This Agreement will be executed in accordance with Part 5 of the Act. Through the execution of this Agreement, CAHS agrees to meet the service obligations and performance requirements detailed in this Agreement. The Department CEO agrees to provide the funding and other support services outlined in this Agreement.

In respect of its subject matter, this Agreement constitutes the entire agreement and understanding of the Parties and supersedes any previous agreement between the Parties. While this Agreement sets out key matters relevant to the provision of health services by the HSP, it does not characterise the entire relationship between the Parties. They may enter into other formal or informal arrangements such as Memoranda of Understanding (MOUs) with each other. Such other arrangements will be binding as expressed or indicated within the arrangements and through the operation of legislation and policy frameworks, as relevant.

2.1.2 Legislation - The Act

The Act supports the WA health system's vision to deliver a safe, high quality, sustainable health system for all Western Australians including:

- to promote and protect the health status of Western Australians,
- to identify and respond to opportunities to reduce inequities in health status in the WA community,
- to provide access to safe, high quality, evidence-based health services,
- to promote a patient-centred continuum of care in the provision of health services,
- to coordinate the provision of an integrated system of health services and health policies,
- to promote effectiveness, efficiency and innovation in the provision of health services and TTR and other services within the allocated resources, and
- to engage and support the health workforce in the planning and provision of health services and TTR and other services.

2.1.3 Agreement Scope

The scope of this Agreement is as prescribed in section 46 of the Act, setting out:

- the health services to be provided to the State by the HSP,
- the TTR in support of the health services to be provided,
- the funding to be provided to the HSP for the provision of the health services, including the way in which the funding is to be provided,
- the performance measures and operational targets for the provision of the health services by the HSP,
- how the evaluation and review of results in relation to the performance measures and operational targets is to be carried out,
- the performance data and other data to be provided by the HSP to the Department CEO, including how, and how often, the data is to be provided, and

- any other matter the Department CEO considers relevant to the provision of the health services by the HSP.

Where appropriate, reference will be made in this Agreement to Policy Frameworks issued by the Department CEO pursuant to Part 3, Division 2 of the Act.

2.2 Commission Service Agreements

The Department CEO, in accordance with section 44 of the Act, enters into a Head Agreement with the Commission CEO, establishing the purchasing framework for mental health services (including other drug and alcohol health services) by the Mental Health Commission (MHC) from the WA health system. The MHC, as provided for under section 45 of the Act, enters into a Commission Service Agreement (CSA) for the provision of mental health and alcohol and other drug health services by CAHS for the period of 1 July 2021 to 30 June 2022. The CSA must be consistent and aligned with the Head Agreement pursuant to section 44(3) of the Act.

An overview of the funding provided under the CSA between the MHC and CAHS is included in the Schedules of this Agreement. This is to provide CAHS with an understanding of how the funding provided by the MHC contributes to the overall expense limit detailed in this Agreement. The terms of the CSA do not form part of this Agreement. Any amendment to the CSA will be made as a result of negotiation between the MHC and CAHS and in accordance with the Head Agreement.

2.3 Amendments to the Agreement

The Parties may amend this Agreement in accordance with section 50 of the Act when there is a need to change the terms due to matters such as:

- State and Commonwealth Government funding decisions,
- System Manager funding decisions,
- approved transfers of budget between HSPs, or between the Department and HSPs, due to changes in required service delivery, and
- other significant changes to Commonwealth or State funding, service delivery priorities or other requirements, such as the NHRA.

An amendment made under section 50 of the Act becomes an addendum to the original Agreement and forms the revised basis on which this Agreement will be conducted.

Minor adjustments to the information set out in the original schedules to this Agreement, which do not reflect a change in purchasing intentions, will be provided through separate documents that may be issued by the Department CEO during the Term of this Agreement.

Amendments to this Agreement may require a signed acknowledgement by both parties, unless the amended term is decided by the Department CEO in accordance with section 50(3) of the Act.

3 ROLES AND RESPONSIBILITIES

3.1 Roles and Responsibilities of the Department CEO

The Department CEO as system manager has responsibility for overall management of the WA health system (s 19(2) of the Act).

As system manager, the Department CEO purchases health services categorised using the OBM Service framework set out in Schedule A.

The main roles and responsibilities of the Department CEO under this Agreement are to:

- provide annual allocations,
- provide performance management parameters,
- support and collaborate with CAHS to deliver health services in accordance with the Act, and
- oversee compliance, performance and delivery of purchased activity.

Additionally, the Department CEO is responsible for:

- the Department's compliance with the terms of this Agreement and with the legislative requirements of the Act,
- purchasing of services from CAHS based upon the Clinical Services Framework which informs the capacity and demand modelling process and the underlying growth rate applied to activity profiles to ensure delivery of balanced health services, considering both the benefits of local and system-wide interventions,
- maintaining a public record of the Clinical Services Framework, including the Hospital Services Matrices, monitoring of actual activity delivered against target purchased levels, and taking action as necessary to ensure delivery of purchased activity is achieved within budget parameters specified in this Agreement. Should CAHS be unable to deliver the level of activity that has been funded in this Agreement, the Department CEO has the discretion to determine whether a financial adjustment should be applied. This will follow a joint consultation process with CAHS to understand the cause of the under-delivery and any remedial action plan,
- undertaking of assurance activities consistent with the Department CEO's identified strategic objectives. The Department CEO may audit, inspect or investigate CAHS for the purpose of assessing compliance with the Act (see s 175 of the Act),
- providing CAHS with access to all applicable Department policies and standards. The Department CEO must brief CAHS about matters that CAHS should reasonably be made aware of in order to provide health services in accordance with the terms of this Agreement,
- communication of any proposed amendments to this Agreement or significant events that may result in an amendment to this Agreement, such as the NHRA, and
- publication of an abridged version of this Agreement on the WA health system internet site, in accordance with Schedule D9 of the NHRA. Any subsequent amendments to this Agreement will also be published in accordance with Schedule D9 of the NHRA.

3.2 Role and Responsibilities of the Health Service Provider

The main role of CAHS under this Agreement is to provide the health services detailed in the Schedules, as well as TTR in support of the provision of health services. The delivery of the health services must be in accordance with the performance measures and targets set by the Department CEO in accordance with section 46(3)(d), (e) and (f) of the Act.

CAHS is responsible for providing health services at the following facilities:

- Perth Children's Hospital,
- Child Community Health Facilities,
- Child Mental Health Facilities,
- Neonatal Services at King Edward Memorial Hospital,
- Contracted Health Entities providing health services on behalf of CAHS (and sub-contracted Health Entities if applicable), and
- other community-based / non-hospital sites as appropriate.

CAHS will deliver health services in accordance with this Agreement. This includes, but is not limited to:

- delivering health services in a safe, timely and efficient manner using the standard of care and foresight expected of an experienced provider, noting CAHS may foster innovation through creation of new services within the available budget allocations and that creation of new services may require consultation with the Department CEO, particularly if the service cannot be funded within the existing budget allocation,
- acting in accordance with the highest applicable professional ethics, principles and standards and demonstrating a commitment to implementing these practices through appropriate training and monitoring,
- briefing the Department CEO about all matters that the Department CEO should reasonably be made aware of. This may include an incident involving a person receiving a service, an issue that impacts on the delivery or sustainability of service, or the ability of CAHS to meet its obligations under this Agreement. Certain applicable Department policies may also deal with certain matters that the Department CEO must be made aware of, or particular information that must be provided to the Department by CAHS, and
- monitoring actual activity delivered against target purchased levels, taking action as necessary to ensure delivery of purchased levels is achieved within parameters specified in this Agreement, including active monitoring of variances from target activity levels and immediate notification by CAHS to the Department CEO as soon as it becomes aware that activity variances are likely to occur.

When delivering the health services purchased by the Department CEO in this agreement, CAHS is required to comply with (among other things):

- the terms of this Agreement,
- all applicable Department policies and frameworks,
- appropriate classification of activity per the OBM framework, ensuring accurate capture of data and information,
- all standards as gazetted under applicable Acts and standards endorsed by the Department CEO, including but not limited to the Clinical Governance, Safety and Quality Policy Framework which specifies the clinical governance, safety and quality

requirements that all HSPs must comply with in order to deliver effective and consistent clinical care across the WA health system,
- performance targets, and
- laws including those related to fire protection, industrial relations, employment, health, general safety, and taxation.

Additionally, to assist the Department CEO to fulfil its responsibility to manage the overall WA health system, CAHS will:

- provide data in a timely manner to the Department as required by section 46(3)(f) of the Act and in accordance with the Information Management Policy on the provision of all health services (including health services provided by a Contracted Health Entity and its sub-contractors if applicable). Patient activity data in particular supports and informs the state budget process, national reporting, system performance management, health service planning, clinical governance, clinical research, health reform, and the purchase of activity within the WA health system. The Patient Activity Data Policy is a key policy of the Information Management Policy Framework, mandating the business rules, data specifications and data dictionaries for admitted, Emergency Department, mental health, and non-admitted activity,
- aid the Department CEO in the undertaking of any audits, inspections or investigations of CAHS for the purpose of assessing compliance with the Act (see s 175 of the Act) whenever and wherever such powers are utilised by the Department CEO, and
- negotiate the inclusion of terms in its contracts with Contracted Health Entities that provide for the Department CEO to undertake onsite health information investigations at the Contracted Health Entity. The terms in the contracts with Contracted Health Entities must also specify that the Contracted Health Entity will supply to the Department CEO information on request and provide access to any systems required to support the investigation. Upon review of existing contracts CAHS must also ensure that these terms are included in updated contracts.

3.2.1 Provision and distribution of COVID-19 vaccines

From 13 February 2021, CAHS is responsible for the distribution of vaccines for COVID-19 on a state-wide basis and the provision of vaccinations for COVID-19 to persons state-wide except where the WA Country Health Service is the HSP delivering these health services or where a metropolitan based HSP is providing vaccinations for COVID-19 to persons within its health service area.

4 RELATIONSHIP WITH OTHER HEALTH SERVICE PROVIDERS

4.1 Health Service Providers May Agree to Provide Services

For the purpose of section 48(1)(b) of the Act, CAHS may agree with any HSP for that HSP to provide services for CAHS according to CAHS business needs.

This includes relevant HSPs providing clinical incident investigation services including Root Cause Analysis (RCA), for CAHS in the following circumstances:

- 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,
- 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,
- where the patient, who is the subject of the clinical incident investigation, has received health services from multiple HSPs and those HSPs agree that an independent multi-site clinical incident investigation is to be undertaken by an HSP with no involvement in the patient's care, or
- 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 an 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.

4.2 Agreements with a Contracted Health Entity

The Department CEO acknowledges CAHS may contract the provision of health services that are required to be performed under this Agreement to a Contracted Health Entity. CAHS must inform the Department CEO prior to engaging a Contracted Health Entity to perform all or part of the health services under this Agreement.

CAHS agrees that engaging a Contracted Health Entity to perform health services will not transfer responsibility for provision of the health services nor relieve it from any of its responsibilities or obligations under the Act or this Agreement, including but not limited to the provision of data.

4.3 Health Support Services

Health Support Services (HSS) provides State-wide support services to HSPs. CAHS must execute a Service Level Agreement (SLA) with HSS for the provision of State-wide support services by HSS to CAHS for the Term of this Agreement by 31 July 2021. The SLA will be developed by HSS with input from CAHS and the Department CEO.

The SLA must set out the services to be provided, roles and responsibilities, authority and accountability, service standards, service reporting, value of service (including price schedules as appropriate), review and change processes, and dispute resolution and escalation processes.

4.4 PathWest

PathWest provides State-wide support services to HSPs. CAHS must execute an SLA with PathWest for the provision of State-wide support services by PathWest to CAHS for the Term of this Agreement by 31 July 2021. The SLA will be developed by PathWest with input from CAHS and the Department CEO.

The SLA must set out the services to be provided, roles and responsibilities, authority and accountability, service standards, service reporting, value of service (including price schedules as appropriate), review and change processes, and dispute resolution and escalation processes.

5 FUNDING AND PURCHASING

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

CAHS is to use the funding provided by the Department CEO 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 CEO considers inherent in the delivery of the health services.

5.1 Activity

The WA health system ABF operating model allocates funding on the basis of the number of patients and the types of treatments at a set price.

5.2 Forward Estimates Contained in this Agreement

For this interim Agreement, no forward estimates have been provided. The financial position for the three years beyond the 2021-22 financial year will be included in the schedules to the amendment to this Agreement (the forthcoming 2021-22 Deed of Amendment). The funding estimates will be based on and be consistent with the approved budget settings for the WA health system.

5.3 WA Health System Outcome Based Management Framework

The WA health system operates under an OBM Framework pursuant to its legislative obligation as a WA Government agency under section 61 of the *Financial Management Act 2006* and Treasurer's Instruction 904.

The OBM service categories applicable to the WA health system as identified in the WA State Budget Papers are:

1. Public Hospital Admitted Services,
2. Public Hospital Emergency Services,
3. Public Hospital Non-Admitted Services,
4. Mental Health Services,
5. Aged and Continuing Care Services,
6. Public and Community Health Services,
7. Pathology Services,
8. Community Dental Health Services,
9. Small Rural Hospital Services,
10. Health System Management – Policy and Corporate Services, and
11. Health Support Services.

Budgets in this Agreement are allocated within the eleven OBM service categories as applicable and are reflected in the Schedules.

Further detail on the WA health system's OBM Framework can be viewed at:

https://ww2.health.wa.gov.au/About-us/Policy-frameworks/Outcome-Based-Management

5.4 Funding Information Contained in Schedules

Funding provided to CAHS under the terms of this Agreement is provided in the Schedules to this Agreement which establish:

- the activity purchased by the Department CEO,
- the funding provided for delivery of the purchased activity, and
- an overview of the purchased health services required to be provided during the Term of this Agreement.

6 PERFORMANCE EXPECTATIONS

The performance reporting, monitoring, evaluation and management of CAHS in relation to the terms of this Agreement is prescribed in the Performance Policy Framework and Performance Management Policy (PMP).

See: https://ww2.health.wa.gov.au/About-us/Policy-frameworks/Performance

6.1 Performance Measures and Operational Targets

The performance indicators, targets and thresholds that support the delivery of the Agreement's operational targets are listed in the PMP. The PMP details performance reporting, monitoring and evaluation processes as well as performance management and intervention processes.

6.2 Evaluation and Review of Performance Results

The PMP is based on a responsive regulation intervention model. The model is a collaborative approach that enables accountability through agreed mechanisms when performance issues have been identified. The performance management components of the PMP comprise:

- on-going review of HSP performance,
- identifying a performance concern and determining the appropriate response and agreed timeframe to address the concern,
- deciding when a performance recovery plan is required and the relevant timeframe, and
- determining levels of intervention and when the performance intervention needs to be escalated or de-escalated.

Regular performance review meetings will be held between the Department CEO and CAHS, or representatives of either Party. The performance reports that enable the Department CEO to monitor and evaluate CAHS's performance are listed in the PMP. These performance reports are an important part of the performance review meetings. The frequency of the meetings is determined by the Department CEO and may be increased if performance issues occur.

6.3 Performance Data

In accordance with section 34(2)(n) of the Act, CAHS is required to provide performance data for the monthly production of the performance reports as required by the Department CEO.

6.4 Link to Annual Reporting

Annual Reporting is required under the *Financial Management Act 2006*. The Key Performance Indicators (KPIs) within the Annual Report for HSPs are approved by the Under Treasurer and are audited by the Auditor General.

Efficiency KPI targets are established on a system-wide level and published in the Government Budget Statements. The Department CEO will determine CAHS specific targets through a rigorous modelling process that aligns with the Agreement, and other relevant data as appropriate.

Effectiveness KPI targets are set at an HSP level by the Department CEO. The Department CEO will notify CAHS on the Efficiency and Effectiveness KPI targets for Annual Reporting.

7 SUMMARY OF SCHEDULES

An outline of the funding Schedules that form part of this Agreement for CAHS is provided in Table 1 below.

Table 1: Summary of the Schedules which form part of this Agreement

A.	**OBM Goals and Outcomes**
B.	**Summary of Activity and Funding** – An overarching summary of the activity purchased and funding provided by the Department CEO for each OBM service category and delivered by the CAHS pursuant to the terms of this Agreement. These OBM service categories also include apportioned Financial Products, Health Support Services–Resources Received Free of Charge (HSS-RRFOC) and PathWest Resources Received Free of Charge (PW-RRFOC). Government Corrective Measures (GCM) and Health Allocation Adjustments (HAA) are identified separately.
1.	**Public Hospital Admitted Services** – Outlines the volume of activity and related funds allocated for the term of this Agreement for these health services as well as TTR. Apportioned Financial Products, HSS-RRFOC and PW-RRFOC are identified separately.
2.	**Public Hospital Emergency Services** – Outlines the volume of activity and related funds allocated for the term of this Agreement for these health services as well as TTR. Apportioned Financial Products, HSS-RRFOC and PW-RRFOC are identified separately.
3.	**Public Hospital Non-Admitted Services** – Outlines the volume of activity and related funds allocated for the term of this Agreement for these health services, as well as TTR. Apportioned Financial Products, HSS-RRFOC and PW-RRFOC are identified separately.
4.	**Mental Health Services** – Outlines the volume of activity and related funds as well as funding for admitted and non-admitted mental health services and TTR to be provided in accordance with the terms agreed in the Mental Health Head Agreement. Apportioned Financial Products, HSS-RRFOC and PW-RRFOC are identified separately. Detailed funding allocations and relevant terms will be provided in the Mental Health Commission Service Agreement.
5.	**Aged and Continuing Care Services** – Outlines the funding provided for the provision of aged and continuing care services. Apportioned Financial Products and HSS-RRFOC are identified separately.

6.	**Public and Community Health Services** – Outlines the funding for the provision of public and community health services. Apportioned Financial Products and HSS-RRFOC are identified separately.
7.	**Pathology Services** – Not applicable to the terms of this Agreement.
8.	**Community Dental Health Services** – Not applicable to the terms of this Agreement.
9.	**Small Rural Hospital Services** – Not applicable to the terms of this Agreement.
10.	**Health System Management – Policy and Corporate Services** – Not applicable to the terms of this Agreement.
11.	**Health Support Services** – Not applicable to the terms of this Agreement.
C.	**Government Corrective Measures** – Outlines the required savings and corrective measures which are set by Government and the Department of Treasury.
D.	**Health Allocation Adjustments** – Outlines the funding for specific initiatives as well as any required savings and corrective measures to be achieved as set by the Department CEO.
E.	**CAHS Election Commitments** – Outlines the work to be undertaken by the CAHS in relation to election commitments regarding the delivery of health services.
F.	**CAHS Sustainable Health Review** – Outlines the specific work to be undertaken by the CAHS in relation to Sustainable Health Review commitments regarding the delivery of health services.

8 AGREEMENT EXECUTED

Parties to this Agreement:

Executed as a Service Agreement in the State of Western Australia.

Parties to this Agreement:

Department CEO

Dr David J Russell-Weisz
Director General
Department of Health

Date: 28/7/21 Signed: _____

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

CHILD AND ADOLESCENT HEALTH SERVICE
THE COMMON SEAL OF
ABN: 37 180 591 224

Dr Rosanna Capolingua
Board Chair
Child and Adolescent Health Service

Date: 6/07/2021 Signed: _____

Dr Aresh Anwar
Chief Executive
Child and Adolescent Health Service

Date: 06/07/2021 Signed: _____

9 SCHEDULES

OBM Goals and Outcomes

WA Government Goal	WA Health System Agency Goal	Desired Outcome	Health Services
Strong Communities: Safe communities and supported families.	Delivery of safe, quality, financially sustainable and accountable healthcare for all Western Australians.	**Outcome 1:** Public hospital-based health services that enable effective treatment and restorative health care for Western Australians.	1. Public Hospital Admitted Services
			2. Public Hospital Emergency Services
			3. Public Hospital Non-Admitted Services
			4. Mental Health Services
		Outcome 2: Prevention, health promotion and aged and continuing care services that help Western Australians to live healthy and safe lives.	5. Aged and Continuing Care Services
			6. Public and Community Health Services
			7. Pathology Services
			8. Community Dental Health Services
			9. Small Rural Hospital Services
Sustainable Finances: Responsible financial management and better service delivery.		**Outcome 3:** Strategic leadership, planning and support services that enable a safe, high quality and sustainable WA health system.	10. Health System Management - Policy and Corporate Services
			11. Health Support Services

CAHS Summary of Activity and Funding

OBM Service	2020-21 Mid-year Review Deed of Amendment[1]		2021-22 Service Agreement (Interim)		2022-23 Forward Estimate		2023-24 Forward Estimate		2024-25 Forward Estimate	
	WAUs	*$'000*	*WAUs*	*$'000*	*WAUs*	*$'000*	*WAUs*	*$'000*	*WAUs*	*$'000*
01 Public Hospital Admitted Services	49,920	345,914	48,601	340,359						
02 Public Hospital Emergency Services	6,846	52,441	6,846	48,323						
03 Public Hospital Non-Admitted Services	14,529	104,574	14,529	100,559						
04 Mental Health Services	2,812	76,770	2,873	78,497						
05 Aged and Continuing Care Services	—	1,375	—	3,105						
06 Public and Community Health Services	—	141,647	—	151,645						
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	—	(1,430)	—	(1,469)						
Health Allocation Adjustments	—	66,332	—	64,290						
Total—Activity and Funding	**74,107**	**787,624**	**72,849**	**785,310**						
Less Income	—	(275,022)	—	(285,415)						
Net—Activity and Funding	**74,107**	**512,602**	**72,849**	**499,895**						

NOT APPLICABLE

1. 2020-21 Mid-year Review Deed of Amendment figures are presented under the Price and Non-Hospital Services resource allocation realignment view .

Notes:

a. OBM Services 01 to 03—2020-21 WAUs are presented in the 2021-22 Framework.
b. OBM Service 04—2020-21 and 2021-22 WAUs are presented in the 2020-21 Framework.
c. Less income is an estimated value of revenue from sources other than State Appropriations.
d. Estimates for 2022-23 onwards are not provided in this Agreement and will be incorporated in the 2021-22 Budget Deed of Amendment.

CAHS—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 $)**
Acute Admitted	5,597	47,860	267,871,096	110,680,416	41.3	157,190,680
Admitted Mental Health	5,597	3,042	17,025,426	7,034,657	41.3	9,990,769
Sub-Acute	5,597	—	—	—	—	—
Emergency Department	5,597	6,857	38,380,357	15,858,202	41.3	22,522,155
Non Admitted	5,597	16,897	94,570,648	39,075,207	41.3	55,495,440
Total ABF	**5,597**	**74,656**	**417,847,527**	**172,648,482**	**41.3**	**245,199,044**
Non-ABF Service group			**($)**	**($)**	**(%)**	**($)**
Non Admitted Mental Health			1,842,717	593,849	32.2	1,248,868
Non Admitted CAMHS			49,071,613	5,775,333	11.8	43,296,280
Non Admitted Home Ventilation			11,659,509	5,246,779	45.0	6,412,730
Rural CSO sites			—	—	—	—
Teaching, Training and Research			27,805,756	10,836,917	39.0	16,968,839
Total Block Funding			**90,379,595**	**22,452,878**	**24.8**	**67,926,717**

Note:

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