



WA Country Health Service

Service Agreement 2013-2014

improving care | managing resources | delivering quality



| ABF/ABM | PAQ | Consultation | Final |
|--------------|----------|--------------|-------|
| | | | |
| Program Team | Exec Dir | | |

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Service Commitment

This Agreement sets out the shared intention to work in partnership to improve health outcomes for all Western Australians and ensure the sustainability of the Western Australian public health system.

The parties agree that the Department of Health (the Department) and the Health Service Provider will work in partnership to:

1. improve patient access to services and public hospital efficiency
2. improve standards of clinical care
3. improve system performance
4. improve system transparency
5. improve accountability for financial and service performance.

This Agreement is in accordance with enabling WA Legislation. The Metropolitan Health Service is established under sections 15 and 16 of the Hospitals and Health Services Act 1927. The Minister for Health is incorporated as the Metropolitan Health Service under section 7 of the Hospitals and Health Services Act 1927, and has delegated all of the powers and duties as such to the Director General of Health.

The Agreement is also in accordance with the National Health Reform Agreement (2011). The Department, through the Director General, will retain responsibility for system-wide coordination and policy; resource acquisition, allocation and stewardship; purchasing and regulation.

The Parties hereby confirm their commitment to this Service Agreement.

The Director General of Health agrees to provide funding and other support to the Health Service Provider as outlined under 'Role of the System Manager' in the Agreement.

The Health Service Provider agrees to meet the service obligations and performance requirements outlined under 'Role of the Health Service Provider' and 'Role of the Support Service Provider' in the Agreement.

The Director General of Health will continue to emphasise, as a priority, the importance of state and national safety and quality standards across the State's health system. This Agreement recognises the priority commitment that the Health Service Provider has in delivering improvements in safety and quality health service provision - consistent with the level of care consumers should expect from health services.

Professor Bryant Stokes
Acting Director General
Department of Health

Date Signed:

Shane Matthews
Acting Chief Executive
WA Country Health Service

Date Signed:

Service Agreement 2013-2014

This Service Agreement is between the Director General of Health as the delegated 'Board' (herein referred to as 'WA Health') and the Specified Health Service Provider. Both parties acknowledge that this Agreement follows policy, planning and performance frameworks as outlined below:

- WA Health Strategic Intent 2010-2015
- Clinical Services Framework 2010-2020
- Clinical Governance Guidelines
- Health Activity Purchasing Intentions 2013-2014
- Annual Performance Management Framework 2013-2014.

The Agreement:

1. Applies from 1 July 2013 to 30 June 2014. The Agreement does not override existing laws, agreements, public sector codes, statutes, government policies or contracts.
2. Integrates organisational objectives and the work of the Health Services.

The performance evaluation of this Service Agreement is to be undertaken as prescribed in the Annual Performance Management Framework 2013-2014 .

The Health Service Provider will ensure that structures and processes are in place to comply with this Service Agreement and fulfil its statutory obligations and to ensure good corporate governance, as outlined in relevant legislation, the Department operational directives, policy and procedure manuals and technical bulletins.

WA Health Strategic Intent 2010-2015

WA Health is working hard to meet the challenges of a growing population and an ageing demographic. Demand modeling based on health service activity and population projections were used to develop the Clinical Services Framework 2010-2020. This provides a clear picture of the type and location of health services Western Australians will need, and is backed up by strong plans for workforce, infrastructure and technology.

WA Health Vision

Healthier, longer and better quality lives for all Western Australians.

WA Health Mission

To improve, promote and protect the health of Western Australians by:

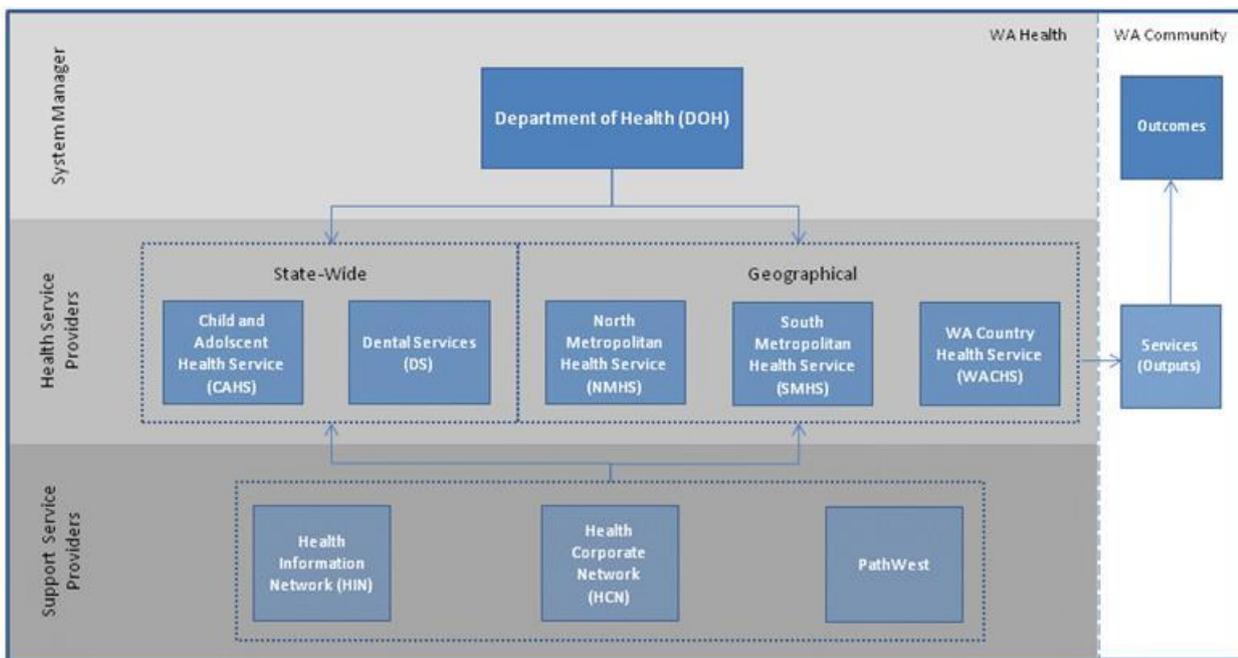
- caring for individuals and the community
- caring for those who need it most
- making best use of funds and resources
- supporting the WA Health team.

WA Health Organisational Structure

For the purposes of this Agreement, the WA Health Organisational Structure comprises the Department and a number of Health Service Providers and Support Service Providers operating as separate legal entities and key administrative units, as outlined in Figure 1 below.

All public hospitals and services within Western Australia are accountable through, and report on the delivery of services and outcomes as part of, one of these entities and/or key administrative units.

FIGURE 1: LINK BETWEEN ORGANISATIONAL UNITS WITH WA HEALTH AND THE OUTCOMES AND OUTPUTS DELIVERED TO THE COMMUNITY



WA Health Roles and Responsibilities

To improve accountability within WA Health and to support the development of a system of earned operational autonomy over the short to medium term, this Agreement provides clearer delineation of roles and responsibilities for applicable organisations within WA Health. Roles and responsibilities for 2013/14 are outlined below.

Role of the System Manager

The Department, as System Manager, will be responsible for the overarching management of the WA Health system, exercised by:

1. ensuring the delivery of agreed high quality services and performance standards across the WA Health system, within the approved budgets set by the Western Australian Government
2. allocating the financial resources provided by Government to Health Service Providers and Support Service Providers in a manner which is both fair and transparent

3. progressing a structure which empowers and incentivises Health Service Providers and Support Service Providers to deliver high quality services which increase system capacity
4. issuing policy guidance, regulations and other requirements which support the role of Health Service Providers and Support Service Providers in the delivery of approved services to approved State standards
5. collecting and analysing data provided by Health Service Providers and Support Service Providers, to support the objectives of comparability and transparency, and to ensure that information is shared in a manner which promotes better State health outcomes
6. monitoring the performance of Health Service Providers and Support Service Providers against the agreed performance monitoring measures specified in the Annual Performance Management Framework 2013-2014 (the Performance Management process is outlined in Schedule N of this Agreement)
7. reporting to the community on the high-level performance of Health Services Providers and Support Service Providers throughout, and at the end of, each the financial year
8. developing system-wide policy and planning for major infrastructure to support the delivery of hospital services across the State
9. addressing salary and industrial relations matters, such as negotiating enterprise bargaining agreements and establishing remuneration and employment conditions
10. managing health legislation and processes to enact legislative change
11. managing and coordinating matters of corporate governance, contract management, disaster management and the development of unified ICT systems throughout WA Health
12. engaging with relevant stakeholders to ensure their views are considered when advising Government on health matters or making decisions in the areas listed above.

Role of the Health Service Provider

The Health Service Provider will be responsible for health service delivery within their geographical boundary (including services provided via Statewide Service Providers), exercised by:

1. delivering agreed high quality health services and performance standards within an agreed budget, based on annual strategic and operating plans, to give effect to this Agreement
2. implementing clinical quality standards in accordance with Department policy
3. implementing the National Safety and Quality Health Service Standards and ensuring that all hospitals are accredited under the Australian Health Service Safety and Quality Accreditation Scheme
4. providing hospitals with annual activity, expenditure and FTE limits, and requiring that they develop robust monthly profiles to manage within annual resource allocations

5. improving local patient outcomes and responding to local issues
6. ensuring accountable and efficient provision of health services, consistent with relevant State financial management and audit legislation and regulations
7. monitoring the performance of hospitals against the agreed performance monitoring measures in the Annual Performance Management Framework 2013-2014 (managing the hospital and service delivery performance as identified in Section 6.2 of the Annual Performance Management Framework, and outlined in Schedule N of this Agreement)
8. providing timely information to the Department to support compliance with obligations under national agreements, to meet the requirements of whole of government processes and to support effective management of the health system
9. managing the implementation and local planning for minor capital items
10. engaging with stakeholders to enable their views to be considered when making decisions on local service delivery
11. complying with statutory and contractual requirements applicable to Health Service Providers
12. adhering to budget and other financial requirements of the Department as set out in Schedule O (as amended from time to time)
13. assisting the Department by contributing expertise, local knowledge and other relevant information to service and infrastructure planning arrangements.

Role of the Support Service Provider

The Support Service Provider will be responsible for:

1. delivering key outputs and performance standards within an agreed budget, based on annual strategic and operations plans, to give effect to this and other agreements
2. supporting the delivery of agreed high quality services and performance standards and managing service delivery performance as identified in Section 6.2 of the Annual Performance Management Framework, and outlined in Schedule N of this Agreement
3. ensuring accountable and efficient provision of health outputs, consistent with relevant State financial management and audit legislation and regulations
4. providing a service charter to the Department and Health Service Providers, identifying the outputs to be delivered and associated standards of delivery
5. providing a clear schedule of prices for services provided to Health Service Providers and the private sector to the Department annually and when prices change
6. managing the implementation and local planning for minor capital items
7. complying with statutory and contractual requirements applicable to Support Service Providers

8. adhering to budget and other financial requirements of the Department as set out in Schedule O (as amended from time to time)
9. assisting the Department by contributing expertise, local knowledge and other relevant information to service and infrastructure planning arrangements.

It is anticipated that roles and responsibilities will evolve over time in line with best practice and the needs of the Western Australian community. The roles and responsibilities will be subject to periodic review, with the first review of the above list scheduled to commence in 2013/14.

Financial Management

Bilateral Discussions with Health Service Providers and Support Service Providers

Throughout the course of 2013/14, regular bilateral discussions will be held between the Director General of Health and each of the Chief Executives (or equivalent) from the Health Service Providers and Support Service Providers. These discussions will focus on financial performance and progress towards achievement of key outputs and milestones within the Health Service Provider's/Support Service Provider's area of responsibility.

Performance Management

Commencing 1 July 2013, the Performance Activity and Quality (PAQ) Division and Resource Strategy Division will convene monthly Activity Based Funding and Activity Based Management (ABF/ABM) Performance Management Meetings with Health Services. The purpose of the meetings is to review performance reports and agree on action to be taken by Health Services to improve performance. The primary focus for 2013/14 will be on Health Service performance against financial performance indicators (PIs), activity PIs and a selected range of quality and safety PIs.

Review of the Agreement

The review of this Agreement and performance against targets will be undertaken at the end of each financial year (or earlier if required). The aim of the review is to strengthen and improve process and practices which lead to improvements in WA Health performance. The findings of the review may be submitted to the Minister for Health for consideration.

Budget Allocation for 2013-2014

The 2013/14 Budget takes the significant step of transitioning the State's ABF framework to more closely align with the implementation of ABF at the national level. At the national level the

development of a national efficient pricing regime by the Independent Hospital Pricing Authority (IHPA); and enhanced performance monitoring and reporting by the National Health Performance Authority (NHPA); will enable more transparent funding of public hospitals and stimulate better service delivery performance over time.

Closer alignment will also ensure that the State is well-positioned for the commencement of National Health Reform funding from 1 July 2014 when the Commonwealth will begin to provide 45 per cent of the national efficient price for new activity growth. This contribution will rise to 50 per cent of the national efficient price for new activity growth from 1 July 2017.

WA Health's budget settings have been rebased to recognise the funding gap evident in 2013/14 and across the forward estimates, see table 1 below.

TABLE 1: DEPARTMENT OF HEALTH ADDITIONAL FUNDING FROM 2013/14 TO 2016/17

| 2013/14 (\$'000) | 2014/15 (\$'000) | 2015/16 (\$'000) | 2016/17 (\$'000) | Total (\$'000) |
|------------------|------------------|------------------|------------------|----------------|
| 281,142 | 383,628 | 563,607 | 999,870 | 2,228,247 |

This funding injection provides for an estimated growth rate of 7% for hospital activity and overall expenditure growth of 4.5% in 2013/14.

In rebasing the Department's budget setting, Government has not endorsed the continuation of expiring National Partnership Agreements (NPAs). Funding for the continuation of health activities previously funded through NPAs will be undertaken in the context of other health priorities, and if considered a priority will be funded from within approved budget allocations.

As part of the 2013/14 Budget construct Government has endorsed the purchase of the following weighted activity units as identified in table 2.

TABLE 2: DEPARTMENT OF HEALTH WEIGHTED ACTIVITY UNIT PURCHASE PROFILE FROM 2013/14 TO 2016/17

| | | Estimated Actual | Budget | Forward Estimates | | |
|-----------------------------------|------|------------------|---------|-------------------|---------|---------|
| | | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
| Activity Projections ¹ | waus | 759,919 | 782,489 | 805,964 | 829,176 | 852,476 |
| growth rate | %age | | 2.97% | 3.00% | 2.88% | 2.81% |

¹ Activity projections based on national weights

State Transitioning Price

The 2013/14 Budget also sees an evolution of the framework, providing Government with the opportunity to directly purchase hospital services on an activity basis. Units of hospital activity are a count of hospital outputs individually weighted by the cost of delivering each output. A single price for each unit is detailed in table 3.

TABLE 3: DEPARTMENT OF HEALTH WEIGHTED PRICE TRANSITION PROFILE FROM 2013/14 TO 2016/17

| | 2012/13 (\$) | 2013/14 (\$) | 2014/15 (\$) | 2015/16 (\$) | 2016/17 (\$) |
|---------------------------|--------------|--------------|--------------|--------------|--------------|
| PAC ¹ | 4,963 | 5,152 | 5,394 | 5,648 | 5,913 |
| State Transitioning Price | 5,135 | 5,319 | 5,510 | 5,708 | 5,913 |

1 Whilst the 2013/14 PAC price is based on the 2013/14 IHPA determination, the estimated price across the forward estimates period is notional. The notional estimates have been calculated using the 2013/14 IHPA cost escalator of 4.7%.

The setting of a single State Transitioning Price, calculated using a methodology more closely aligned to the National ABF framework, provides a more transparent basis for comparing the cost of delivering hospital services in Western Australia against the national cost benchmark, called the Projected Average Cost (PAC). The gap between the total price of all hospital activity funded at the State Transition Price and the total cost of all hospital activity funded at the PAC, is called the Community Service Subsidy (CSS) payment.

The CSS payment represents the Government's commitment to sustainable service delivery and health budget stability while pursuing better value for money health outcomes for Western Australia. Further work will be undertaken over 2013/14 to distinguish those components of the CSS payment which relate to genuine system and service delivery inefficiencies from cost premiums incurred due to structural inefficiencies and other non-discretionary costs.

Mental Health Services

WA Health's budget for 2013/14 includes \$523.8 million of funding to be received from the Mental Health Commission for the delivery of mental health services by Health Service Providers.

The Department, through the recently created Office of Mental Health, will continue to work to improve mental health service provision with the Mental Health Commission. The 2013/14 Service Agreement largely aligns with the service mix in 2012/13. It is anticipated that the forthcoming changes to the national health system, especially around ABF for subacute services, will result in further changes in 2014/15.

In addition, both agencies have committed to the development of a 10-year plan for mental health to be completed during 2013/14. This plan is expected to significantly reform mental health service delivery in Western Australia in future years.

Health Service Catchment Area

The WA Country Health Service (WACHS) is served by two governing councils, each with its own set of unique health service delivery challenges and needs.

The Southern Country Governing Council came into effect on 1 July 2012 to provide input on health services for communities in the Great Southern, South West and the Wheatbelt. Its catchment area covers more than 227,000 square kilometres with a population of over 300,000, of whom 3.1 per cent are Aboriginal. The population represents 13 per cent of Western Australia's total and is projected to grow to more than 350,000 by 2020.

The Northern and Remote Country Governing Council came into effect on 1 July 2012 to provide input on health services for communities in the Goldfields, Midwest, Pilbara and Kimberley. Its catchment area covers almost 2,250,000 square kilometres with a population of over 206,637, of whom 18.1 per cent are Aboriginal. The population represents around 10 per cent of Western Australia's total and is projected to grow to nearly 260,000 by 2020.

Performance Objectives

The Health Service Provider seeks to provide and fund health services on a basis that is equitable, accessible, integrated and sustainable for the population in the catchment area.

The purchasing priorities are:

- to put the patient first and provide appropriate care close to where people live
- to increase the emphasis on more cost-effective primary and community care to reduce the demand for hospital services
- to deliver quality and accessible services within available resources
- to achieve targets for emergency, inpatient, outpatient, ambulatory and elective surgery performance
- for Health Services to be clinically and financially sustainable.

The Scope of Work

The Health Care Provider will provide a comprehensive range of health care services to adults and children in the southern, northern and remote country region including:

- Emergency services
- High dependency care
- Medical services
- Surgical services
- Cancer care
- Palliative care
- Obstetric services
- Paediatric services
- Rehabilitation and aged care
- Mental health services
- Primary health care

- Clinical support services
- Residential aged care
- Patient Assisted Travel Scheme

Health Services in the Northern and Remote Country Region Comprise:

- 4 regional health campuses at Broome, Geraldton, Kalgoorlie and South Hedland
- six integrated hospitals at Carnarvon, Derby, Esperance, Kununurra, Newman and Nickol Bay
- 19 small hospitals and 4 nursing posts in regional and remote locations
- numerous community based health centres.

All hospitals provide a level of emergency and disaster response. Smaller sites provide resuscitation and medical stabilisation with support and access to specialist advice prior to transfer to larger sites.

Broome Health Campus

- Stage one of the Broome Health Campus was completed in December 2009 and includes new operating theatres, a Central Sterile Supply Department, new and remodelled inpatient beds, dental consulting rooms and pharmacy.
- An additional capital works program commenced on campus in July 2010 includes a new paediatric ward and 14-bed acute mental health unit.

Hedland Health Campus

- The new Hedland Health Campus was completed in October 2010 and delivers acute inpatient services, community mental health, population health, community aged care and support services.
- Included on campus is a 56-bed residential aged care facility comprising a fully integrated high/low care service, communal resident lounges and clinical support.

Geraldton Health Campus

- This new facility opened in 2006 offers a comprehensive range of integrated services including hospital inpatient, emergency department, outpatient clinics, population health, mental health and aged care.

Kalgoorlie Health Campus

- Kalgoorlie Hospital is undergoing a redevelopment which will include new emergency and medical imaging departments.
- The campus will provide a comprehensive range of integrated health services.
- A new palliative care addition opened in December 2010.

Health Services in the Southern Country Comprise:

- 2 regional health campuses at Albany and Bunbury
- 9 integrated district hospitals at Busselton, Collie, Katanning, Margaret River, Merredin, Moora, Narrogin, Northam and Manjimup (Warren Hospital).
- 32 small hospitals and six nursing posts in regional and remote locations
- numerous community based health centres.

All hospitals provide a level of emergency and disaster response. Smaller sites provide resuscitation and medical stabilisation with support, and access to specialist advice prior to transfer to larger sites.

Albany Health Campus

- \$170 million redevelopment to build a new two-storey, 126 bed health campus on existing hospital site, with some reuse of existing buildings.
- Practical completion due early 2013.

South West Health Campus in Bunbury

- The major medical centre for the South West region of WA.
- Campus includes the Bunbury Hospital, co-located with the private St. John of God Hospital Bunbury.
- The public hospital provides a fully-staffed, 24-hour emergency department, high dependency unit/intensive care unit, a restorative care unit, an acute inpatient psychiatric unit, community mental health, community health and dental facilities.
- St John of God Bunbury operates a medical centre that accommodates a medical oncology centre, a renal dialysis unit, medical consulting suites, medical imaging services and pathology.
- Campus also includes the South West Radiation Oncology Centre and an Aboriginal medical services centre.

Key Outcomes and Priorities

Key priorities for the next five years include:

- managing elective surgery waitlists
- meeting demand for emergency services at larger hospital sites and improving clinical coordination of emergency retrievals
- meeting National Emergency Access Target and National Elective Surgery Target
- implementing in the Midwest and Goldfields the Southern Inland Health Initiative including:
 - implementing sustainable medical and emergency service models
 - increasing use of telehealth services to improve service access and training
 - improving access to primary health care services
- improving capacity to manage increasingly complex patients in the community to reduce or prevent admissions to hospital
- improving the health of Aboriginal people
- working with the Commonwealth to ensure appropriate and adequate residential aged care and dementia services
- managing a significant capital works program
- developing new renal dialysis, cancer and child health services
- ensuring safe, high quality obstetric and maternity care services
- improving access to a range of mental health services and exploring opportunities and risks related to contracted services

- active participation in the National Health Reform agenda.

District Health Advisory Councils

- District Health Advisory Councils – made up of a wide range of community representatives and other consumers – engage, consult and interact with the Northern and Remote Country and Southern Country Governing Council to provide input and feedback to improve health services.

Safety, Quality and Risk

- Health services have a strong safety, quality and risk philosophy, and governance framework to ensure safe, effective and efficient health services.
- Clinical and corporate governance programs apply continuous service improvement and risk management across all areas of the health service.
- WACHS promotes consumer-centred, high-quality care and a capable and empowered workforce.

Hospital Building Program

- Across country WA, the State Government is undertaking one of the largest country hospital building programs in the world, which includes:
 - new hospital build at Kalgoorlie
 - hospital redevelopment at Broome, including the first acute psychiatric unit to be built north of Perth, and redevelopment of existing infrastructure at Esperance Hospital
 - new Hedland Health Campus opened in late 2010
 - construction of new hospitals at Albany and Busselton
 - major redevelopment of critical care facilities at Bunbury Hospital creating a new four-bed intensive care unit and an expanded emergency department
 - capital expenditure of \$325 million over five years under the Southern Inland Health Initiative including upgrades to district hospitals at Northam, Narrogin, Merredin, Katanning, Manjimup (Warren Hospital) and Collie
 - in consultation with the community, planning is underway for future health services in the Pilbara, which will inform the master planning of the new Karratha Health Campus.

Improving Medical Coverage and 24-hour Emergency Care in the Regions

- In May 2011, the State Government announced the Royalties for Regions funded Southern Inland Health Initiative to improve healthcare in a number of towns, including some centres in the Goldfields and Midwest regions.
- The initiative includes a \$240 million investment in the health workforce and provision of health services over four years, and \$325 million in capital works over five years.
- The initiative will redesign the way health services are delivered in regional WA to meet growing demand and the changing health needs of local communities.

Closing the Gap

- New initiatives are underway through the Council of Australian Government's National Partnership Agreements (NPAs) to improve the health and lifestyle of Aboriginal people living in rural and remote areas.
- WA Health has committed to provide funding the Closing the Gap in Indigenous Health Outcomes.

- Aboriginal people are involved in both the planning and development process to improve the delivery of Aboriginal health services.

Improving Access to Emergency Care

- The Four Hour Rule Program commenced in WA in 2009/10 with the aim of ensuring that the majority of patients arriving at our emergency departments (EDs) are seen, admitted, discharged or transferred within a four-hour timeframe.
- In August 2011, Western Australia committed to national reforms including a National Emergency Access Target (NEAT). The NEAT requires 90 per cent of all patients presenting to an eligible reporting ED to be seen, admitted, referred to another hospital for treatment, or discharged within four hours where it is clinically appropriate to do so.

Output Classes and Statement of Forecast Service Performance

One of the functions of this Service Agreement is to show how the Health Service Provider will evaluate and assess what services and products are delivered in 2013/14. For each output area outlined in the relevant Schedules there are agreed performance measures and targets, some of which are aligned nationally.

These measures and targets will be subject to an annual audit by auditors of the State Government's Office of the Auditor General.

The performance measures are specified in the Annual Performance Management Framework 2013-2014.

Table 4 demonstrates the linkages between the WA Health outcomes, output classes and outputs.

TABLE 4: WA HEALTH OUTCOMES, OUTPUT CLASSES AND OUTPUTS

| Outcomes | Output Classes | Outputs |
|---|---------------------------------------|---|
| Restoration of patients' health, provision of maternity care to women and newborns and support for patients and families during terminal illness. | Public Hospital Admitted Patients | Acute Services Elective Services Subacute Services Rehabilitation Services Diagnostic Services Maternity Services Pharmacist Services |
| | Home-based Hospital Programs | HITH RITH |
| | Palliative Care | Inpatient and Community Care |
| | Emergency Care | Acute Services Diagnostic Services Pharmacist Services |
| | Public Hospital Non-admitted Patients | Allied Health Medical Nursing |
| | Mental Health | Acute Services |
| Enhanced health and well-being of Western Australians through health promotion, illness and injury prevention and appropriate continuing care. | Prevention, Promotion and Protection | Health Promotion Screening Programs Chronic Disease Management |
| | Aged and Continuing Care | Home-based Support Services Respite services |
| | Mental Health | Community Services |

Key Mechanisms for Performance Intervention

Full details of the performance management process are specified in the Annual Performance Management Framework 2013-2014, and outlined in Schedule N of this Agreement.

Performance management will involve:

- on-going review of the performance of the Health Service Provider
- identifying a performance issue and determining the appropriate response to this issue
- determining when a performance recovery plan is required and the level of intervention required
- determining when the performance intervention needs to be escalated or can be de-escalated
- determining when a Health Service Provider is no longer on performance watch.

There are three intervention levels. The level of performance response and intervention dictates the action required by the Health Service Provider and/or the Department. The Director General of Health has the discretion to escalate or de-escalate issues to higher or lower levels based on its assessment of progress with the recovery plan.

Master Schedule - Total Expenditure View

| ACTIVITY BASED SERVICES | BUDGET 2013/14 (\$) | WAUs (#) |
|-------------------------|---------------------|----------------|
| Inpatient | 456,122,215 | 88,533 |
| Emergency Department | 163,016,853 | 31,641 |
| Non Admitted | 61,029,635 | 11,846 |
| Sub total | 680,168,702 | 132,020 |

| | |
|---|------------------|
| CSS - Price Adjustment Sub total | 8,727,238 |
|---|------------------|

| NON-ACTIVITY BASED SERVICE | NON-ABF BUDGET 2013/14 (\$) |
|---------------------------------|-----------------------------|
| District Allowance (FP) | 21,000,955 |
| Financial Products | 73,902,924 |
| National Partnership Funding | 7,933,256 |
| New Programs | 88,236,035 |
| Non-Admitted Mental Health | 51,744,762 |
| Non Hospital Products | 182,698,759 |
| Small Hospitals | 208,657,544 |
| Teaching, training and Research | 20,154,042 |
| Sub Total | 654,328,277 |

Less

| | |
|--|-----------------|
| <i>Office of Mental Health Budget adjustment</i> | <i>-434,901</i> |
|--|-----------------|

| | |
|---------------------------------|----------------------|
| Total Expenditure Budget | 1,342,789,316 |
|---------------------------------|----------------------|

The Schedule(s) outline the Activity as Weighted Activity Units (WAUs) and associated budget allocation by category for the hospitals in the catchment area.

Weighted Activity Units: relate to setting a single State Transitioning Price, calculated using a methodology more closely aligned to the National ABF framework, provide a more transparent basis for comparing the cost of delivering hospital services in Western Australia against the national cost benchmark, called the Projected Average Cost (PAC). The gap between the total price of all hospital activity funded at the State Transition Price and the total cost of all hospital activity funded at the PAC, is called the Community Service Subsidy (CSS) payment.

The Annual Performance Management Framework 2013-2014 specifies the performance management plan, targets and performance thresholds for Activity.