

Service Agreement End-of-year Final Allocations (Abridged)

An agreement between:

Department of Health Chief Executive Officer

And

South Metropolitan Health Service

for the period

1 July 2016 – 30 June 2017

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BACKGROUND

- A. On 1 July 2016, 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 South Metropolitan Health Service (SMHS) and the health services SMHS will deliver during the 2016-17 financial year.
- C. The State Mid-Year Review handed down on 20 December 2016 changed the funding set out in Service Agreement and an amendment to these was executed through a Mid-year Review Deed of Amendment.
- D. Since the State Mid-year Review and up to 30 June 2017 changes to the funding set out in the Mid-year Review Deed of Amendment have occurred and an amendment to these is required.
- E. This document is not required to be executed in accordance with section 41 of the Act as all amendments have been approved through other processes.

DEFINED TERMS

In this EOY Final Allocations:

1. **EOY** means End-of-year and refers to the 2016-17 Financial year
2. **EOY Final Allocations** means this document
3. **MYR DOA** means the Health Service Provider Mid-Year Review Deed of Amendment 2016–17 between the Parties
4. **Parties** means the parties to the Service Agreement, the MYR DOA and to the EOY Final Allocations and “Party” means any one of them

1. OPERATION OF AMENDMENTS

The Service Agreement, including amendments contained in the MYR DOA, will be read and construed subject to this EOY Final Allocations, and in all other respects the provisions of the Service Agreement are confirmed, and subject to the terms of the amendments contained in this EOY Final Allocations and the Service Agreement will continue in full force and effect in accordance with its terms.

This EOY Final Allocations is governed by and will be construed according to the laws in force in Western Australia.

2. ENTIRE AGREEMENT

This EOY Final Allocations together with the Service Agreement, including amendments contained in the MYR DOA, constitutes the entire agreement between the Parties and supersedes any previous agreement between the Parties as to the subject matter of this EOY Final Allocations.

3. AMENDMENTS TO SERVICE AGREEMENT

With effect from the date of this EOY Final Allocations the Service Agreement is varied so that:

- (a) The Section 10: Summary of Activity and Funding table at page 13 of the Service Agreement, as amended by the MYR DOA, is amended. This amendment is attached hereto and marked as Annexure 1.

4. PUBLICATION OF EOY FINAL ALLOCATIONS

The Department will publish an abridged version of this EOY Final Allocations on the WA health system internet site, in accordance with Schedule D9 of the National Health Reform Agreement.

Annexure 1

10: SMHS Summary of Activity and Funding

	2016-17		2016-17		2016-17		2016-17		2016-17	
	Executed Service Agreement		Changes from SA to MYR DOA		Mid-Year Review Deed of Amendment		Changes MYR DOA to EOY Final Alloc.		End-of-year Final Allocations	
	WAUs	\$'000	WAUs	\$'000	WAUs	\$'000	WAUs	\$'000	WAUs	\$'000
Schedule A—Inpatient ABF Activity and Funding	157,798	895,826	2,561	14,864	160,359	910,690	581	3,294	160,940	913,985
Schedule B—Emergency Department ABF Activity and Funding	26,686	151,147	—	(0)	26,686	151,146	—	—	26,686	151,146
Schedule C—Non-admitted ABF Activity and Funding	31,260	177,509	—	(4)	31,260	177,505	—	—	31,260	177,505
Schedule C1—Non-admitted Aggregate ABF Activity and Funding	3,074	17,661	—	(0)	3,074	17,660	—	—	3,074	17,660
Schedule D2—Small Rural Hospitals	—	—	—	—	—	—	—	—	—	—
Schedule E—Public Health Program Funding	—	6,118	—	383	—	6,501	—	1,637	—	8,138
Schedule F—Teaching Training and Research	—	61,372	—	(0)	—	61,372	—	—	—	61,372
Schedule G—Special Purpose Program Funding	—	70,120	—	85,219	—	155,339	—	53,863	—	209,202
Schedule I—Financial Products	—	141,537	—	(33,740)	—	107,797	—	40	—	107,837
Schedule Q—Mental Health Funding (MHC funds only)	9,746	115,840	—	267	9,746	116,106	—	—	9,746	116,106
Total—South Metropolitan Health Service	228,564	1,637,130	2,561	66,988	231,125	1,704,118	581	58,835	231,706	1,762,953

Notes

- a. Mid-Year Review Deed of Amendment (MYR DOA) reflects adjustments endorsed by the WA State Government through the 2016-17 Mid-Year Review process as well as all other approved adjustments that have occurred since the release of the Service Agreement 2016-17.
- b. End-of-year (EOY) Final Allocations reflects all other approved adjustments that have occurred since the release of the MYR DOA in January 2017.

SMHS 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	4,883	131,597	42.6	273,685,131
Admitted Mental Health <i>(Includes MHC)</i>	4,883	9,243	37.3	16,838,765
Sub-Acute <i>(Includes MHC)</i>	4,883	13,389	36.5	23,890,027
Emergency Department	4,883	25,196	42.1	51,779,317
Non Admitted	4,883	33,085	47.8	77,291,530
ABF Total	4,883	212,510	42.7	443,484,770

Non-ABF Service group	Total Contribution (\$)	Commonwealth		State Contribution (\$)
		Contribution (\$)	Funding Rate (%)	
Non Admitted Mental Health	45,143,612	12,826,879	28.4	32,316,733
Other "In scope" Program Services	—	—	—	—
Rural CSO sites	—	—	—	—
Teaching, Training and Research <i>(Includes MHC)</i>	64,308,041	24,304,299	37.8	40,003,742
Total Block Funding	109,451,653	37,131,178	33.9	72,320,475

Note:

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