

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

An agreement between:

Department of Health Chief Executive Officer

And

North Metropolitan Health Service

for the period

1 July 2017 – 30 June 2018

CONTENTS

BACKGROUND	3
DEFINED TERMS	4
1. OPERATION OF AMENDMENTS Error! Bookmark not defined.	
2. ENTIRE AGREEMENT Error! Bookmark not defined.	
3. AMENDMENTS TO SERVICE AGREEMENT	5
4. PUBLICATION OF EOY FINAL ALLOCATIONS	5
Annexure 1	6
B: NMHS Summary of Activity and Funding.....	6
Annexure 2.....	7
D: Dental Health Service Summary of Activity and Funding	7
NMHS Commonwealth Specific Purpose Payment Activity and Funding.....	8

BACKGROUND

- A. On 1 July 2017, 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 North Metropolitan Health Service (NMHS) and the health services NMHS will deliver during the 2017-18 financial year.
- C. The State budget delivered in September 2017 changed the funding set out in the Service Agreement. After September 2017, the Parties agreed to changes to the Service Agreement and executed the Budget Deed of Amendment.
- D. The State Mid-Year Review handed down on 20 December 2017 changed the funding set out in the Budget Deed of Amendment and an amendment to these was executed through a Mid-year Review Deed of Amendment.
- E. Since the State Mid-year Review and up to 30 June 2018 changes to the funding set out in the Mid-year Review Deed of Amendment have occurred and an amendment to these is required.
- F. 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. **Budget Deed** means the Health Service Provider Budget Deed of Amendment 2017–18 between the Parties
2. **EOY** means End-of-year and refers to the 2017-18 Financial year
3. **EOY Final Allocations** means this document
4. **MYR Deed** means the Health Service Provider Mid-Year Review Deed of Amendment 2017–18 between the Parties
5. **Parties** means the parties to the Service Agreement, the Budget Deed, the MYR Deed 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 Budget Deed and MYR Deed, 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 Budget Deed and MYR Deed, 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 Schedule B: Summary of Activity and Funding table at page 22 of the Service Agreement, as amended by the Budget Deed and MYR Deed, is amended. This amendment is attached hereto and marked as Annexure 1.
- (b) The Schedule D: Dental Health Service Summary of Activity and Funding table at page 35 of the Service Agreement, as amended by the Budget Deed and MYR Deed, is amended. This amendment is attached hereto and marked as Annexure 2.

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

B: NMHS Summary of Activity and Funding

OBM Service	2017-18		2017-18		2017-18		2017-18		2017-18		2017-18	
	Executed Service Agreement		Changes from SA to Budget DOA		Changes from Budget DOA 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	WAUs	\$'000
01 Public Hospital Admitted Services	176,060	1,141,295	—	37,913	—	6,523	176,060	1,185,731	—	32,894	176,060	1,218,625
02 Public Hospital Emergency Services	26,342	163,539	—	5,726	—	492	26,342	169,757	—	843	26,342	170,601
03 Public Hospital Non-Admitted Services	35,949	227,372	—	7,881	—	839	35,949	236,092	—	7,517	35,949	243,609
04 Mental Health Services	26,260	252,395	—	(491)	—	987	26,260	252,890	462	3,588	26,722	256,478
05 Aged and Continuing Care Services	—	15,775	—	71	—	2,871	—	18,717	—	8,856	—	27,573
06 Public and Community Health Services	—	90,884	—	4,467	—	3,364	—	98,715	—	4,810	—	103,524
07 Community Dental Health Services	—	—	—	—	—	—	—	—	—	—	—	—
08 Small Rural Hospital Services	—	—	—	—	—	—	—	—	—	397	—	397
09 Health System Management - Policy and Corporate Services	—	—	—	—	—	—	—	—	—	—	—	—
10 Health Support Services	—	—	—	—	—	—	—	—	—	—	—	—
System Manager Initiatives	—	65,304	—	(36,737)	—	0	—	28,567	—	4,286	—	32,852
Total	264,611	1,956,563	—	18,830	—	15,076	264,611	1,990,469	462	63,190	265,073	2,053,659

Notes

- The figures in all schedules include an allocation for Financial Products and HSS Resources Received Free of Charge. These may be subject to change.
- Budget Deed of Amendment (Budget DOA) reflects adjustments endorsed by the WA State Government through the 2017 18 Budget process as well as all other approved adjustments that have occurred since the release of the Service Agreement 2017-18 on 15 September 2017.
- Mid-Year Review Deed of Amendment (MYR DOA) reflects adjustments endorsed by the WA State Government through the 2017 18 Mid-Year Review process as well as all other approved adjustments that have occurred since the release of the Budget DOA 2017-18 on 15 September 2017.
- End-of-year (EOY) Final Allocations reflects all other approved adjustments that have occurred since the release of the MYR DOA in January 2019.
- Refer to Schedule D Dental Health Services Summary of Activity and Funding.

Annexure 2

D: Dental Health Service Summary of Activity and Funding

OBM Service	2017-18	2017-18	2017-18	2017-18	2017-18	2017-18
	Executed Service Agreement	Changes from SA to Budget DOA	Changes from Budget DOA to MYR DOA	Mid-Year Review Deed of Amendment	Changes MYR DOA to EOY Final Alloc.	End-of-year Final Allocations
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
01 Public Hospital Admitted Services	—	—	—	—	—	—
02 Public Hospital Emergency Services	—	—	—	—	—	—
03 Public Hospital Non-Admitted Services	—	—	—	—	—	—
04 Mental Health Services	—	—	—	—	—	—
05 Aged and Continuing Care Services	—	—	—	—	—	—
06 Public and Community Health Services	—	—	—	—	—	—
07 Community Dental Health Services	92,130	(6)	9,436	101,560	914	102,474
08 Small Rural Hospital Services	—	—	—	—	—	—
09 Health System Management - Policy and Corporate Services	—	—	—	—	—	—
10 Health Support Services	—	—	—	—	—	—
System Manager Initiatives	(3,684)	(2,261)	1	(5,944)	(477)	(6,421)
Total	88,446	(2,273)	18,872	95,615	1,352	96,053

NMHS 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	4,910	154,078	43.1	326,201,099
Admitted Mental Health	4,910	22,746	38.3	42,723,661
Sub-Acute	4,910	12,492	35.6	21,812,597
Emergency Department	4,910	24,203	42.4	50,394,071
Non Admitted	4,910	32,284	51.4	81,477,637
ABF Total	4,910	245,803	43.3	522,609,065

Non-ABF Service group	Total	Commonwealth		State
	Contribution (\$)	Contribution (\$)	Funding Rate (%)	Contribution (\$)
Non Admitted Mental Health	82,175,536	24,085,140	29.3	58,090,396
Other "In scope" Program Services	—	—	—	—
Rural CSO sites	—	—	—	—
Teaching, Training and Research	86,668,936	32,963,587	38.0	53,705,349
Total Block Funding	168,844,472	57,048,727	33.8	111,795,744

Note:

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