

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

An agreement between:

Department of Health Chief Executive Officer

And

East Metropolitan Health Service

for the period

1 July 2018 – 30 June 2019

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BACKGROUND

- A. On 1 July 2018, 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 East Metropolitan Health Service (EMHS) and the health services EMHS will deliver during the 2018-19 financial year.
- C. The State Mid-Year Review handed down on 20 December 2018 changes the funding set out in the Service Agreement and an amendment to these is required.
- D. Section 50 of the Act stipulates that a Party that wants to amend the terms of the Service Agreement must provide written notice of the proposed amendment to the other party. This was provided to EMHS on 19 December 2018.
- E. This Deed is executed in accordance with section 41 of the Act.

DEFINED TERMS

In this Deed:

1. **Deed** means this Deed of Amendment
2. **Parties** means the parties to the Service Agreement and to the Deed and “Party” means any one of them
3. **Relevant Health Service Providers (HSP)** means Child and Adolescent Health Service (CAHS); North Metropolitan Health Service (NMHS); South Metropolitan Health Service (SMHS); WA Country Health Service (WACHS); PathWest Laboratory Medicine WA (PathWest) and Quadriplegic Centre.
4. **Service Agreement** means the Health Service Provider Service Agreement 2018–19 between the Parties and as amended from time-to-time including all schedules and annexures
5. **Schedule** means a schedule to the Service Agreement.

1. OPERATION OF AMENDMENTS

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

Each Party will promptly do and perform all further acts and execute and deliver all further documents (in form and content reasonably satisfactory to that Party) required by law or reasonably requested by any other Party to give effect to this Deed.

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

2. ENTIRE AGREEMENT

This Deed together with the Service Agreement constitutes the entire agreement between the Parties and supersedes any previous agreement between the Parties as to the subject matter of this Deed.

3. AMENDMENTS TO SERVICE AGREEMENT

With effect from the date of this Deed the Parties agree that the Service Agreement is varied so that:

- (a) Clause 7.5 at page 11 of the Service Agreement is deleted and replaced. This amendment is attached hereto and marked as Annexure 1.
- (b) The Schedule B: Summary of Activity and Funding table at page 21 of the Service Agreement is amended. This amendment is attached hereto and marked as Annexure 2.

4. PUBLICATION OF DEED

The Department will publish an abridged version of this Deed on the WA health system internet site, in accordance with Schedule D9 of the National Health Reform Agreement. Any subsequent amendments to this Deed together with the Service Agreement will also be published in accordance with Schedule D9 of the National Health Reform Agreement.

Parties to the Agreement:

Executed as a Deed of Amendment in the state of Western Australia.

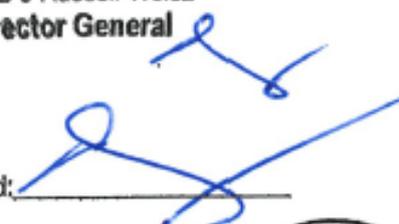
Parties to the Agreement:

Department CEO

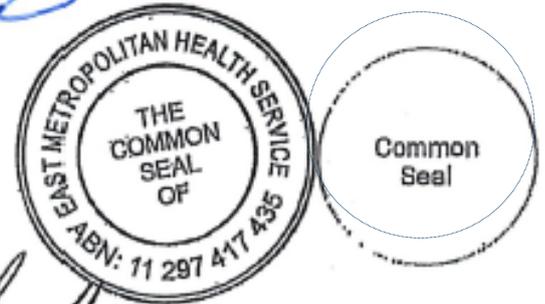
Dr D J Russell-Weisz
Director General

~~Angela Kelly~~
~~AV Director General~~
Department of Health

Date: 25/2/19

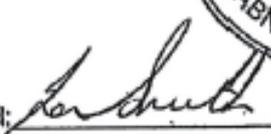
Signed: 

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



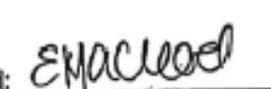
Mr Ian Smith PSM
Board Chair
East Metropolitan Health Service

Date: 11/2/19

Signed: 

Ms Elizabeth MacLeod
Chief Executive
East Metropolitan Health Service

Date: 11.2.19

Signed: 

Annexure 1

7.5 Agreements with other Health Service Providers

For the purpose of section 48(1)(b) of the Act, EMHS may agree with:

- (1) any HSP for that HSP to provide services for EMHS according to EMHS business needs.
- (2) The relevant HSPs for those HSPs to provide clinical incident investigation services including Root Cause Analysis (RCA), for EMHS in the following circumstances:
 - a. 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;
 - b. 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;
 - c. Where the patient, who is the subject of the clinical incident investigation, has received health services from multiple health service providers and those HSPs agree that an independent multi-site clinical incident investigation is to be undertaken by a HSP with no involvement in the patient's care; or
 - d. Where the patient, who is the subject of the clinical incident investigation, has only received health services at EMHS but EMHS determines that an independent clinical incident investigation, undertaken by a 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 EMHS obligations under this Agreement, including the performance standards provided for in this Agreement.

Annexure 2

B: EMHS Summary of Activity and Funding

OBM Service	2017-18		2018-19		2018-19		2019-20		2020-21		2021-22	
	Final Advice		Service Agreement		Mid-Year Review DOA		Forward Estimate		Forward Estimate		Forward Estimate	
	WAUs	\$'000	WAUs	\$'000	WAUs	\$'000	WAUs	\$'000	WAUs	\$'000	WAUs	\$'000
01 Public Hospital Admitted Services	136,553	904,404	144,641	947,561	145,184	950,998	146,435	963,270	148,537	982,707	147,544	976,765
02 Public Hospital Emergency Services	27,516	177,450	28,520	185,243	28,520	185,290	29,573	192,147	30,625	200,195	30,772	200,692
03 Public Hospital Non-Admitted Services	23,697	158,423	24,958	164,357	24,958	164,464	25,534	168,180	26,150	173,213	26,821	177,532
04 Mental Health Services	16,771	179,736	17,133	182,757	18,302	190,266	17,214	110,713	17,752	114,652	17,704	115,352
05 Aged and Continuing Care Services	—	23,271	—	9,694	—	8,968	—	9,001	—	7,638	—	7,558
06 Public and Community Health Services	—	26,658	—	28,321	—	32,660	—	11,026	—	10,768	—	10,658
07 Community Dental Health Services	—	—	—	—	—	—	—	—	—	—	—	—
08 Small Rural Hospital Services	—	—	—	—	—	—	—	—	—	—	—	—
09 Health System Management - Policy and Corporate Service:	—	—	—	—	—	—	—	—	—	—	—	—
10 Health Support Services	—	—	—	—	—	—	—	—	—	—	—	—
Total	204,537	1,469,942	215,252	1,517,932	216,964	1,532,646	218,756	1,454,337	223,064	1,489,174	222,841	1,488,558

Notes

- The figures in all schedules include an allocation for Financial Products, HSS-RRFOC, PathWest-RRFOC and System Manager Initiatives. These may be subject to change.
- Mid-Year Review Deed of Amendment (MYR Deed) reflects adjustments endorsed by the WA State Government through the 2018-19 Mid-Year Review process as well as all other approved adjustments that have occurred since the release of the Service Agreement 2018-19 on 1 July 2018.

EMHS 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	5,012	118,717	42.7	254,028,353
Admitted Mental Health	5,012	15,008	36.8	27,699,207
Sub-Acute	5,012	13,626	34.4	23,473,084
Emergency Department	5,012	25,255	40.9	51,747,765
Non Admitted	5,012	23,629	49.9	59,144,382
ABF Total	5,012	196,235	42.7	416,092,791

Non-ABF Service group	Total	Commonwealth		State
	Contribution (\$)	Contribution (\$)	Funding Rate (%)	Contribution (\$)
Non Admitted Mental Health	64,229,978	19,049,996	29.7	45,179,982
Other "In scope" Program Services	—	—	—	—
Rural CSO sites	—	—	—	—
Teaching, Training and Research	63,989,780	24,484,682	38.3	39,505,098
Total Block Funding	128,219,758	43,534,678	34.0	84,685,080

Note:

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