

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

An agreement between:

**Department of Health Chief Executive Officer**

And

**WA Country 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 WA Country Health Service (WACHS) and the health services WACHS 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 WACHS 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); East Metropolitan Health Service (EMHS); North Metropolitan Health Service (NMHS); South Metropolitan Health Service (SMHS); 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 22 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**

Angela Kelly  
A/Director General  
Department of Health

Date: 13/2/19

Signed: 

The Common Seal of the  
WA Country Health Service  
was hereunto affixed in the presence of: )  
)  
)



Professor Neale Fong  
Board Chair  
WA Country Health Service

Date: 25/01/2019

Signed: 

Ms Margaret Denton  
A/Chief Executive  
WA Country Health Service

Date: 25/01/2019

Signed: 

## Annexure 1

### 7.5 Agreements with other Health Service Providers

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

- (1) any HSP for that HSP to provide services for WACHS according to WACHS business needs.
- (2) The relevant HSPs for those HSPs to provide clinical incident investigation services including Root Cause Analysis (RCA), for WACHS 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 WACHS but WACHS 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 WACHS obligations under this Agreement, including the performance standards provided for in this Agreement.

## Annexure 2

### B: WACHS 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	
	WAOs	\$'000	WAOs	\$'000	WAOs	\$'000	WAOs	\$'000	WAOs	\$'000	WAOs	\$'000
01 Public Hospital Admitted Services	96,857	634,569	99,409	645,345	101,445	659,701	99,982	658,345	101,186	669,417	105,130	689,096
02 Public Hospital Emergency Services	32,921	217,584	38,240	243,795	38,240	245,045	39,064	253,190	39,877	259,459	40,268	259,742
03 Public Hospital Non-Admitted Services	16,039	106,838	18,443	119,647	18,443	120,273	18,869	122,905	19,326	126,178	19,823	128,162
04 Mental Health Services	5,331	110,276	5,318	112,228	5,707	114,558	5,401	32,056	5,500	32,846	5,502	33,159
05 Aged and Continuing Care Services	—	97,682	—	67,858	—	70,117	—	33,794	—	31,718	—	32,362
06 Public and Community Health Services	—	312,388	—	282,561	—	279,923	—	263,615	—	208,182	—	210,444
07 Community Dental Health Services	—	—	—	—	—	—	—	—	—	—	—	—
08 Small Rural Hospital Services	—	273,681	—	276,507	—	275,801	—	275,588	—	270,440	—	284,134
09 Health System Management - Policy and Corporate Service:	—	—	—	—	—	—	—	—	—	—	—	—
10 Health Support Services	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total</b>	<b>151,148</b>	<b>1,753,019</b>	<b>161,410</b>	<b>1,747,942</b>	<b>163,835</b>	<b>1,765,418</b>	<b>163,316</b>	<b>1,639,492</b>	<b>165,889</b>	<b>1,598,241</b>	<b>170,723</b>	<b>1,637,099</b>

#### 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.

## WACHS 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	78,833	42.7	168,685,776
Admitted Mental Health	5,012	5,512	36.8	10,172,659
Sub-Acute	5,012	6,032	34.4	10,391,200
Emergency Department	5,012	28,484	40.9	58,362,065
Non Admitted	5,012	14,047	49.9	35,160,028
<b>ABF Total</b>	<b>5,012</b>	<b>132,908</b>	<b>42.7</b>	<b>282,771,728</b>

Non-ABF Service group	Total Contribution (\$)	Commonwealth		State Contribution (\$)
		Contribution (\$)	Funding Rate (%)	
Non Admitted Mental Health	54,939,679	16,294,583	29.7	38,645,096
Other "In scope" Program Services	—	—	—	—
Rural CSO sites	248,072,673	96,171,406	38.8	151,901,268
Teaching, Training and Research	25,874,488	9,900,466	38.3	15,974,022
<b>Total Block Funding</b>	<b>328,886,840</b>	<b>122,366,455</b>	<b>37.2</b>	<b>206,520,386</b>

**Note:**

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