

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

An agreement between:

**Department of Health Chief Executive Officer**

And

**North 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 North Metropolitan Health Service (NMHS) and the health services NMHS 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 NMHS 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); 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 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: 23/01/19

Signed: Angela Kelly

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

Hon. Jim McGinty AM  
Board Chair  
North Metropolitan Health Service

Date: 15.01.2019

Signed: Jim McGinty

Dr Robyn Lawrence  
Chief Executive  
North Metropolitan Health Service

Date: [Signature]

Signed: 17.1.19



## Annexure 1

### 7.5 Agreements with other Health Service Providers

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

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

## Annexure 2

### B: NMHS 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	176,060	1,221,619	181,586	1,240,730	182,236	1,251,061	185,367	1,233,713	200,248	1,333,694	199,653	1,343,674
02 Public Hospital Emergency Services	26,342	173,806	26,281	177,531	26,281	178,141	27,286	181,442	27,470	183,805	27,903	187,849
03 Public Hospital Non-Admitted Services	35,949	241,479	37,564	260,508	37,564	261,960	38,431	254,246	39,362	260,822	40,373	271,147
04 Mental Health Services	26,722	255,189	25,703	249,091	25,574	249,590	25,655	162,394	25,693	162,882	24,853	161,106
05 Aged and Continuing Care Services	—	27,116	—	16,847	—	17,944	—	18,281	—	16,901	—	17,331
06 Public and Community Health Services	—	134,053	—	118,872	—	121,662	—	106,325	—	106,304	—	105,963
07 Community Dental Health Services	—	—	—	—	—	—	—	—	—	—	—	—
08 Small Rural Hospital Services	—	397	—	405	—	405	—	417	—	425	—	425
09 Health System Management - Policy and Corporate Service:	—	—	—	—	—	—	—	—	—	—	—	—
10 Health Support Services	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total</b>	<b>265,073</b>	<b>2,053,659</b>	<b>271,134</b>	<b>2,063,982</b>	<b>271,655</b>	<b>2,080,763</b>	<b>276,739</b>	<b>1,956,818</b>	<b>292,773</b>	<b>2,064,834</b>	<b>292,782</b>	<b>2,087,496</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.



## 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	5,012	162,961	42.7	348,699,929
Admitted Mental Health	5,012	22,059	36.8	40,714,140
Sub-Acute	5,012	14,507	34.4	24,990,843
Emergency Department	5,012	23,510	40.9	48,170,405
Non Admitted	5,012	31,689	49.9	79,318,750
<b>ABF Total</b>	<b>5,012</b>	<b>254,726</b>	<b>42.7</b>	<b>541,894,067</b>

Non-ABF Service group	Total	Commonwealth		State
	Contribution (\$)	Contribution (\$)	Funding Rate (%)	Contribution (\$)
Non Admitted Mental Health	82,660,338	24,516,265	29.7	58,144,073
Other "In scope" Program Services	—	—	—	—
Rural CSO sites	—	—	—	—
Teaching, Training and Research	88,416,395	33,831,142	38.3	54,585,253
<b>Total Block Funding</b>	<b>171,076,733</b>	<b>58,347,407</b>	<b>34.1</b>	<b>112,729,326</b>

**Note:**

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