

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

An agreement between:

Department of Health Chief Executive Officer

And

PathWest Laboratory Medicine WA

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 PathWest Laboratory Medicine WA (PathWest) and the health services PathWest 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 PathWest 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); WA Country Health Service (WACHS) 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 7.4 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 20 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.

Annexure 1

7.4 Agreements with other Health Service Providers

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

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

Annexure 2

B: PathWest Summary of Activity and Funding

OBM Service	2017-18 Final Advice \$'000	2018-19 Service Agreement \$'000	2018-19 Mid-Year Review DOA \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'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	321,472	325,239	319,341	325,667	332,713	335,149
07 Community Dental Health Services	—	—	—	—	—	—
08 Small Rural Hospital Services	—	—	—	—	—	—
09 Health System Management - Policy and Corporate Services	—	—	—	—	—	—
10 Health Support Services	—	—	—	—	—	—
Total Expense Limit	321,472	325,239	319,341	325,667	332,713	335,149

Notes

- a. The figures in all schedules include an allocation for Financial Products, HSS-RRFOC and System Manager Initiatives. These may be subject to change.
- b. 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.

