

West Moreton Hospital and Health Service

2013/14 – 2015/16 Service Agreement

Deed of Amendment

April 2014

West Moreton Hospital and Health Service 2013/14 – 2015/16 Service Agreement Deed of
Amendment April 2014
Published by the State of Queensland (Queensland Health), April 2014



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**WEST MORETON HOSPITAL AND HEALTH SERVICE
SERVICE AGREEMENT
DEED OF AMENDMENT**

Parties

West Moreton Hospital and Health Service

And

Queensland Health

EXHIBIT 645

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Introduction

In accordance with section 35 of the *Hospital and Health Boards Act 2011*, a service agreement is in place between the parties to this deed.

The service agreement is binding on the parties and can be amended in accordance with section 39 of the *Hospital and Health Boards Act 2011* and the terms of the service agreement.

The parties have agreed to vary the terms of the service agreement on the terms of this deed.

The amendments made by this deed will be published on the Hospital and Health Service Service Agreements website within 14 calendar days of the effective date of this deed.

Definitions

In this deed:

Amendment Proposal means the written notice of a proposed amendment to the terms of the service agreement by the Chief Executive (or delegate) or the Hospital and Health Service (HHS) to the other party, as required under section 39 of the *Hospital and Health Boards Act 2011*.

Chair means the Chair of the Hospital and Health Board of the Hospital and Health Service.

Chief Executive means the Chief Executive of the department administering the *Hospital and Health Boards Act 2011*.

Department of Health means Queensland Health, acting through the Chief Executive.

Deed of Amendment means the resolved amendment proposals.

Effective Date means the date the deed is executed (signed) by both parties.

Hospital and Health Board means the Hospital and Health Board appointed under section 23 of the *Hospital and Health Boards Act 2011*.

Parties means the parties to the service agreement.

Service Agreement means the service agreement between the Department of Health and the Hospital and Health Service made in accordance with section 35 of the *Hospital and Health Boards Act 2011*, including the schedules in annexures, as amended from time to time.

Interpretation

Unless expressed to the contrary, in this deed of amendment:

- words in the singular include the plural and vice versa
- any gender includes the other genders
- if a word or phrase is defined its other grammatical forms have corresponding meanings
- "includes" and "including" are not terms of limitation
- no rule of construction will apply to a clause to the disadvantage of a party merely because that party put forward the clause or would otherwise benefit from it
- a reference to:
 - i. a party is a reference to a party to this deed of amendment
 - ii. a person includes a partnership, joint venture, unincorporated association, corporation and a government or statutory body or authority
 - iii. a person includes the person's legal personal representatives, successors, assigns and persons substituted by novation
- any legislation includes subordinate legislation under it and includes that legislation and subordinate legislation as modified or replaced
- an obligation includes a warranty or representation and a reference to a failure to comply with an obligation includes a breach of warranty or representation
- headings do not affect the interpretation of this deed

General

- This deed may only be varied or replaced by a document executed by the parties.
- Each party must promptly do whatever any other party reasonably requires of it to give effect to this deed and perform its obligations under it.
- Unless expressly stated otherwise in this deed, each party must pay its own legal and other costs and expenses of negotiating, preparing, executing and performing its obligations under this deed.
- This deed contains the entire understanding between the parties as to the subject matter of this deed.
- This deed supersedes all previous negotiations, understandings, representations, memoranda or commitments concerning the subject matter contained within this deed.
- No oral explanation or information provided by any party to another:
 - i. Affects the meaning or interpretation of this deed; or
 - ii. Constitutes any collateral agreement, warranty or understanding between any of the parties

Amendments to Service Agreement, February 2014 revision

Main body of agreement

Section 4 'Objectives of the agreement'.

A) After paragraph 3 a dot point is added as follows:

d) Data Collection and Provision of Data to the Chief Executive Schedule 2013/14

Section 9 'Amendments to this Service agreement', paragraph 8

B) At the end of paragraph 8 the following text is deleted:

These adjustments will then be executed by means of an Amendment.

and is replaced with:

Financial adjustments will be set out in a deed of amendment or may be determined in any manner set out in a deed of amendment. Final financial adjustments for 2013/14 may be determined after 30 June 2014 in the manner set out in the deed of amendment (without the requirement for a further deed of amendment). This provision will survive expiration of this service agreement.

Schedule 1: Hospital and Health Service Profile

4.2.6 Telehealth Services

C) Paragraph 1 is deleted and is replaced with:

The HHS will maintain existing telehealth services delivered (provided and received) in the financial year 2012/13 via the continuation of current telehealth service delivery models. Any decrease in the range or level of service must be agreed by both parties.

D) Paragraph 3 is deleted and is replaced with:

The HHS will ensure dedicated telehealth coordinators progress the telehealth agenda locally, driving stakeholder engagement, adoption, planning and implementation activities that will support and grow telehealth enabled services through substitution of existing face to face services and identification of new telehealth enabled models of care.

8.1 Clinical Education and Training

E) In paragraph 1 the following dot points are added after the second dot point

- comply with the state-wide vocational training pathway models including;
 - The Queensland Basic Physician Training Pathway (published on QHEPS)
 - The Queensland Intensive Care Training Pathway (published on QHEPS)
 - The Queensland Basic Paediatric Training Network (published on QHEPS)

Schedule 2: Purchased Activity and Funding

- F) In section '5. MOHRI FTE' the total year to date FTE (as measured by MOHRI) figure of 2,768 is deleted and replaced with 2,763.

- G) The existing 'Table 2.2 HHS Finance and Activity Schedule 2013/14 – 2015/16' is replaced with the 'Table 2.2 HHS Finance and Activity Schedule 2013/14 – 2015/16' provided at Appendix 1.

- H) The existing 'Table 2.3 Hospital and Health Service Funding Sources 2013/14' is replaced with the 'Table 2.3 Hospital and Health Service Funding Sources 2013/14' provided at Appendix 2.

- I) The existing 'Table 2.4 Hospital and Health Service Service Agreement and State Level Block Payment to state managed funds from Commonwealth payments into national funding pool' is replaced with the 'Table 2.4 Hospital and Health Service Service Agreement and State Level Block Payment to state managed funds from Commonwealth payments into national funding pool' provided at Appendix 3.

Execution

Executed as a deed in Queensland

Signed by the Chief Executive,)
Queensland Health in the presence of:)
)

[Redacted Signature]

Witness signature

[Redacted Signature]

Signature of Chief Executive

[Redacted Name]

Name of Witness (print)

Ian Maynard
Director - General.....

Name of Chief Executive (print)

23 APR 2014
.....
(date)

Signed by the Chair, West Moreton)
Hospital and Health Board, in the)
presence of:)

.....
Witness signature

.....
Signature of Hospital and Health Board
Chair

.....
Name of Witness (print)

.....
Name of Hospital and Health Board Chair
(print)

.....
(date)

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Appendix 1

Table 2.2 Finance and Activity Schedule 2013/14 - 2015/16

Finance and Activity Schedule HHS: West Moreton As at Amendment 3 - April 2014	2012/13		2013/14		Change (12/13 to 13/14)		2014/15 (Not Legally Binding)		2015/16 (Not Legally Binding)	
	QWAW	\$	QWAW	\$	QWAW	\$	QWAW	\$	QWAW	\$
	Price: \$	4,660.00	Price: \$	4,660.00			Price: \$	4,660.00	Price: \$	4,660.00
Activity Based Funding										
ABF Activity										
Inpatient	27,638	128,794,470	29,582	137,853,659	1,944	9,059,189	33,346	155,390,925	34,006	158,467,586
Outpatient	4,807	22,402,116	5,266	24,540,994	459	2,138,879	5,617	26,175,117	5,932	27,642,210
Interventions and Procedures	2,189	10,201,728	3,774	17,586,592	1,585	7,384,864	4,452	20,744,372	4,452	20,744,372
Emergency Department	5,273	24,573,414	8,184	38,135,155	2,910	13,561,741	8,184	38,135,155	8,740	40,729,572
Sub Acute	2,985	13,911,825	3,030	14,121,825	45	210,000	3,030	14,121,825	3,030	14,121,825
Mental Health	3,106	14,474,080	3,106	14,474,080	-	-	4,062	18,927,355	4,203	19,584,940
Total	45,999	214,357,633	52,943	246,712,306	6,943	32,354,672	58,690	273,494,749	60,363	281,290,505
Other ABF Adjustments										
Site Specific Grants		2,005,578		293,552	-	(1,712,026)	-	293,552	-	293,552
Clinical Education & Training		7,980,034		9,213,904	-	1,333,870	-	9,213,904	-	9,213,904
Non-WAU Demand Management		(400,000)		(172,500)	-	227,500	-	(172,500)	-	(172,500)
Productivity Dividend				(6,423,384)	-	(6,423,384)	-	(6,423,384)	-	(6,423,384)
Transitional and Other ABF Adjustments		(13,916,687)		(7,604,340)	-	6,312,348	-	(7,604,340)	-	(7,604,340)
Total		(4,431,075)		(4,692,768)		(261,693)		(4,692,768)		(4,692,768)
<i>12/13 ABF Control</i>		<i>209,026,558</i>								
Subtotal ABF Funding	45,999	209,926,558	52,943	242,019,538	6,943	32,092,980	58,690	268,801,981	60,363	276,597,737
<i>Provisional ABF Budget per QWAW:</i>	\$	<i>4,563.67</i>	\$	<i>4,571.36</i>	\$	<i>7.69</i>				
	\$	<i>4,348.76</i>	\$	<i>4,391.78</i>						
Non-Activity Based Funding										
Non-ABF										
Block Funded Facilities (IHPA Inscope)	5,275	23,936,199	5,275	23,936,199	-	-	5,275	23,936,199	5,275	23,936,199
Block Funded Facilities (IHPA Out of Scope)	-	-	-	-	-	-	-	-	-	-
Block (Private)	112	-	112	-	-	-	112	-	112	-
Mental Health Facilities	16,710	66,324,861	16,710	66,324,861	-	-	16,710	66,324,861	16,710	66,324,861
Block Funded Transition	-	-	-	-	-	-	-	-	-	-
Total	22,098	90,261,060	22,098	90,261,060	-	-	22,098	90,261,060	22,098	90,261,060
Non-ABF - Block Funded Services										
Community Health Care		25,772,471		25,413,867	-	(358,604)	-	25,413,867	-	25,413,867
Depreciation		9,615,202		11,624,591	-	2,009,389	-	11,624,591	-	11,624,591
Grants & Subsidies		3,636,788		2,084,202	-	(1,552,586)	-	2,084,202	-	2,084,202
Intellect Disability Services		92,837		92,837	-	-	-	92,837	-	92,837
Interstate Patient (Payable to other states)		1,879,000		1,879,000	-	-	-	1,879,000	-	1,879,000
Medical Aids & Appliances (MASS)		4,841		4,841	-	-	-	4,841	-	4,841
Mental Health Community		13,352,953		14,067,296	-	714,343	-	14,067,296	-	14,067,296
Offender Health Services		10,289,902		10,530,131	-	243,229	-	10,530,131	-	10,530,131
Oral Health Services (Non-admitted)		9,232,509		12,980,549	-	3,748,040	-	12,980,549	-	12,980,549
Patient Transport		587,942		684,215	-	96,273	-	684,215	-	684,215
Population Health - ATODS		2,951,472		2,951,472	-	-	-	2,951,472	-	2,951,472
Population Health - Breast Screen		1,876,218		1,923,123	-	46,905	-	1,923,123	-	1,923,123
Population Health - Other Services		3,617,680		4,762,934	-	1,145,254	-	4,762,934	-	4,762,934
Pre-commissioning (Transition)		568,893		2,727,101	-	2,158,208	-	2,727,101	-	2,727,101
Primary Health Care		367,056		800,234	-	433,178	-	800,234	-	800,234
Research		235,770		467,098	-	231,328	-	467,098	-	467,098
Residential Aged Care Facilities		-		-	-	-	-	-	-	-
Specified Budget Items		1,093,167		1,587,364	-	494,197	-	1,587,364	-	1,587,364
Statewide Functions		6,526,379		6,536,379	-	10,000	-	6,536,379	-	6,536,379
Other		(546,504)		7,125,223	-	7,671,727	-	5,543,244	-	2,944,938
Total		91,151,576		108,242,458		17,090,881		106,660,479		104,062,173
Subtotal Non ABF Funding	22,098	181,412,636	22,098	198,503,518	-	17,090,881	22,098	196,921,539	22,098	194,323,233
Total Contract of Offer	68,097	391,339,195	75,040	440,523,056	6,943	49,183,861	80,788	465,723,520	82,461	470,920,971
<i>ABF (Efficiency) / Inefficient - Transitional Adjustment</i>				<i>(14,027,723)</i>				<i>(14,027,723)</i>		<i>(14,027,723)</i>

Table 2.3 Hospital and Health Service Funding Sources 2013/14

West Moreton

Funding Source	Value (\$)
Pool Account – ABF Funding ^[1]	
State and Commonwealth	242,019,538
Block Funding ^[2]	
State and Commonwealth	111,206,602
Locally Received Grants	6,935,950
Locally Received Own Source Revenue	16,333,313
Department of Health Grants ^[3]	64,027,653
TOTAL	440,523,056

¹ Pool Account - ABF Funding includes: Inpatient; Critical Care; Emergency Department; Mental Health; and Outpatient each allocated a proportion of Other ABF Adjustments (less Clinical Education) and Site Specific Grants. The totals included within this table are included in the Commonwealth Local Hospital Network Service Agreement Table included at the end of this Schedule 2.

² State Managed Fund - Block Funding includes: Subacute; CSO Facilities; Primary Care Outpatient Centres; 29% of Community Mental Health (estimate of Hospital Auspiced); Tertiary Mental Health; Clinical Education and Research/Training. The total included here for the Commonwealth contribution to the State Managed Fund can be found in the Commonwealth Local Hospital Network Service Agreement Table included at the end of this Schedule 2.

³ Department of Health Grants represents funding by the Department of Health for items not covered by the National Health Reform Agreement including such items as: Primary Health Care; Prevention, Promotion and Protection; and Depreciation.

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Appendix 3

Table 2.4 Hospital and Health Service Service Agreement and State Level Block Payment to state managed funds from Commonwealth payments into national funding pool

State:	QLD	Service agreement for financial year:	2013-14
HHS	West Moreton	Version for financial year:	
HHS ID		Version effective for payments from:	
		Version status:	Window 3

HHS ABF payment requirements:

Expected National Weighted Activity Unit (NWAU)	Projected NWAU	National efficient price (NEP) (as set by IHPA)	C'w % funding rate	Estimated C'w ABF funding contribution	Estimated State ABF funding contribution
ABF Service group					
Admitted acute public services	28,439	\$4,993	41.08%	\$58,336,069	\$81,830,352
Admitted acute private services	1,944	\$4,993	41.08%	\$3,937,611	\$5,597,001
Emergency department services	8,211	\$4,993	41.08%	\$16,843,274	\$23,641,175
Non-admitted services	5,540	\$4,993	41.08%	\$11,363,352	\$15,949,571
Mental health services	2,347	\$4,993	41.08%	\$4,814,789	\$6,758,025
Sub-acute services	2,606	\$4,993	41.08%	\$5,345,454	\$7,502,865
LHN ABF Total	49,088			\$100,690,550	\$141,328,988

Note: NWAU estimates do not take account of cross-border activity.

HHS block funding payment requirements:

Commonwealth block funding for state:	
Block funding component	Estimated Commonwealth block funding contribution
Block funded hospitals	\$39,675,541
Community mental health services	\$4,047,376
Teaching, Training and Research	\$1,036,672
Other block funded services	\$928,686
Total block funding for state	\$45,688,276

Reporting requirements by LHN - block funding paid (total including Commonwealth) per LHN, as set out in service agreement:

Amount (Commonwealth and state) for each amount of block funding from state	
Block funding component	Estimated Commonwealth and state block funding contribution (ex GST)
Block funded hospitals	\$96,575,657
Community mental health services	\$9,851,864
Teaching, Training and Research	\$2,523,401
Other block funded services	\$2,255,680
Total block funding for LHN	\$111,206,602

Total Commonwealth payments to LHN \$146,376,826

Commonwealth % funding rate 41.08%