

Metro North Hospital and Health Service

Service Agreement 2013/14 – 2015/16 Deed of Amendment September 2016

Metro North HHS Service Agreement 2013/2014 – 2015/2016 Deed of Amendment September 2016

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<http://www.health.qld.gov.au/system-governance/health-system/managing/agreements-deeds/default.asp>

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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 service agreements and deeds of amendments website (www.health.qld.gov.au/system-governance/health-system/managing/agreements-deeds/default.asp) within 14 calendar days of the effective

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 Deputy Director-General) 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.

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 Chief Executive and the HHS to which the agreement applies.

Service Agreement means the service agreement between the Department of Health and the HHS 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:

- a) affects the meaning or interpretation of this deed; or
- b) constitutes any collateral agreement, warranty or understanding between any of the parties.

Amendments to Service Agreement, March 2016 Revision

Schedule 2: Purchased Activity and Funding

Section 2.1: Funding where actual activity exceeds purchased activity

- A. The existing 'Table 2.1 Public QWAU target 2015/16' is replaced with the 'Table 2.1 Public QWAU target 2015/16' provided below:

Table 2.1 Public QWAU Target 2015/16

Service Stream	15/16 PQWAU target (PQ18)
Inpatient	182,488.3
Outpatient	42,244.5
Procedures & Interventions	19,364.1
Emergency Department	36,362.8
Sub & Non-Acute	17,420.1
Mental Health	23,668.9
TOTAL	321,548.6

Section 3: Specific Funding Commitments

- B. The existing 'Table 2.3a HHS Finance and Activity Schedule - Summary' is replaced with the 'Table 2.3a HHS Finance and Activity Schedule - Summary' provided at Appendix 1.
- C. The existing 'Table 2.3b Non-ABF Summary' is replaced with the 'Table 2.3b Non-ABF Summary' provided at Appendix 2.

Section 5: Funding Sources

- D. The existing 'Table 2.4 Hospital and Health Service Funding Sources 2015/16' is replaced with the 'Table 2.4 Hospital and Health Service Funding Sources 2015/16' provided below:

Table 2.4 Hospital and Health Service Funding Sources 2015/16

Funding Source	Value (\$)
State and Commonwealth - ABF Funding¹	
Activity Based Funding	1,914,798,355
Clinical Education & Training ²	-61,254,096
Pool Account – ABF Funding	1,853,544,258
State and Commonwealth - Block Funding³	
Block Funding	80,355,426
Clinical Education & Training ²	61,254,096
State Managed Fund – Block Funding	141,609,522
Locally Receipted Funding	17,782,498
Locally Receipted Own Source Revenue	192,966,675
Department of Health Funding⁴	152,351,271
TOTAL	2,358,254,224

¹ Pool Account - ABF Funding includes: Inpatient; Critical Care; Emergency Department; Mental Health; and Outpatient each allocated a proportion of Other ABF Adjustments.

² Clinical Education and Training (CET) is classified as Teaching, Training and Research Funding under the National Model and funded as a Block Funded Service. Under the State Model, CET is included as 'Other ABF' and forms part of the ABF total. To comply with the requirements of the National Health Reform Agreement, funding must be paid as it is received, therefore from a Funding Source perspective, CET has been reclassified to Block Funding.

³ State Managed Fund - Block Funding includes: CSO Facilities; Primary Care Outpatient Centres; 29% of Community Mental Health (estimate of Hospital Auspiced); Tertiary Mental Health; and Research/Training.

⁴ 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.

Section 6: Funds Disbursement

H. The existing 'Table 2.5 Hospital and Health Service Agreement and State Level Block Payments to State Managed Funds from Commonwealth Payments into National Funding Pool' is replaced with the table below:

Table 2.5 Hospital and Health Service Agreement and State Level Block Payments to State Managed Funds from Commonwealth Payments into National Funding Pool

State:	QLD	Service agreement for financial year:	2015/16
HHS	Metro North	Version for financial year:	
HHS ID		Version effective for payments from:	
		Version status:	23/08/2016

HHS ABF payment requirements:

Expected National Weighted Activity Unit (NWAU)		National efficient price (NEP) (as set by IHPA)
ABF Service group	Projected NWAU	
Admitted acute public services	186,133	\$4,971
Admitted acute private services	23,407	\$4,971
Emergency department services	39,006	\$4,971
Non-admitted services	44,719	\$4,971
Mental health services	28,695	\$4,971
Sub-acute services	16,742	\$4,971
LHN ABF Total	338,702	

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

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

Amount (Commonwealth and state) for each amount of block funding from state managed fund to LHN:	
Block funding component	Estimated Commonwealth and state block funding contribution (ex GST)
Block funded hospitals	\$4,684,181
Community mental health services	\$72,830,185
Teaching, Training and Research	\$64,095,156
Other block funded services	
Total block funding for LHN	\$141,609,522

Execution

Executed as a deed in Queensland

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



Witness signature



Signature of Chief Executive

Michael Walsh
Director-General



Name of Witness (print)

Name of Chief Executive (print)

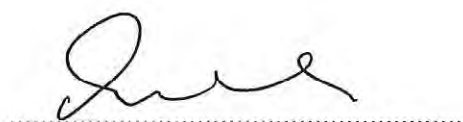


(date)

Signed by the Chair, Metro North)
Hospital and Health Board, in the)
presence of:)



Witness signature



Signature of Hospital and Health Board
Chair **Dr Robert Stable AM**
Board Chair
Metro North Hospital and Health Service



Name of Witness (print)

Name of Hospital and Health Board
Chair (print)



(date)

Appendix 1: Table 2.3a Finance and Activity Schedule - Summary

Service Stream	2013/14 Q18 QWAU	2013/14 \$ (Price: \$4562)	2014/15 (W3) Q18 QWAU	2014/15 \$ (W3) (Price: \$4558)	2015/16 Q18 QWAU	2015/16 \$ (Price: \$4597.05)	Change (14/15 to 15/16) QWAU	Change (14/15 to 15/16) \$ (Price: \$4597.05)
Inpatients	186,816	\$852,254,095	196,927	\$897,591,849	200,510	\$921,755,816	3,584	\$24,163,968
Outpatients	41,875	\$191,034,018	47,878	\$218,229,993	57,704	\$265,266,737	9,825	\$47,036,744
Procedures and Interventions	30,967	\$141,270,370	30,241	\$137,836,240	30,571	\$140,536,925	331	\$2,700,686
Emergency Department	31,840	\$145,254,784	35,583	\$162,187,816	36,363	\$167,161,697	780	\$4,973,881
Sub and Non-Acute	20,897	\$95,330,140	19,525	\$88,994,818	19,867	\$91,331,815	343	\$2,336,997
Mental Health	30,086	\$137,250,132	24,827	\$113,159,751	25,450	\$116,992,687	623	\$3,832,936
Subtotal	342,480	\$1,562,393,539	354,980	\$1,618,000,466	370,465	\$1,703,045,677	15,485	\$85,045,211
Clinical Education and Training	0	\$62,676,595	0	\$57,504,227	0	\$61,254,096	0	\$3,749,869
Specified Grants*	0	\$35,326,251	0	\$36,047,194	0	\$38,840,096	0	\$2,792,902
ABF Subsidy/(Contribution)	0	-\$58,492,344	0	-\$54,784,602	0	\$110,792,314	0	\$165,576,915
Total ABF Funding	342,480	\$1,601,904,041	354,980	\$1,656,767,285	370,465	\$1,913,932,183	15,485	\$257,164,898

Non-ABF[#]

Category	2013/14 Q18 QWAU	2013/14 \$ (Price: \$4562)	2014/15 (W3) Q18 QWAU	2014/15 \$ (W3) (Price: \$4558)	2015/16 Q18 QWAU	2015/16 \$ (Price: \$4597.05)	Change (14/15 to 15/16) QWAU	Change (14/15 to 15/16) \$ (Price: \$4597.05)
NEC Block Funded Hospitals	1,287	\$4,646,780	973	\$4,687,891	973	\$4,903,121	0	\$215,230
Primary and Community Care	0	\$234,996,957	0	\$213,490,557	0	\$168,936,695	0	-\$44,553,862
Third Party Funded Services	0	\$68,111,835	0	\$60,808,877	0	\$45,016,838	0	-\$15,792,039
Other Non-ABF Funding	0	\$208,769,892	0	\$217,934,396	0	\$225,465,387	0	\$7,530,990
Total Non-ABF Funding	1,287	\$516,525,464	973	\$496,921,721	973	\$444,322,041	0	-\$52,599,680

Total	2013/14 Q18 QWAU	2013/14 \$ (Price: \$4562)	2014/15 (W3) Q18 QWAU	2014/15 \$ (W3) (Price: \$4558)	2015/16 Q18 QWAU	2015/16 \$ (Price: \$4597.05)	Change (14/15 to 15/16) QWAU	Change (14/15 to 15/16) \$ (Price: \$4597.05)
Grand Total	343,767	\$2,118,429,505	355,954	\$2,153,689,006	371,438	\$2,358,254,224	15,485	\$204,565,218

2015/16 Minor Capital/ Equity		2013/14 \$		2014/15 \$		2015/16 \$		Change (14/15 to 15/16)
Total	-	-	-	\$14,286,593	-	\$21,964,000	-	\$7,677,407

[#] For details see Table 2.3b Other Non-ABF Funding

Appendix 2: Table 2.3b Non-ABF Summary

NEC Block Funded Hospitals

Category	Units	2015/16 Activity	2015/16 Baseline \$	2015/16 Growth \$	2015/16 Amendments \$	2015/16 \$
NEC Block Funded Hospitals		973	\$4,833,731	\$0	\$69,391	\$4,903,121
Subtotal		973	\$4,833,731	\$0	\$69,391	\$4,903,121

Primary and Community Healthcare Services

Category	Units	2015/16 Activity	2015/16 Baseline \$	2015/16 Growth \$	2015/16 Amendments \$	2015/16 \$
Alcohol, Tobacco and Other Drugs		0	\$13,537,798	\$0	\$500,328	\$14,038,126
Breastscreen	Screens	43,000	\$5,423,400	\$209,600	\$200,314	\$5,833,314
Community Mental Health		0	\$69,406,298	\$0	\$1,971,508	\$71,377,806
Consumer Information Services		0	\$179,303	\$0	\$2,776	\$182,079
Disability Residential Care Services		0	\$17,349,429	\$0	\$223,004	\$17,572,433
Environmental Health		0	\$2,295,069	\$0	\$73,408	\$2,368,477
Home and Community Medical Aids & Appliances		0	\$0	\$0	\$0	\$0
Offender Health Services	Prisoners	1,117	\$2,985,955	\$3,707,338	\$339,140	\$7,032,433
Oral Health	WOOS	677,148	\$34,477,242	\$1,951,533	\$4,099,461	\$40,528,236
Other Community Services		0	-\$7,732,697	\$0	\$6,282,792	(\$1,449,905)
Primary Health Care		0	\$10,890,544	\$0	\$563,152	\$11,453,696
Subtotal		-	\$148,812,341	\$5,868,471	\$14,255,883	\$168,936,695

Third Party Funded Health Services

Category	Units	2015/16 Activity	2015/16 Baseline \$	2015/16 Growth \$	2015/16 Amendments \$	2015/16 \$
Aged Care Assessment Program		0	\$3,230,775	\$0	\$332,665	\$3,563,440
Home and Community Care (HACC) Program		0	\$0	\$0	\$133,232	\$133,232
Community Care Programs		0	\$0	\$0	\$0	\$0
Home Care Packages		0	\$0	\$0	\$0	\$0
Multi-Purpose Health Services		0	\$0	\$0	\$0	\$0
Residential Aged Care		0	\$30,209,744	\$0	\$438,026	\$30,647,770
Transition Care		0	\$10,439,220	\$0	\$233,176	\$10,672,396
Subtotal		0	\$43,879,739	\$0	\$1,137,099	\$45,016,838

PY Services moved to ABF

Category	Units	2015/16 Activity	2015/16 Baseline \$	2015/16 Growth \$	2015/16 Amendments \$	2015/16 \$
ABF Equivalent Activity delivered by Outsourced Provider		0	\$0	\$0	\$0	\$0
IHPA Block Funded Services - TPN, HEN, HV		0	\$0	\$0	\$0	\$0
Subtotal		0	\$0	\$0	\$0	\$0

Other Non-ABF Funding

Category	Units	2015/16 Activity	2015/16 Baseline \$	2015/16 Growth \$	2015/16 Amendments \$	2015/16 \$
Commercial Activities		0	\$86,299,916	\$0	\$721,237	\$87,021,154
Depreciation		0	\$70,279,455	\$0	\$11,278,975	\$81,558,430
Interstate Patients		0	\$8,318,647	\$0	\$0	\$8,318,647
Patient Transport		0	\$10,590,097	\$0	\$84,023	\$10,674,120
Research		0	\$19,102,355	\$0	\$1,596,356	\$20,698,712
Specific Allocations		0	\$89,890	\$0	\$1,304,593	\$1,394,483
State-Wide Functions		0	\$12,392,123	\$0	\$3,407,719	\$15,799,842
Subtotal		0	\$207,072,483	\$0	\$18,392,904	\$225,465,387

