

West Moreton Hospital and Health Service

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

## **West Moreton HHS Service Agreement 2013/2014 – 2015/2016 Deed of Amendment September 2016**

Published by the State of Queensland (Queensland Health), September 2016



This document is licensed under a Creative Commons Attribution 3.0 Australia licence. To view a copy of this licence, visit [creativecommons.org/licenses/by/3.0/au](http://creativecommons.org/licenses/by/3.0/au)

© State of Queensland (Queensland Health) **2016**

You are free to copy, communicate and adapt the work, as long as you attribute the State of Queensland (Queensland Health).

For more information contact:

Contracting and Performance Management Branch, Department of Health,  
GPO Box 48, Brisbane QLD 4001,  
email [SAM@health.qld.gov.au](mailto:SAM@health.qld.gov.au), phone (07) 3234 1472.

An electronic version of this document is available at  
<http://www.health.qld.gov.au/system-governance/health-system/managing/agreements-deeds/default.asp>

### **Disclaimer:**

The content presented in this publication is distributed by the Queensland Government as an information source only. The State of Queensland makes no statements, representations or warranties about the accuracy, completeness or reliability of any information contained in this publication. The State of Queensland disclaims all responsibility and all liability (including without limitation for liability in negligence) for all expenses, losses, damages and costs you might incur as a result of the information being inaccurate or incomplete in any way, and for any reason reliance was placed on such information.

## Contents

|   |   |
|---|---|
| Introduction.....   | 1 |
| Definitions.....  | 1 |
| Interpretation .....  | 1 |
| General .....   | 2 |
| Amendments to Service Agreement, March 2016 Revision .....              | 3 |
| Execution.....  | 6 |
| Appendix 1: Table 2.3a HHS Finance and Activity Schedule - Summary..... | 7 |
| Appendix 2: Table 2.3b Non-ABF Summary.....                             | 8 |

## Tables

|           |  |   |
|-----------|--|---|
| Table 2.1 | Public QWAU Target 2015/16.....  | 3 |
| Table 2.4 | Hospital and Health Service Funding Sources 2015/16 .....  | 4 |
| Table 2.5 | Hospital and Health Service Agreement and State Level Block<br>Payments to State Managed Funds from Commonwealth Payments<br>into National Funding Pool..... | 5 |

## 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](http://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                  | 32,478.1                  |
| Outpatient                 | 6,582.3                   |
| Procedures & Interventions | 3,129.0                   |
| Emergency Department       | 8,423.8                   |
| Sub & Non-Acute            | 3,657.7                   |
| Mental Health              | 3,565.3                   |
| <b>TOTAL</b>               | <b>57,836.1</b>           |

### 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**

| <b>Funding Source</b>                                     | <b>Value (\$)</b>  |
|---|--------------------|
| <b>State and Commonwealth - ABF Funding<sup>1</sup></b>   |                    |
| Activity Based Funding                                    | 307,842,657        |
| Clinical Education & Training <sup>2</sup>                | -10,278,620        |
| <b>Pool Account – ABF Funding</b>                         | <b>297,564,037</b> |
| <b>State and Commonwealth - Block Funding<sup>3</sup></b> |                    |
| Block Funding   | 102,768,788        |
| Clinical Education & Training <sup>2</sup>                | 10,278,620         |
| <b>State Managed Fund – Block Funding</b>                 | <b>113,047,408</b> |
| <b>Locally Received Funding</b>                           | <b>4,658,351</b>   |
| <b>Locally Received Own Source Revenue</b>                | <b>20,017,402</b>  |
| <b>Department of Health Funding<sup>4</sup></b>           | <b>53,753,715</b>  |
| <b>TOTAL</b>  | <b>489,040,913</b> |

---

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

<sup>2</sup> 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.

<sup>3</sup> 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.

<sup>4</sup> 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

E. 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    | West Moreton | 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                  | 32,575         | \$4,971   |
| Admitted acute private services                 | 2,372          | \$4,971   |
| Emergency department services                   | 8,721          | \$4,971   |
| Non-admitted services                           | 8,321          | \$4,971   |
| Mental health services                          | 3,930          | \$4,971   |
| Sub-acute services                              | 2,767          | \$4,971   |
| <b>LHN ABF Total</b>                            | <b>58,685</b>  |   |

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:

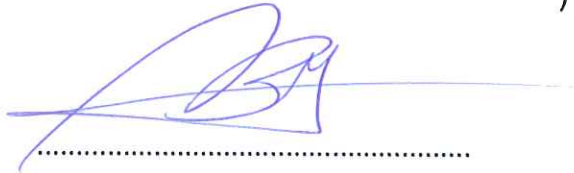
| Amount (Commonwealth and state) for each amount of block funding from state managed fund to LHN: |  |
|--|--|
| Block funding component  | Estimated Commonwealth and state block funding contribution (ex GST) |
| Block funded hospitals   | \$88,751,613   |
| Community mental health services   | \$13,540,437   |
| Teaching, Training and Research  | \$10,755,358   |
| Other block funded services  |  |
| <b>Total block funding for LHN</b>   | <b>\$113,047,408</b>   |



## Execution

Executed as a deed in Queensland

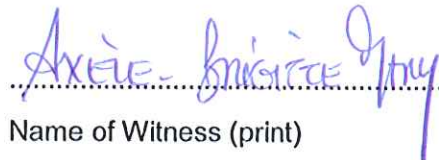
Signed by the Chief Executive, )  
Queensland Health in the presence of: )  
)



Witness signature

  
Signature of Chief Executive

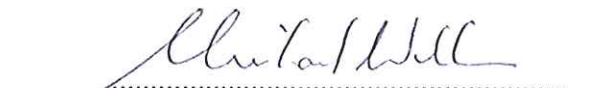

Michael Walsh  
Director-General

  
Name of Witness (print)

Name of Chief Executive (print)

12/10/2016  
.....  
(date)

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

  
Witness signature  
Name of Witness (print)  
Signature of Hospital and Health Board  
Chair  
Name of Hospital and Health Board  
Chair (print)

30 SEP 2016  
.....  
(date)

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

| Service Stream                  | 2013/14<br>Q18<br>QWAU | 2013/14 \$<br>(Price: \$4562) | 2014/15<br>(W3)<br>Q18 QWAU | 2014/15 \$ (W3)<br>(Price: \$4558) | 2015/16<br>Q18<br>QWAU | 2015/16 \$<br>(Price: \$4597.05) | Change<br>(14/15 to 15/16)<br>QWAU | Change<br>(14/15 to 15/16)<br>\$ (Price: \$4597.05) |
|---------------------------------|------------------------|-------------------------------|-----------------------------|------------------------------------|------------------------|----------------------------------|------------------------------------|---|
| Inpatients                      | 29,319                 | \$133,753,557                 | 31,848                      | \$145,165,241                      | 34,420                 | \$158,232,419                    | 2,572                              | \$13,067,178  |
| Outpatients                     | 5,330                  | \$24,317,675                  | 6,159                       | \$28,074,547                       | 7,641                  | \$35,127,156                     | 1,482                              | \$7,052,609   |
| Procedures and Interventions    | 2,999                  | \$13,682,509                  | 3,757                       | \$17,126,564                       | 3,650                  | \$16,779,951                     | -107                               | -\$346,613  |
| Emergency Department            | 9,007                  | \$41,090,857                  | 7,722                       | \$35,196,715                       | 8,424                  | \$38,724,526                     | 702                                | \$3,527,810   |
| Sub and Non-Acute               | 3,167                  | \$14,449,136                  | 3,944                       | \$17,975,287                       | 4,023                  | \$18,492,126                     | 79                                 | \$516,839   |
| Mental Health                   | 3,158                  | \$14,406,198                  | 3,459                       | \$15,768,040                       | 3,708                  | \$17,043,909                     | 248                                | \$1,275,869   |
| <b>Subtotal</b>                 | <b>52,981</b>          | <b>\$241,699,933</b>          | <b>56,890</b>               | <b>\$259,306,394</b>               | <b>61,866</b>          | <b>\$284,400,088</b>             | <b>4,975</b>                       | <b>\$25,093,694</b>                                 |
| Clinical Education and Training | 0                      | \$9,213,904                   | 0                           | \$8,650,894                        | 0                      | \$10,278,620                     | 0                                  | \$1,627,726   |
| Specified Grants*               | 0                      | \$386,520                     | 0                           | \$394,408                          | 0                      | \$402,457                        | 0                                  | \$8,049   |
| ABF Subsidy/(Contribution)      | 0                      | \$4,080,324                   | 0                           | \$8,375,262                        | 0                      | \$12,739,390                     | 0                                  | \$4,364,129   |
| <b>Total ABF Funding</b>        | <b>52,981</b>          | <b>\$255,380,681</b>          | <b>56,890</b>               | <b>\$276,726,958</b>               | <b>61,866</b>          | <b>\$307,820,555</b>             | <b>4,975</b>                       | <b>\$31,093,598</b>                                 |

### Non-ABF<sup>#</sup>

| Category                     | 2013/14<br>Q18<br>QWAU | 2013/14 \$<br>(Price: \$4562) | 2014/15<br>(W3)<br>Q18 QWAU | 2014/15 \$ (W3)<br>(Price: \$4558) | 2015/16<br>Q18<br>QWAU | 2015/16 \$<br>(Price: \$4597.05) | Change<br>(14/15 to 15/16)<br>QWAU | Change<br>(14/15 to 15/16)<br>\$ (Price: \$4597.05) |
|------------------------------|------------------------|-------------------------------|-----------------------------|------------------------------------|------------------------|----------------------------------|------------------------------------|---|
| NEC Block Funded Hospitals   | 22,537                 | \$89,055,176                  | 17,062                      | \$85,540,678                       | 16,849                 | \$90,800,758                     | -213                               | \$5,260,081   |
| Primary and Community Care   | 0                      | \$61,490,242                  | 0                           | \$54,517,399                       | 0                      | \$55,145,651                     | 0                                  | \$628,252   |
| Third Party Funded Services  | 0                      | \$7,324,971                   | 0                           | \$7,188,242                        | 0                      | \$2,193,421                      | 0                                  | -\$4,994,821  |
| Other Non-ABF Funding        | 0                      | \$29,026,109                  | 0                           | \$30,308,890                       | 0                      | \$33,080,528                     | 0                                  | \$2,771,637   |
| <b>Total Non-ABF Funding</b> | <b>22,537</b>          | <b>\$186,896,498</b>          | <b>17,062</b>               | <b>\$177,555,209</b>               | <b>16,849</b>          | <b>\$181,220,358</b>             | <b>-213</b>                        | <b>\$3,665,149</b>                                  |

| Total              | 2013/14<br>Q18<br>QWAU | 2013/14 \$<br>(Price: \$4562) | 2014/15<br>(W3)<br>Q18 QWAU | 2014/15 \$ (W3)<br>(Price: \$4558) | 2015/16<br>Q18<br>QWAU | 2015/16 \$<br>(Price: \$4597.05) | Change<br>(14/15 to 15/16)<br>QWAU | Change<br>(14/15 to 15/16)<br>\$ (Price: \$4597.05) |
|--------------------|------------------------|-------------------------------|-----------------------------|------------------------------------|------------------------|----------------------------------|------------------------------------|---|
| <b>Grand Total</b> | <b>75,518</b>          | <b>\$442,277,180</b>          | <b>73,953</b>               | <b>\$454,282,167</b>               | <b>78,715</b>          | <b>\$489,040,913</b>             | <b>4,763</b>                       | <b>\$34,758,746</b>                                 |

| 2015/16 Minor Capital/<br>Equity |   | 2013/14 \$ |   | 2014/15 \$  |   | 2015/16 \$  |   | Change<br>(14/15 to 15/16) |
|----------------------------------|---|------------|---|-------------|---|-------------|---|----------------------------|
| <b>Total</b>                     | - | -          | - | \$5,815,576 | - | \$7,987,312 | - | \$2,171,736                |

<sup>#</sup> 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 |       | 17,062           | \$91,818,069        | \$0               | (\$1,017,310)         | \$90,800,758        |
| <b>Subtotal</b>            |       | <b>17,062</b>    | <b>\$91,818,069</b> | <b>\$0</b>        | <b>(\$1,017,310)</b>  | <b>\$90,800,758</b> |

### 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                | \$2,384,551         | \$0                | \$23,670              | \$2,408,221         |
| Breastscreen                                 | Screens   | 11,500           | \$1,917,529         | \$2,971            | \$39,508              | \$1,960,008         |
| Community Mental Health                      |           | 0                | \$13,023,958        | \$0                | \$1,577,803           | \$14,601,761        |
| Consumer Information Services                |           | 0                | \$0                 | \$0                | \$0                   | \$0                 |
| Disability Residential Care Services         |           | 0                | \$2,176,861         | \$0                | \$0                   | \$2,176,861         |
| Environmental Health                         |           | 0                | \$0                 | \$0                | \$28,196              | \$28,196            |
| Home and Community Medical Aids & Appliances |           | 0                | \$0                 | \$0                | \$0                   | \$0                 |
| Offender Health Services                     | Prisoners | 1,816            | \$12,243,486        | \$2,346,240        | \$4,449,969           | \$19,039,695        |
| Oral Health                                  | WOOS      | 212,584          | \$10,129,389        | \$722,248          | \$1,641,053           | \$12,492,690        |
| Other Community Services                     |           | 0                | \$176,675           | \$0                | \$662,349             | \$839,024           |
| Primary Health Care                          |           | 0                | \$1,503,424         | \$0                | \$95,771              | \$1,599,195         |
| <b>Subtotal</b>                              |           | <b>-</b>         | <b>\$43,555,873</b> | <b>\$3,071,459</b> | <b>\$8,518,319</b>    | <b>\$55,145,651</b> |

### 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                | \$828,918           | \$0               | \$89,399              | \$918,317          |
| Home and Community Care (HACC) Program |       | 0                | \$585,020           | \$0               | \$0                   | \$585,020          |
| Community Care Programs                |       | 0                | \$0                 | \$0               | (\$2,421,043)         | (\$2,421,043)      |
| Home Care Packages                     |       | 0                | \$0                 | \$0               | \$0                   | \$0                |
| Multi-Purpose Health Services          |       | 0                | \$0                 | \$0               | \$0                   | \$0                |
| Residential Aged Care                  |       | 0                | \$0                 | \$0               | \$0                   | \$0                |
| Transition Care                        |       | 0                | \$3,092,635         | \$0               | \$18,492              | \$3,111,127        |
| <b>Subtotal</b>                        |       | <b>0</b>         | <b>\$4,506,573</b>  | <b>\$0</b>        | <b>(\$2,313,152)</b>  | <b>\$2,193,421</b> |

### 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        |
| <b>Subtotal</b>  |       | <b>0</b>         | <b>\$0</b>          | <b>\$0</b>        | <b>\$0</b>            | <b>\$0</b> |

**Other Non-ABF Funding**

| Category              | Units | 2015/16 Activity | 2015/16 Baseline \$ | 2015/16 Growth \$ | 2015/16 Amendments \$ | 2015/16 \$          |
|-----------------------|-------|------------------|---------------------|-------------------|-----------------------|---------------------|
| Commercial Activities |       | 0                | \$411,336           | \$0               | \$2,424,437           | \$2,835,773         |
| Depreciation          |       | 0                | \$16,149,852        | \$0               | \$0                   | \$16,149,852        |
| Interstate Patients   |       | 0                | \$1,618,551         | \$0               | \$0                   | \$1,618,551         |
| Patient Transport     |       | 0                | \$4,489,271         | \$0               | \$0                   | \$4,489,271         |
| Research              |       | 0                | \$216,921           | \$0               | \$7,571               | \$224,493           |
| Specific Allocations  |       | 0                | \$0                 | \$0               | \$63,748              | \$63,748            |
| State-Wide Functions  |       | 0                | \$6,766,619         | \$0               | \$932,222             | \$7,698,840         |
| <b>Subtotal</b>       |       | <b>0</b>         | <b>\$29,652,550</b> | <b>\$0</b>        | <b>\$3,427,977</b>    | <b>\$33,080,528</b> |

