

Townsville Hospital and Health Service

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

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

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An electronic version of this document is available at
<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	60,770.0
Outpatient	11,153.4
Procedures & Interventions	8,666.7
Emergency Department	10,913.9
Sub & Non-Acute	7,411.5
Mental Health	6,928.4
TOTAL	105,843.9

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	592,608,259
Clinical Education & Training ²	-19,874,177
Pool Account – ABF Funding	572,734,083
State and Commonwealth - Block Funding³	
Block Funding	96,608,323
Clinical Education & Training ²	19,874,177
State Managed Fund – Block Funding	116,482,500
Locally Received Funding	23,540,700
Locally Received Own Source Revenue	58,604,361
Department of Health Funding⁴	79,999,118
TOTAL	851,360,761

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

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	Townsville	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	59,606	\$4,971
Admitted acute private services	7,009	\$4,971
Emergency department services	11,024	\$4,971
Non-admitted services	14,574	\$4,971
Mental health services	7,414	\$4,971
Sub-acute services	5,788	\$4,971
LHN ABF Total	105,415	

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	\$71,058,386
Community mental health services	\$24,628,142
Teaching, Training and Research	\$20,795,972
Other block funded services	
Total block funding for LHN	\$116,482,500

Execution

Executed as a deed in Queensland

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



Witness signature



Signature of Chief Executive

ALEXE - BRIGITTE MARY

Name of Witness (print)

Michael Walsh
Director-General

Name of Chief Executive (print)

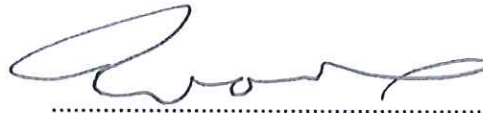
4/11/2016

(date)

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



Witness signature



Signature of Hospital and Health Board
Chair

TONY MOONEY AM
Board Chair

.....Townsville Hospital and Health Service.....

NAOMI MACKEE

Name of Witness (print)

Name of Hospital and Health Board
Chair (print)

31/10/2016

(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	58,376	\$266,309,576	63,101	\$287,615,513	66,375	\$305,128,050	3,274	\$17,512,537
Outpatients	13,386	\$61,066,946	14,183	\$64,645,249	15,990	\$73,508,732	1,808	\$8,863,484
Procedures and Interventions	12,223	\$55,761,516	11,886	\$54,176,549	12,001	\$55,169,987	115	\$993,439
Emergency Department	9,387	\$42,823,652	10,818	\$49,309,301	10,914	\$50,171,836	96	\$862,534
Sub and Non-Acute	5,835	\$26,619,849	6,275	\$28,600,283	8,193	\$37,663,506	1,918	\$9,063,223
Mental Health	5,822	\$26,560,035	7,026	\$32,024,018	7,028	\$32,305,933	2	\$281,915
Subtotal	105,029	\$479,141,573	113,289	\$516,370,914	120,501	\$553,948,045	7,212	\$37,577,131
Clinical Education and Training	0	\$18,558,654	0	\$19,250,791	0	\$19,874,177	0	\$623,386
Specified Grants*	0	\$4,256,600	0	\$4,343,469	0	\$4,445,121	0	\$101,652
ABF Subsidy/(Contribution)	0	-\$9,814,780	0	-\$6,756,054	0	\$14,340,917	0	\$21,096,971
Total ABF Funding	105,029	\$492,142,047	113,289	\$533,209,120	120,501	\$592,608,259	7,212	\$59,399,139

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	16,563	\$75,932,782	16,201	\$77,755,139	16,302	\$81,484,324	102	\$3,729,185
Primary and Community Care	0	\$88,027,361	0	\$81,727,214	0	\$85,199,110	0	\$3,471,896
Third Party Funded Services	0	\$38,512,175	0	\$38,663,328	0	\$33,582,375	0	-\$5,080,953
Other Non-ABF Funding	0	\$48,729,490	0	\$56,422,196	0	\$58,486,694	0	\$2,064,498
Total Non-ABF Funding	16,563	\$251,201,809	16,201	\$254,567,877	16,302	\$258,752,502	102	\$4,184,626

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	121,591	\$743,343,855	129,489	\$787,776,996	136,803	\$851,360,761	7,314	\$63,583,765

2015/16 Minor Capital/ Equity		2013/14 \$		2014/15 \$		2015/16 \$		Change (14/15 to 15/16)
Total	-	-	-	\$6,415,161	-	\$5,866,687	-	-\$548,474

[#] 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		16,302	\$78,411,275	\$0	\$3,073,048	\$81,484,324
Subtotal		16,302	\$78,411,275	\$0	\$3,073,048	\$81,484,324

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	\$5,002,194	\$0	\$56,494	\$5,058,688
Breastscreen	Screens	16,200	\$2,538,400	\$167,000	\$28,247	\$2,733,647
Community Mental Health		0	\$29,985,488	\$0	\$677,389	\$30,662,877
Consumer Information Services		0	\$0	\$0	\$0	\$0
Disability Residential Care Services		0	\$0	\$0	\$0	\$0
Environmental Health		0	\$1,080,779	\$0	\$28,247	\$1,109,026
Home and Community Medical Aids & Appliances		0	\$0	\$0	\$0	\$0
Offender Health Services	Prisoners	942	\$4,930,200	\$471,242	\$517,392	\$5,918,834
Oral Health	WOOS	189,214	\$9,140,793	\$547,337	\$1,342,738	\$11,030,868
Other Community Services		0	\$13,595,010	\$0	\$1,219,027	\$14,814,037
Primary Health Care		0	\$13,191,597	\$0	\$679,538	\$13,871,135
Subtotal		-	\$79,464,461	\$1,185,579	\$4,549,070	\$85,199,110

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	\$795,700	\$0	\$95,422	\$891,122
Home and Community Care (HACC) Program		0	\$329,937	\$0	(\$301,690)	\$28,247
Community Care Programs		0	\$3,106,553	\$0	(\$10,306)	\$3,096,247
Home Care Packages		0	\$0	\$0	\$0	\$0
Multi-Purpose Health Services		0	\$0	\$0	\$293,752	\$293,752
Residential Aged Care		0	\$24,703,833	\$0	\$1,042,809	\$25,746,642
Transition Care		0	\$4,142,071	\$0	(\$615,706)	\$3,526,365
Subtotal		0	\$33,078,094	\$0	\$504,281	\$33,582,375

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	-\$0	\$0	\$0	(\$0)
Depreciation		0	\$46,982,600	\$0	(\$10,064,276)	\$36,918,324
Interstate Patients		0	\$3,065,333	\$0	\$0	\$3,065,333
Patient Transport		0	\$10,707,979	\$0	\$0	\$10,707,979
Research		0	\$1,850,764	\$0	\$30,747	\$1,881,511
Specific Allocations		0	\$3,756,961	\$0	\$1,170,240	\$4,927,201
State-Wide Functions		0	\$945,129	\$0	\$41,217	\$986,346
Subtotal		0	\$67,308,766	\$0	(\$8,822,072)	\$58,486,694

