

Amendment to the Tasmanian Health Service 2018-19 Service Plan between the Minister for Health and the Secretary, Department of Health

Recitals.

- a) Pursuant to section 9(2) of the *Tasmanian Health Service Act 2018*, on 9 November 2018 the Minister for Health and the Secretary, Department of Health reached agreement on the terms and conditions of the Tasmanian Health Service 2018-19 Service Plan between the Minister for Health and the Secretary, Department of Health (the Service Plan).
- b) Pursuant to section 11(1), of the *Tasmanian Health Service Act 2018*, the Minister for Health and the Secretary, Department of Health (the parties) agree to amend the Service Plan on the terms set out in this instrument.

1. Force and effect.

Except as otherwise agreed in this instrument:

- a) Nothing in this instrument is deemed to vary the Service Plan, and
- b) The Service Plan remains in full force and effect.

2. Amendment date.

All amendments to the Service Plan set out in Clause 3 below will be effective from the date of signing.

3. Amendments.

The parties agree to amend the Service Agreement as follows:

3.1. Provision of Health Services and Health Support Services under contractual arrangements

This amendment updates the THS 2018-19 Service Plan to reflect that:

The THS may provide health services and health support services under contracts for service with third parties provided that:

- Any necessary approvals required under the THS Act have been obtained;
- The health services and health support services are provided on at least a full cost recovery basis; and
- The contractual arrangement has been approved by the Secretary before the contract has been entered.

3.2. Additional State funding of \$100 million is provided as per the Revised Estimates Report

This amendment updates the THS 2018-19 Service Plan to include funding provided as per the Revised Estimates Report for the following initiatives, aimed at relieving pressure on hospitals and improving patient flow and patient outcomes from a whole-of-system perspective:

- a) Additional NWAU above funded levels in Service Plan - \$10.6 million

- b) Additional Royal Hobart Hospital (RHH) Emergency Department staffing - \$5 million
- c) Additional funding to meet health demand - \$84.4 million

2018-19 Activity and Funding Schedule (page 14 of the Service Plan)

| Tasmanian Health Service | Measure | Activity | Funding (\$'000) |
|--|--------------|----------------|------------------|
| Activity Funding (excluding Mersey Community Hospital) - Admitted | | | |
| Acute (excluding Elective Surgery) ¹ | NWAU | 79 865 | 400 283 |
| Elective Surgery | NWAU | 23 803 | 120 140 |
| Elective Surgery - Women's Health Initiative | NWAU | 580 | 2 902 |
| Mental Health ¹ | NWAU | 7 227 | 36 220 |
| Sub and Non-Acute ¹ | NWAU | 6 738 | 33 770 |
| Activity Funding – Non Admitted | | | |
| Outpatients ¹ | NWAU | 17 236 | 86 385 |
| Outpatients – Women's Health Initiative | NWAU | 140 | 702 |
| Emergency Department ¹ | NWAU | 17 011 | 85 266 |
| Sub Total | | 152 600 | 765 668 |
| Mersey Community Hospital - Admitted | | | |
| Acute (excluding Elective Surgery) | NWAU | 5 422 | N/A |
| Elective Surgery | NWAU | 931 | N/A |
| Mental Health | NWAU | 73 | N/A |
| Sub and Non Acute | NWAU | 262 | N/A |
| Mersey Community Hospital – Non Admitted | | | N/A |
| Outpatients | NWAU | 1 424 | N/A |
| Emergency Department | NWAU | 3 288 | N/A |
| Sub Total | | 11 400 | N/A |
| Total Activity Funding | | 164 000 | 765 668 |
| Block Grants for ABF Hospitals | | | |
| Blood | Block Funded | | 4 897 |

| | | | |
|---|--------------|--|----------------|
| Boarders | Block Funded | | 327 |
| Commonwealth Initiative for Organ Donation | Block Funded | | 134 |
| Home and Community Care (HACC) | Block Funded | | 198 |
| ED Support Package | Block Funded | | 1 500 |
| Home Ventilation Services | Block Funded | | 2 573 |
| Non-ABF Activity (see table below for detail) | Block Funded | | 66 315 |
| North West Cancer Centre | Block Funded | | 4 823 |
| Nurse Graduates | Block Funded | | 1 645 |
| Palliative Care Clinical Nurse Educators | Block Funded | | 400 |
| Organ Procurement | Block Funded | | 198 |
| Patient Travel Assistance Scheme (PTAS) | Block Funded | | 10 601 |
| Radiation Oncology Capital Equipment | Block Funded | | 1 025 |
| Sub & Non-Acute Admitted Supplementation | Block Funded | | 14 089 |
| Transition Care Program | Block Funded | | 7 810 |
| Teaching, Training and Research | Block Funded | | 43 534 |
| Non Admitted Community Rapid Response | Block Funded | | 623 |
| John L Grove (top up) | Block Funded | | 985 |
| RHH (additional ED staffing) ¹ | Block Funded | | 5 000 |
| Additional funding to meet health demand ¹ | Block Funded | | 84 400 |
| Total Block Grants | | | 251 077 |
| Operational Grants | | | |
| Transition Supplementation Grant | Grant | | 31 266 |
| Mersey Community Hospital | Grant | | 80 880 |
| Primary Health | Grant | | 112 270 |
| Mental Health - Non -acute care facilities | Grant | | 81 292 |
| Alcohol and Drug | Grant | | 15 509 |
| Oral Health | Grant | | 26 928 |
| CHAPS | Grant | | 12 657 |
| Cancer Screening | Grant | | 6 488 |

| | | | |
|---|-------|--|------------------|
| Forensic Medical Services | Grant | | 1 515 |
| State-wide Operations Command Centre | Grant | | 1 500 |
| Medical Cannabis | Grant | | 920 |
| Nurse Graduates Program | Grant | | 1 135 |
| Interstate Charging | Grant | | 20 500 |
| Enhancing Retrieval and Referral Services | Grant | | 144 |
| Capital Expenditure | Grant | | 7 500 |
| Total Operational Grants | | | 400 504 |
| Total Funding | | | 1 417 249 |

Notes:

¹ Additional State funding of \$100 million is provided as per the Revised Estimates Report for:

- Amendment 3.2(a) – Additional NWAU above funded levels in Service Plan - \$10.6 million
- Amendment 3.2(b) – Additional Emergency Department staffing (RHH) - \$5 million
- Amendment 3.2(c) – Additional funding to meet health demand - \$84.4 million

Funding Sources (page 16 of the Service Plan)

| Funding Source | Funding (\$'000) |
|--|-------------------------|
| Activity and Block Funding ¹ | 868 388 |
| Mersey Community Hospital Funding | 80 880 |
| Total Revenue from the Tasmanian Government | 949 268 |
| Activity and Block Funding ² | 430 022 |
| National Partnership Agreement Funding | 7 058 |
| Commonwealth Own Purpose Expenditure Funding | 30 901 |
| Total Revenue from the Australian Government | 467 981 |
| Total Tasmanian and Australian Government Revenue | 1 417 249 |
| THS Own Source Revenue | 101 977 |
| Pharmaceutical Benefits Scheme | 76 102 |
| Non-Discretionary Revenue | 41 050 |
| Other Sources of Revenue | 219 129 |
| Total Funding | 1 636 378 |

Notes:

¹ Additional State funding of \$100 million is provided as per the Revised Estimates Report for:

- Amendment 3.2(a) – Additional NWAU above funded levels in Service Plan - \$10.6 million
- Amendment 3.2(b) – Additional Emergency Department staffing (RHH) - \$5 million
- Amendment 3.2(c) – Additional funding to meet health demand - \$84.4 million

² Amendment 3.2(a) – Additional NWUA above funded levels in Service Plan, also attracts additional Commonwealth ABF of - \$8.6 million

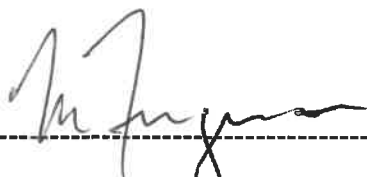
NWAU Estimates 2018-19 (page 18 of Service Plan)

| Tasmanian Health Service | Admitted Acute | Admitted Mental Health | Admitted Sub and Non-acute | Emergency | Outpatients | Total |
|---------------------------------|-----------------------|-------------------------------|-----------------------------------|------------------|--------------------|----------------|
| RHH, LGH and NWRH | 104 248 | 7 227 | 6 738 | 17 011 | 17 376 | 152 600 |
| Mersey Community Hospital | 6 353 | 73 | 262 | 3 288 | 1 424 | 11 400 |
| NWAU Total¹ | 110 601 | 7 300 | 7 000 | 20 299 | 18 800 | 164 000 |

Notes:

¹Includes Amendment 3.2(a) – Additional NWAU above funded levels in Service Plan

Signed by:



The Honourable Michael Ferguson MHA
Tasmanian Minister for Health

Date signed: 11/6/19

Michael Pervan

Secretary
Department of Health

Date signed: