# Amendment to the 2016-17 Service Agreement between the Minister for Health and the Tasmanian Health Service

**Recitals**

1. Pursuant to section 44(3) of the *Tasmanian Health Organisation Act 2011*, on 29 June 2016 the Minister for Health determined the terms and conditions of the 2016-17 Service Agreement between the Minister for Health and the Tasmanian Health Service (the Service Agreement).
2. Pursuant to section 44(4), of the *Tasmanian Health Organisation Act 2011*, the Minister for Health and the Tasmanian Health Service (the parties) agree to amend the Service Agreement on the terms set out in this instrument.
3. **Force and effect**

Except as otherwise agreed in this instrument:

1. Nothing in this instrument is deemed to vary the Service Agreement, and
2. The Service Agreement remains in full force and effect.

**2. Amendment date**

All amendments to the Service Agreement set out in Clause 3 below will be effective from the date of signature of this agreement.

**3. Amendments**

The parties agree to amend the Service Agreement as follows:

1. **Include the following narrative on page 8, immediately after the existing narrative headed Elective Surgery:**

**Patients First Initiative – Stages 1 and 2**

As part of the *One State, One Health System, Better Outcomes* plan, the Tasmanian Government is taking action to address demand in Emergency Departments and to improve whole-of-hospital patient flow.

Stage 1 of the *Patients First initiative*, announced in April 2016, included 18 specific actions aimed at improving patient flow issues across the Launceston General Hospital (LGH) and the Royal Hobart Hospital (RHH). The areas of focus include timely movement of patients to the right place at the right time, staff training and recruitment, developing a state-wide clinical handover framework, better supporting long stay patients, use of rural facilities, and more efficient discharge. Funding of $1 million was provided to the THS under Stage 1 to implement the specified actions.

In recognition of continuing demand pressures in Emergency Departments state-wide, Stage 2 of the *Patients First initiative*, announced in February 2017, includes a number of recurrent bed openings across the State to further improve whole-of-hospital patient flow. Stage 2 includes:

* Royal Hobart Hospital
* 2 new ICU beds.
* Hobart Private – 8 beds (12 months).
* Roy Fagan Centre Jasmine Unit - 10 beds.
* New Norfolk District Hospital - 7 beds.
* Launceston General Hospital
* Ward 4D – 12 beds.
* Ward 4D – 3 additional isolation beds.
* Ward 4D – creation of 3 isolation rooms (capital).
* North West Regional Hospital
* 4 Short Stay ED beds.
* 4 surgical beds.
* Surgical ward (capital).

In 2016-17, Stage 2 provides additional, part year funding of $5.770 million to the THS to implement the specified bed openings.

The Department of Health and Human Services will provide routine reporting to the Minister for Health, outlining:

* the impact of Stage 1 and 2 initiatives on performance against existing Key Performance Indicators as established in the 2016-17 Service Agreement;
* additional performance indicators, targeted at the measurement of specific outcomes under Stage 2 initiatives (e.g. bed utilisation at the New Norfolk District Hospital and decreased rates of cardiothoracic surgery cancellation), and
* status updates on THS implementation of all actions announced under Stages 1 and 2.

**b) Replace the 2016-17 Activity and Funding Schedule in Part D: THS Funding Allocation and Activity Schedules on pages 16-18 with the following, noting the inclusion of $5.770 million for Patients First (Stage 2) under the “Block grants for Activity Based Funded Hospitals” section.**

**2016-17 Activity and Funding Schedule**

| **Tasmanian Health Service** | **Measure** | **Activity** | **Funding allocation**  **($’000)** |
| --- | --- | --- | --- |
| **Acute Admitted Patients** |  |  |  |
| Acute Admitted Patients- Multi Day | Inlier Weighted Unit | 90 782 | 415 697 |
| Acute Admitted Patients- Same Day | Inlier Weighted Unit | 2 735 | 12 522 |
| Acute Admitted Patients- Short Stay | Inlier Weighted Unit | 1 834 | 8 397 |
| Acute Admitted Patients - Short Stay Per Diem | Inlier Weighted Unit | 538 | 2 462 |
| Length of Stay Outlier | Days | 11 525 | 8 650 |
| Intensive Care Payment | Hours | 379 812 | 35 775 |
| Mechanical Ventilation Payment | Hours | 77 733 | 29 949 |
| Short Stay Unit Payment (EMU RHH & AMU LGH) | Inlier Weighted Unit | 773 | 3 540 |
| **Total Acute Admitted Patients** |  |  | **516 992** |
| **Non and Subacute Care Admitted Patients** |  |  |  |
| Sub-Acute (Rehabilitation and Palliative Care) | Block Funded | 20 209 | 26 995 |
| Geriatric evaluation and management | Days | 2 550 | 2 361 |
| Non-acute (Maintenance care) | Days | 12 669 | 12 612 |
| Organ donor | Days | 12 | 129 |
| Boarder | Days | 3 874 | 291 |
| **Total Non and Subacute Care Admitted Patients** |  |  | **42 388** |
| **Emergency Department Services** |  |  |  |
| Non-admitted ED Services | Weighted Service Event | 55 637 | 35 127 |
| Admitted ED Services | Weighted Service Event | 59 373 | 37 486 |
| **Total Emergency Department Services** |  |  | **72 613** |
| **Non-admitted Care** |  |  |  |
| Non-admitted | Weighted Service Event | 456 615 | 117 807 |
| Outside Referred Patients (ORP) | Weighted Service Event | 38 417 | 9 911 |
| **Total Non-admitted Care** |  |  | **127 718** |
| **Elective Surgery** |  |  |  |
| Rebuilding Health Services- Elective Surgery  Programme 1 | Block Funded |  | 20 000 |
| NPA IHST – Schedule A - Elective Surgery 2 | Block Funded |  | 13 400 |
| **Total Elective Surgery** |  |  | **33 400** |
| **Block grants for Activity Based Funded Hospitals** |  |  |  |
| Non-Activity Based Funded Activity **3** | Block Funded |  | 104 631 |
| Teaching, Training and Research Grant | Block Funded |  | 36 400 |
| Blood Products | Block Funded |  | 7 705 |
| NPA IHST – Schedule A - Reform **2** | Block Funded |  | 2 700 |
| Transfer to Practice Nurses **4** | Block Funded |  | 1 260 |
| Enhancing Retrieval and Referral Services | Block Funded |  | 269 |
| Interstate Charging | Block Funded |  | 19 300 |
| NPA IHST – Schedule F - John L Grove Unit **5** | Block Funded |  | 5 000 |
| North West Cancer Centre | Block Funded |  | 5 543 |
| Patients First (Stage 1) | Block Funded |  | 1 000 |
| Patients First (Stage 2) | Block Funded |  | 5 770 |
| **Total Block grants for Activity Based Funded Hospitals** |  |  | **189 578** |
| **THS Operational Grants** |  |  |  |
| Mersey Community Hospital (Incl own source revenue)6 | Grant |  | 81 852 |
| Primary Health (Incl Rural Hospitals) | Grant |  | 137 236 |
| Mental Health (Excl Mental Health Inpatient Services) | Grant |  | 77 589 |
| Alcohol and Drug Services | Grant |  | 14 107 |
| Oral Health 7 | Grant |  | 32 417 |
| Forensic Medical Service | Grant |  | 1 443 |
| Cancer Screening and Control 8 | Grant |  | 6 413 |
| Patient Transport Assistance Scheme (PTAS) **9** | Grant |  | 8 472 |
| One Health System **10** | Grant |  | 8 000 |
| Equipment Replacement **11** | Grant |  | 5 000 |
| Child Health and Parenting Service |  |  | 5 926 |
| **Total Operational Grants** |  |  | **378 455** |
| **TOTAL Tasmanian Health Service** |  |  | **1 361 144** |

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| **Signed by:**  Signed 1 June 2017 Signed 31 March 2017  --------------------------------------------------- ---------------------------------------------------  The Honourable Michael Ferguson MHA John Ramsay  Tasmanian Minister for Health Chair of the Governing Council of the Tasmanian Health Service  Date signed: Date signed:   |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | |  |  |  |  |  |  | |  | | | |  |  |  |
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