

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

Recitals

- a) 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).
- b) 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.

1. Force and effect

Except as otherwise agreed in this instrument:

- a) Nothing in this instrument is deemed to vary the Service Agreement, and
- b) 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:

- a) **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

Tasmanian Health Service	Measure	Activity	Funding allocation (\$'000)
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

Tasmanian Health Service	Measure	Activity	Funding allocation (\$'000)
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

Signed by:



The Honourable Michael Ferguson MHA
Tasmanian Minister for Health

Date signed: 1 JUNE 2017



John Ramsay
Chair of the Governing Council of the
Tasmanian Health Service

Date signed: 31 March 2017

