



Eyre and Far North Local Health Network

# SERVICE AGREEMENT

1 July 2022 – 30 June 2023



Government  
of South Australia

SA Health

## Version Control

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V1	Draft Service Agreement	J Browne	4 April 2022
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## PART A: INTRODUCTION, OBJECTIVES AND GOVERNANCE

### Introduction

The Agreement supports the delivery of safe, effective and accountable high quality health care to the South Australian community by formally setting out the performance expectations and funding arrangements between the Department for Health and Wellbeing (DHW) and the Local Health Network (LHN) during the term of the Agreement.

The content and process for preparing the Agreement is consistent with the requirements of the [Health Care Act 2008](#) and the [National Health Reform Agreement \(NHRA\)](#).

Fundamental to the success of the Agreement is:

- a) A strong collaboration between the LHN, including its Chief Executive Officer and its Governing Board (where applicable) and the DHW.
- b) The Parties' commitment to achieving high standards of governance, transparency, integrity and accountability.
- c) The Parties' commitment to delivering high quality health care to the South Australian community.
- d) The Parties' commitment to upholding the [South Australian Public Sector Values and Behaviour Framework](#).

In entering this Agreement, and without limiting any other obligations, both DHW and the LHN commit to the compliance of the following;

- a) The terms of this Agreement
- b) The legislative requirements as set out within the Health Care Act 2008
- c) All regulations made under Charter for Local Health Network Governing Boards Volume 1, and
- d) All applicable Cabinet decisions

### Objectives of the Service Agreement

The Agreement is designed to:

- 1) Describe the strategic priorities and Government commitments for the DHW and LHN and the mutual responsibilities of both Parties.
- 2) Describe the key services and accountabilities that the LHN is required to meet including particulars of the volume, scope and standard of services.
- 3) Describe the performance indicators, associated reporting arrangements and monitoring methods that apply to both Parties.
- 4) Describe the sources of funding that the Agreement is based on and the manner in which these funds will be provided to the LHN, including the commissioned activity.
- 5) Detail any other matter the DHW Chief Executive considers relevant to the provision of the services by the LHN.

### Legislative and Regulatory Framework

The Agreement is regulated by the [Health Care Act 2008](#) and the [NHRA](#) which provides the Commonwealth funding contribution for the delivery of public hospital services and details a range of reforms.

The NHRA requires the State of South Australia to establish Service Agreements with each Health Service for the commissioning of health services and to implement a performance and accountability framework, including processes for remediation of poor performance.

In delivering health services, the LHN is required to meet the applicable conditions of any National Partnership agreements between the State Government and the Commonwealth Government (including any commitments under related implementation plans).

### **The Health Care (Governance) Amendment Act 2021**

The Health Care (Governance) Amendment Act 2021 passed Parliament on 8 June 2021, with the amendments to the Health Care Act 2008 (HCA) coming into operation on 23 August 2021. The amendments aim to deliver improved governance, ensuring there are clear statutory roles, responsibilities and accountabilities across the South Australian public health system.

The insertion of a new Part 4A into the HCA legislates the minimum requirements for the Service Agreements, bringing South Australia in line with other jurisdictions. This Part outlines high-level processes for negotiating amendments and resolving disputes and provides for further operational detail about these processes to be mandated in policy established by the Chief Executive, or as prescribed by the regulations.

It also contains a last resort dispute resolution provision to the effect that if DHW and a LHN or SAAS cannot agree on a term of, or variation to, the Service Agreement, the Minister may make a decision about the term or variation and must advise both parties in writing. Any such Ministerial decision must be tabled in each House of Parliament within seven sitting days after the Service Agreement to which the decision relates is entered into or varied.

A Service Agreement between DHW and a LHN or SAAS is binding and must, within 14 days after it is entered into or varied, be made publicly available by the Chief Executive.

### **Governance**

The [Charter of Responsibility](#) sets out the legislative roles and responsibilities of the DHW, LHNs and South Australian Ambulance Service (SAAS) which is consistent with the *Health Care Act 2008* and articulates the shared commitment and accountabilities of each Party to support the operation of the South Australian health system.

The [SA Health Corporate Governance Framework Summary](#) provides the high level architecture of critical strategic documents required for DHW and LHN Governing Boards to deliver services under this Agreement.

Without limiting any other obligations, the LHN must also comply and implement an appropriate compliance management system to ensure compliance with:

- > All Cabinet decisions and directives applicable to the LHN.
- > All Ministerial directives applicable to the LHN.
- > All agreements entered into between the South Australian and Commonwealth Governments applicable to the LHN.
- > All legislation and regulations applicable to the LHN.
- > All State Government and/or SA Health policies, directives, standards, instructions, circulars and determinations applicable to the LHN (refer to Appendix 1 for examples)

DHW will ensure that any decision or agreement impacting on an LHN will be discussed and formally communicated to the LHN.

In order to demonstrate compliance, and in accordance with the [System-wide Integrated Compliance Policy Directive](#), the LHN is also required<sup>1</sup> to:

- > Provide an Annual Compliance Certification from the Chief Executive Officer to its Governing Board and the DHW Chief Executive as the System Leader; and
- > Escalate any serious or systemic breaches to the Governing Board and the DHW Chief Executive as the System Leader.

## **Amendments to the Service Agreement**

An amendment of the Agreement will occur where there is a change to the DHW Chief Executive's commissioning intentions, i.e. a change to funding, to deliverables or to other requirements contained within the Agreement.

Whilst a Party may submit an amendment proposal at any time, including the commencement, transfer or cessation of a service, formal negotiation and finalisation must be communicated in writing between all Parties and follow the process as laid out in the [Service Agreement Amendment Fact Sheet](#).

## **Commencement of a New Service**

In the event that either Party wishes to commence providing a new service, the requesting Party will notify the other Party in writing prior to any commencement or change in service (services in addition to those already delivered, and/or where new funding is required). The correspondence must clearly articulate details of the proposed service, any activity and/or financial implications and intended benefits/outcomes.

The non-requesting Party will provide a formal written response to the requesting Party regarding any proposed new service, including any amendments of Key Performance Indicators (KPIs) (new or revised targets), and will negotiate with the other Party regarding funding associated with any new service.

## **Cessation of Service Delivery**

The DHW and LHN may terminate or temporarily suspend a service by mutual agreement. Any proposed service termination or suspension must be made in writing to the other Party, detailing the patient needs, workforce implications, relevant government policy and LHN sustainability considerations. The Parties will agree to a notice period. Any changes to service delivery must maintain provision of care and minimise disruption to consumers.

## **Dispute Resolution**

Resolution of disputes will be through a tiered resolution process, commencing at the local level and escalating to the DHW Chief Executive and, if required, through to the Minister for Health and Wellbeing. Further information is specified in the [Service Agreement Dispute Resolution Fact Sheet](#).

## **Agreements with Other Local Health Networks and Service Providers**

The DHW is responsible for supporting and managing whole of health contracts, in consultation with LHNs, as required. Where a service is required for which there is a SA Government or SA Health panel contract in place, the LHN is required to engage approved providers.

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<sup>1</sup>Refer to the respective LHN Integrated Compliance Management Framework (ICMF) for supporting processes and tools.

Where a service is required outside of an approved panel contract, the LHN may agree with another service provider to deliver services on behalf of the LHN according to their business needs.

The terms of an agreement made with any health service provider do not limit the LHN's obligations under the Agreement, including the performance standards provided for in the Agreement.

Where a service is provided by either the DHW or another LHN, the DHW, in principle, agree to ensure Service Agreements are established. It is expected that the Service Agreements will articulate scope, deliverables and KPIs that will assist the LHN in delivering service requirements. In the event that the LHN is experiencing difficulties in establishing required Service Agreements, DHW will provide assistance as appropriate within their role of system leader.



## PART B: GOVERNMENT COMMITMENTS

### Purpose

Part B describes the Government commitments and strategic partnerships for DHW and the LHN, and the mutual responsibilities of both Parties for the period of the Agreement.

### Election Commitments

The Government's main priority is to eliminate ambulance ramping and improve access to care. Improvements will be achieved through a range of strategies that will invest in more Doctors, Nurses, Hospital Beds, Paramedics and significant Capital Investment. These investments will enable more patients to be seen and treated, improving the flow of patients through hospitals and allowing paramedics to bring patients into the Emergency Departments.

The Government's strong focus on reducing ramping relies on all LHNs prioritising timely access to care and patient flow initiatives and contributing to the development and implementation of state-wide improvement strategies. This includes local protocols and escalation plans which will contribute to the overall flow of the system.

### Ending Privatisation of Services

The Government is committed to restricting any future privatisation and outsourcing of services, and will seek and consider opportunities to bring currently outsourced services back into the public service.

### Strategic Deliverables

The Parties will co-ordinate and partner to achieve the key goals, directions and strategies articulated within the following:

- > [South Australian Health and Wellbeing Strategy 2020-2025](#)
- > [State Public Health Plan 2019-2024](#)
- > [SA Health Strategic Clinical Services Plan 2021-2031](#)
- > [SA Mental Health Services Plan 2020-2025](#)
- > [SA Health Clinical Services Capability Framework](#)

The LHN has a responsibility to ensure that the delivery of health care services is consistent with SA Health's strategic directions and priorities and that these and local priorities are reflected in strategic and operational plans.

The overarching strategy to address the health needs of all South Australians is underpinned by the SA Health and Wellbeing Strategy 2020-2025 and the SA Health Strategic Clinical Services Plan 2021-2031. These strategies provide the strategic intent for the health system, including the future priorities to address population health need. The three-year commissioning plan will provide future funding intent for health services, aligning to the system strategy. The LHN will be responsible for developing a LHN specific Clinical Services Plan that will determine services required to meet the need of their population, as well as the need for the state where required.

The following strategic deliverables are 2022-23 priorities:

### COVID-19 Response

Significant work and investment by DHW and LHNs continues as part of the COVID-19 pandemic response. This includes ensuring that testing is available where and when required, that positive

cases are identified rapidly and that people who are in quarantine receive the health services that they require.

The response also includes the continuation of the COVID-19 vaccination program to ensure timely distribution of a safe and effective COVID-19 vaccine to the South Australian community.

### **Managing Capacity and Demand**

The Government is committed to creating additional hospital capacity, maximising current capacity and implementing hospital avoidance and early supported discharge strategies, in order to manage COVID related surges and facilitate efficient patient flow through the system.

The LHN must take tangible steps to improve hospital flow and timely access to care, including implementing local protocols and escalation plans. This includes access to community-based care approaches for long stay National Disability Insurance Scheme (NDIS) health consumers transitioning out of acute hospital settings and being supported safely in their community.

The extension of existing and additional capacity measures, and hospital avoidance and early discharge strategies, will be actively monitored and evaluated to ensure efficacy of strategies employed.

DHW, SAAS and LHNs will work collaboratively to contribute to the implementation of state-wide strategies aimed at improving hospital flow and timely access to care, and will partner and engage in the development of a State Health Control Centre.

### **Care Closer to Home**

DHW commits to working with LHNs to build self-sufficiency and refine flows where appropriate to do so over the next 3 years.

The LHN will deploy strategies at a hospital-level, to ensure patients can access high quality services in a timely manner, as close to home as possible and in line with the Clinical Service Capability Framework. The goal as a system is for 70% of low complexity activity (where possible) to be received at a patient's local hospital.

### **Vulnerable Adults**

The LHN is also expected to work collaboratively with the Office for Ageing Well, Adult Safeguarding Unit and the National Disability Insurance Scheme Quality and Safeguards Commission to support the safeguarding of vulnerable adults.

### **Mental Health Services**

The [Mental Health Services Plan 2020-2025](#) provides an opportunity to re-shape how mental health services are accessed and delivered to support better health outcomes. It sets the future direction for state government funded services and is built on personalised support and integrated, safe and high-quality care.

Funding from the 2021 –2022 budget was committed to support activities in the plan, including workforce development, supported community accommodation, additional psychiatric intensive care beds, a crisis stabilisation unit and additional community mental health capacity across the system.

A new Youth Model of Care and the redesign of state funded non-government organisation services are two key projects which will be undertaken in collaboration with LHNs during 2022-23.

A number of election commitments have also been made for 2022-23 including additional acute, hospital in the home and rehabilitation beds and increases in mental health staffing. Child

psychiatrists and psychologists have been particularly identified, and funding has been committed to boost the voice of lived experience leadership.

### Royal Commission into Aged Care Quality and Safety

In response to the Royal Commission into Aged Care Safety and Quality, the Australian Government has developed a reform agenda which will be implemented in conjunction with state and territory governments. These reforms will impact SA Health entities across areas of aged care service provision, aged care program delivery and health service interfaces.

As system leader, the DHW will coordinate an overarching system approach to aged care reform which will incorporate oversight of delivery of the SA Health Regional Aged Care Strategy, coordination of negotiations and work with the Commonwealth on policy development in aged care reform, and the review of SA Health system level engagement across the Health and Aged Care interface.

### Strategic Partnerships

Formalising regional and metropolitan support arrangements has been identified by the Health Chief Executive Council as a key system priority. The DHW, LHNs and SAAS agree and commit to partnering in the reform of our health system through the following principles, to enable delivery of sustainable, safe, high-quality care in the right place at the right time for the South Australians living in rural communities:

Principles to enable regional and metropolitan LHN partnerships		
Domain	Principles	Examples
Patient Centred	<ul style="list-style-type: none"> <li>Improved access for consumers of the health system, addressing the expectation of access regardless of location</li> </ul>	<ul style="list-style-type: none"> <li>Using innovation and technology to improve experience</li> </ul>
Leadership	<ul style="list-style-type: none"> <li>Active collaboration with the right leadership and clinical involvement to make it happen</li> <li>Commitment to test new and innovative approaches in smaller ways toward longer term gains</li> </ul>	<ul style="list-style-type: none"> <li>Clinical Pathways based on formal agreements with clinical leadership (rather than historical focus)</li> <li>Explore multiple viable options</li> <li>Explore smaller proof of concept initiatives</li> </ul>
Equitable	<ul style="list-style-type: none"> <li>Systems approach acknowledging that taking a partnership approach is mutually beneficial and recognising that each LHN has different needs and requirements</li> <li>Service sustainability and self-sufficiency, building capability, capacity and purchasing power in rural areas</li> </ul>	<ul style="list-style-type: none"> <li>Funding model – funding and allocation focused on where the services is needed</li> <li>Staffing rotation agreements Metro-Rural supported by funding model</li> </ul>
Timely, Effective and Efficient	<ul style="list-style-type: none"> <li>Consumers and clinicians will have clear pathways across LHN boundaries and should only need to travel when absolutely necessary</li> <li>Technology should enable provision of services in a flexible way, closer to home</li> </ul>	<ul style="list-style-type: none"> <li>Geographical connectors defined, understood and inform clinical pathways</li> <li>Baseline technology assessment and pipeline projects toward longer term digital strategy</li> </ul>
Appropriateness	<ul style="list-style-type: none"> <li>Facilitating a health system that responds appropriately to the needs of the SA community to provide the treatment, advice, guidance and support required.</li> </ul>	<ul style="list-style-type: none"> <li>Performance regularly monitoring and evaluation of the appropriateness of services offered across the system.</li> <li>Respond innovatively to create alternative patient pathways to more appropriate care.</li> </ul>

## **DHW/LHN Commitments**

In 2022-23 DHW and the LHN will continue to work together to:

DHW and the LHN will work together to:

- > Ensure key services are commissioned and funded in line with the SA Health Clinical Services Plan and the LHN's own service plan.
- > Establish an Activity Based Management portal
- > Review the activity, funding, costs and data capture of Grant Funded Units
- > Review Emergency Department models of care and funding sustainability
- > Undertake block funding reviews, incorporating;
  - o Site Specific allocations
  - o Intermediate Care allocations
  - o Adoption of national Mental Health classification - Community
  - o Research grant funding allocations
  - o Section 19 (2) opportunities\*

\*Adjustments to Health Performance Agreements (HPAs) may be made in year based on the outcome of the above review

## **Rural Support Service**

The RSS operates as a partner to each regional LHN, providing them with flexible, responsive and innovative services that support them to grow and deliver the best health outcomes for their communities.

The RSS is overseen by the RSS Governance Committee, a committee of the Barossa Hills Fleurieu LHN Governing Board, which provides strategic direction and governance of the RSS and ensures the RSS is meeting the needs of regional LHNs.

The RSS support the provision of high-quality services to regional communities, which encompasses:

- > health, wellbeing, aged and disability services
- > finance, workforce and governance services
- > statewide services for, and with, all ten LHNs.

## **Rural Health Workforce Strategy**

The Rural Support Service (RSS), hosted within the Barossa Hills Fleurieu LHN, is responsible for developing the Rural Health Workforce Strategy broad services plan and workforce plans, with the regional LHNs, under the guidance of the Rural Health Workforce Strategy Steering Committee. The LHN is responsible for implementing the recommended strategies from the approved Rural Health Workforce Strategy Plans, which will contain strategies:

- > supporting recruitment retention and training of GP's, nurses and midwives, allied health, Aboriginal health workers, ambulance services and their volunteers.
- > redesigning workforce models as needed for future sustainability.

## **Regional Aged Care Strategy**

The SA Health Regional Aged Care Strategy outlines a high-level roadmap of work to support aged care reform for SA Health as an aged care service provider, through the regional LHNs. Collaborative work between the DHW, the Regional Support Service and the regional LHNs, to further develop and deliver key work in line with the Strategies' roadmap, will support the provision of high quality, contemporary aged care service delivery into the future.

## PART C: SERVICES

### Purpose

Without limiting any other obligation of the LHN, Part C sets out the key services that the LHN is required to deliver under the terms of the Agreement.

### Service Profile

The LHN is responsible delivering core health services to around 41,000 people living across the western part of South Australia and north to Coober Pedy. Core health services are provided by a large site and several small sites across the region, supported by a range of community-based facilities. Clinics are located at Lock and Oodnadatta, with a Family Wellbeing Centre situated in Amata. A range of services, including mobile renal dialysis, is also provided to the Anangu Pitjantjatjara Yankunytjatjara (APY Lands).

Eyre and Far North LHN operates the following hospital and health service sites:

#### Large (ABF funded)

- > Port Lincoln Hospital and Health Service operates 48 beds, providing a comprehensive range of medical and surgical services to adults and children, including maternal and neonatal.
- > Ceduna District Health Service

#### Small (Grant funded)

- > Amata Family Well Being Centre
- > Cleve District Hospital and Aged Care
- > Coober Pedy Hospital and Health Service
- > Cowell District Hospital and Aged Care
- > Cummins and District Memorial Hospital
- > Elliston Hospital
- > Kimba District Hospital and Aged Care
- > Oodnadatta Health Service
- > Streaky Bay Hospital
- > Tumby Bay Hospital and Health Service
- > Wudinna Hospital
- > Lock Health Centre
- > Mobile Renal Dialysis Services and Facilities

#### Country Residential Aged Care Services

The LHN is responsible for a number of Multi-Purpose Service (MPS) places and Retirement Village Units.

#### Community Health and Supporting Services

Funding is allocated to the LHN for a range of community health services and must be used to efficiently and effectively meet local health care needs. The LHN has discretion to allocate funding across primary care and community health services according to local priorities.

The LHN has responsibility for the provision and/or coordination of the following services and will liaise with other LHNs and the DHW Chief Executive to support the provision of these services.

- a) GP Plus Centre (located in Ceduna)
- b) Mobile Dialysis Service (provided to the APY Lands, Yalata and Coober Pedy)
- c) Amata Family Well Being Centre
- d) Ceduna Family Medical Practice, Coober Pedy Medical Practice and Mid-Eyre Medical Practice
- e) Country Health Connect
- f) Integrated Cardiovascular Clinical Network (iCCnet)
- g) Patient Assistance Transport Scheme (PATS)
- h) South Australian Virtual Emergency Service (SAVES)
- i) Virtual Clinical Care Home Tele-monitoring (VCC)
- j) Pharmacy, Medical Imaging and Pathology
- k) Aged Care Assessment Team (ACAT)

### **Mental Health Services**

The LHN is responsible for providing integrated mental health services at the sites governed by the Agreement. The following services will continue to be provided in accordance with national standards and the [Mental Health Services Plan 2020-2025](#):

- > Community Mental Health Services.
- > Youth Mental Health Services (for people aged 16-24), via brokerage with the RSS.
- > Older Persons' Mental Health Services (for people aged 65+), via brokerage with the RSS.
- > Tele-psychiatry.

In addition, the 23-bed Rural and Remote Inpatient Unit on the Glenside Health Service provides the majority of inpatient beds for country people.

Access to short-stay psychiatric intensive care and state-wide inpatient rehabilitation services are accessed through the localised bed management plan and negotiation with metropolitan LHNs.

### **Trachoma Elimination Program**

In recognition of the need to reduce incidence of Trachoma across South Australia, the LHN will continue to manage the Trachoma Elimination Program in its components of trachoma and trichiasis screening, treatment, environmental health improvements, and education health and prevention activities.

The LHN is also required to ensure that there is sufficient organisational and administrative capacity underpinned by a collaborative and connected approach to maintain continuous positive trachoma outcomes for Aboriginal people and communities across South Australia. As part of this, the LHN will continue to work in partnership with Inter-government Relations, the DHW, the South Australian Trachoma Elimination Strategy Committee (SATESC) and key stakeholders.

## Aboriginal Health Services and mainstream services for Aboriginal people

Reducing the disparities in health outcomes and life expectancy is one of the main aims of the National Closing the Gap Agreement, under which South Australia has committed to the following clause:

*58. The Parties commit to systemic and structural transformation of mainstream government organisations to improve accountability and respond to the needs of Aboriginal and Torres Strait Islander people*

The LHN is responsible for working collaboratively with the DHW's Aboriginal Health, other relevant health services, support organisations and Aboriginal community-controlled health services to continue to implement the regional Aboriginal Health Improvement Plan to support services meeting the needs of the local Aboriginal population.

The LHN is also required to participate in the South Australian Aboriginal Chronic Disease Consortium to progress implementation of the three state-wide plans and consider opportunities to reorientate or reform services aligned with these plans (currently under review):

- 1) [South Australian Aboriginal Cancer Control Plan 2016-2021](#)
- 2) [South Australian Aboriginal Heart and Stroke Plan 2017-2021](#)
- 3) [South Australian Aboriginal Diabetes Strategy 2017-2021](#)

## Teaching and Training

The NHRA, of which this Service Agreement is regulated by, stipulates that the Service Agreement is required to include the teaching, training and research functions to be undertaken at the LHN level.

The LHN is required to have a clearly articulated and published education and training strategy that positions education and training as a foundation for quality and safety in health care. The education and training strategy will be reported against annually and includes, but is not limited to, learning and development, student clinical placements and medical profession specific.

Where any clinical placement is offered, LHNs are required to ensure compliance with all relevant laws, policies and frameworks, including the following:

- > [SA Health Clinical Placement Requirements for Healthcare Students](#)
- > [Better Placed: Excellence in health education](#)

## Medical Profession Specific

The LHN will support ongoing medical education and training in line with the [SA Medical Education and Training Principles](#), and will continue to provide training placements consistent with, and proportionate to, the capacity of the LHN. This includes, but is not limited to, planning and resourcing for clinical placements in collaboration with other LHNs, and the provision of placements for medical students, interns, rural generalist trainees and vocational medical trainees. The LHN must maintain accreditation standards for medical intern and other medical training positions.

Medical training networks may be developed and will assist with linking rural and regional LHNs with metropolitan LHNs and ensure a complete and varied experience in different clinical contexts and hospital settings.

The LHN will also have systems in place to recognise high performance in education and training as a means of promoting a culture of excellence and innovation.

## Research

The LHN's support for health and medical research will be demonstrated through a published Network Research Strategy which fully integrates research into teaching and clinical practice and supports opportunities for translational research. An annual [Network Research Strategy Report](#) (due by 31 August 2023) will be required from the LHN.

During 2022-23, the LHNs and Statewide Services will also be required to provide summary research administration and performance data to DHW to fulfil the requirements of the National Aggregate Statistics (NAS) data collection.

More information regarding research, research governance, reporting requirements and the Network Research Strategy Annual Report template can be found in the [Human Research Ethics Committee and Site Specific Approvals Technical Bulletin](#).



## PART D: DELIVERY AND PERFORMANCE

### Purpose

Part D outlines the performance indicators, associated reporting requirements and monitoring methods that apply to the LHN.

### Performance Framework

The SA Health Performance Framework 2022-23 sets out how the DHW, as the leader and steward of the public health system, monitors and assesses the performance of public health services and resources within South Australia. The Performance Framework uses performance indicators to monitor the extent to which the LHN is delivering the high level objectives set out in the Agreement. The LHN should refer to the SA Health Performance Framework for further information about the performance assessment process.

The LHN will endeavour to meet targets for each KPI identified in the table below. All sites within the LHN must meet performance targets as described under the four domain areas; access and flow, productivity and efficiency, safe and effective care and people and culture. Interim KPI targets that reflects a performance improvement trajectory will be agreed with the LHN and will be used as the basis for monitoring the LHN performance in 2022-23.

While LHN KPI reports will be issued monthly as an internal reporting tool, a formal assessment of the LHN performance will be completed quarterly. The quarterly progress will include DHW undertaking an initial assessment to be discussed with the LHN to incorporate agreed contextual and qualitative aspects of sustainable performance. This negotiation will inform the final quarterly performance assessment issued to the LHN. The LHN performance levels are not assigned solely on KPI data, instead a range of other factors are also considered by DHW.

A number of KPIs, including outcome based measures, will be 'monitored' in year and may be considered to transition to Tier 1 or Tier 2 KPIs depending on the health system's performance. A number of KPIs will also be 'shadowed' in year to allow DHW to work with LHNs and/or other business areas to develop clear data and reporting process. Shadow KPIs may be considered to transition to monitor or Tier 1 or Tier 2 as required. Monitored and shadow KPIs do not contribute to the evaluation of the LHN's overall Performance Level, but will inform opportunities for improvement.

Any performance issues which result in system-wide impacts will be monitored as part of LHN performance reviews.

LHNs have been commissioned at the full National Efficient Price (NEP) incorporating 2022-23 national weights and classifications, as determined by the Independent Hospital Pricing Authority (IHPA). It is expected that LHNs will perform within this price and any over expenditure will be monitored in performance meetings.

More detailed information regarding the 2022--23 KPI architecture, including KPI descriptions, levels (Tier 1, Tier 2, shadow and monitor), calculation methodology, targets and reporting frequency is available in the [2022-23 KPI Master Definition Document](#).

## Data and Reporting Requirements

The LHN will provide data to the DHW on the provision and performance of health services (including Community data), in a timely manner and as required by the DHW Chief Executive in alignment with the National Health Care Reform Agreement. All data provisions are outlined in the [Enterprise Data And Information \(EDI\) Data Requirements, 2022-2023 Bulletin](#) including routine monthly data submissions and ad hoc requests. It is essential that data is submitted by the date provided within the Bulletin.

- > Release of the EDI Branch Strategy, 2022-2027 providing a clear branch vision, purpose and future direction;
- > Further reduction in manual monthly data submissions required from LHNs;
- > Development of the Elective Surgery Domain;
- > Development of new Mental Health Domain;
- > Improvements in data quality with implementation of new Data Integrity Framework;
- > Improvement in volume and accuracy of the patient level Non Admitted Patient Domain;
- > Enhancement in access to data through EDI Data Services and LHN delivered data marts.

The LHN is required to maintain up-to-date information for the public on its website regarding its relevant facilities and services including population health, inpatient services and other non-inpatient services and community health. DHW is committed to working in year with LHNs to establish routine public reporting across all domains.

### **Integrated Safety and Quality Performance Account**

Annually the LHN will complete a [Safety and Quality Account](#) (the Account) to demonstrate its achievement and ongoing commitment to assurance and improving and integrating safety and quality activity. The 2022-23 Account, due 20 May 2023, will provide information about clinical governance and the safety and quality performance of the LHN.

### **Workplace Wellbeing and Fatigue**

LHNs are required to prepare an annual *Wellbeing and Fatigue* report against the four main themes – Resourcing, Rostering, Leave Management and Fatigue Management to demonstrate the progress of local staff wellbeing initiatives, the 2022-23 report will be due on 1 December 2022.

2022-23 KPI Architecture	
Subdomain	Tier 1
<b>Timely Access to Care (Access and Flow)</b>	
Emergency Department	ED LOS <=6hrs – non-Admitted
Inpatient (Response and flow)	ED LOS <= 6hrs – Admitted
Elective Surgery	Elective Surgery Timely Admissions - Category 2 (90 Days)
<b>Productivity and Efficiency</b>	
Finance	End of year net variance to budget (\$m)
Commissioned Activity	Overall NWAUs activity to cap
Quality of Health Information	Complexity index
<b>Safe and Effective Care</b>	
Safe Care	Healthcare Associated SAB Infection Rate
	Hospital Acquired Complication Rate
Consumers Experience of Care	Consumer Experience: Involved in Decision Making (Quarterly)
Appropriateness of Care	Maternity - HAC rate 3rd & 4th Degree Perineal tears
	% of care recipients who were physically restrained
	% of care recipients who experienced one or more falls resulting in major injury
Effectiveness of Care	Avoidable Hospital Readmissions
<b>People and Culture</b>	
Workforce	<i>Monitoring of Tier 2 indicators will occur in year as per the KPI definition document, including the inclusion of a Fatigue and Wellbeing Annual Report Requirement</i>

## PART E: FUNDING AND COMMISSIONED ACTIVITY

### Purpose

Part E sets out:

- > The sources of funding that the Agreement is based on and the manner in which these funds will be provided to the LHN.
- > The activity commissioned by the DHW from the LHN.
- > The funding provided for delivery of the commissioned activity.
- > Specific funding commitments.

### COVID Related Costs

The 2022-23 funding allocation is exclusive of specific COVID-19 related costs. All COVID related expenditure will be closely monitored in year.

### Funding Sources

Funding Sources			
Funding Source	Revenue (\$)	Expenditure (\$)	Net Result (\$)
DHW Recurrent Transfer	98,761,000	0	
ABF Operating, Statewide, Mental Health & Intermediate Care	39,221,000	137,982,000	
Other Operating	0	0	
Inter Regional/Inter Portfolio	197,000	197,000	
Special Purpose Funds & Other Own Source Revenue	319,000	287,000	
Capital	732,000	0	
Non-Cash Items	0	7,224,000	
<b>Total EFN Allocation</b>	<b>139,230,000</b>	<b>145,690,000</b>	<b>(6,460,000)</b>

### Activity and Funding Allocation

The DHW has adopted the National ABF model to price and fund activity delivered by the LHNs.

Commissioned activity targets (NWAUs) for Acute, Emergency, Mental Health Admitted, Sub-Acute and Non-Admitted Services have been derived using the Independent Hospital Pricing Authority (IHPA) price weights with adjustments made based on the LHN casemix profile. The DHW applies the National Efficient Price as set by IHPA to this commissioned activity to determine the funding allocation.

DHW determines the funding allocation on the basis of the number of patients, irrespective of residence, or funding source e.g. private patient, Department of Veteran Affairs patient and the types of treatments at a set price weight.

The DHW will monitor actual activity against commissioned levels monthly with the LHN and formally through the Performance Review Meeting process. The LHN has a responsibility to actively monitor

variances from commissioned activity levels, to notify the DHW of any potential variance and to take appropriate action to avoid variance exceeding agreed tolerances.

If the LHN wishes to move activity between commissioned activity types and levels or make any deliberate changes to the consistent recording of activity that would result in activity moving between activity types and levels, this must be negotiated with DHW.

<b>Activity and Funding Allocation</b>			
<b>Funding Type</b>	<b>2022-23 Cap</b>		<b>Commissioned</b>
	<b>Separations/ Service Events</b>	<b>NWAUs</b>	
<b>Casemix Allocations</b>			
Acute (admitted)	7,549	6,003	\$34,798,318
Admitted Mental Health	277	336	\$1,947,198
Emergency Department	15,484	2,008	\$11,643,179
Outpatients	16,009	1,647	\$9,545,806
Sub-Acute	83	187	\$1,085,522
<b>Total Activity Allocation</b>	<b>39,402</b>	<b>10,181</b>	<b>\$59,020,023</b>
<b>Grant Funded Allocation</b>			
Acute (admitted)	2,120	1,642	\$9,516,356
Admitted Mental Health	128	174	\$1,009,174
Emergency Department	8,148	894	\$5,182,878
Outpatients	9,584	891	\$5,164,734
Sub-Acute	19	332	\$1,925,194
<b>Total Activity Allocation</b>	<b>19,999</b>	<b>3,933</b>	<b>\$22,798,336</b>
<b>Designated Allocations</b>			
Aged Care			\$23,132,000
Intermediate Care			\$24,729,147
Mental Health			\$1,941,674
NEP Relativity Adjustment			\$(8,835,298)
Other (including Rural Access Grant)			\$8,821,845
Regional Office (Site Specifics)			\$5,802,000
Site Specifics & Grants			\$572,464
<b>Total Designated Allocations</b>			<b>\$56,163,833</b>
<b>Total Expenditure</b>			<b>\$137,982,189</b>

## Independent Hospital Pricing Authority (IHPA) Model

SA Health is required to inform the Administrator of the National Health Funding Pool of the commissioned services of the LHN for the 2022-23 year, expressed in line with the determinations of the IHPA.

To meet the requirements of the Administrator, the Agreement includes a translation of the SA Health ABF model into the same scope as the IHPA Determination and Funding Model.

National Health Reform Funding Table				
Funding Type	2022-23 Cap NWAU	ABF Price (\$)	Commissioned (Price/ NWAU)	Commonwealth Funding (38.87%)
<b>Activity Allocations</b>				
Acute (Inpatients)	4,692	\$5,797	\$27,198,336	\$10,522,024
Mental Health (admitted)	203	\$5,797	\$1,174,423	\$454,341
Sub-Acute	173	\$5,797	\$1,000,157	\$386,924
Emergency Department	1,488	\$5,797	\$8,623,326	\$3,336,044
Outpatients	853	\$5,797	\$4,944,522	\$1,912,851
<b>Total ABF Allocations</b>	<b>7,407</b>		<b>\$42,940,763</b>	<b>\$16,612,183</b>
<b>Block Allocations</b>				
Teaching, Training and Research			\$2,000	\$774
Small and Rural Hospitals			\$48,674,278	\$18,830,266
Non-Admitted Mental Health			\$0	\$0
Non-Admitted CAMHS				\$0
Non-Admitted Home Ventilation				\$0
Other Non-Admitted Services (Home Oxygen)			\$115,991	\$44,872
Other Public Hospital Programs				\$0
Highly Specialised Therapies				\$0
<b>Total Block Allocation</b>			<b>\$48,792,269</b>	<b>\$18,875,913</b>
<b>Grand Total Funding Allocation</b>			<b>\$91,733,032</b>	<b>\$35,488,095</b>

## Specific Commissioning Commitments

The services, programs and projects set out in the table below have been specifically commissioned by the DHW from the LHN. These services will be the focus of detailed monitoring by the DHW. If the LHN forecasts an inability to achieve these commitments, the LHN will promptly notify the DHW.

Specific Commissioning Commitments	
Service / Program	Allocation
Transition Care Program	Funds are allocated to the LHNs in proportion with their number of Transition Care places  Base Places at 94.4% Occupancy: 14.9 Funding Allocation: \$1,495,980
Aged Care Assessment Program	Minimum of 114 assessments completed per quarter to a maximum value of \$311,841, including: <ul style="list-style-type: none"> <li>• \$650 per completed assessment</li> <li>• \$50 per completed support plan review up to \$4,000</li> </ul>
Multi-Purpose Services	Jointly funded by the Commonwealth and the State to establish and maintain health and aged care services <ul style="list-style-type: none"> <li>• 236 places</li> <li>• \$18,216,685</li> </ul>
Palliative Care	End of life care packages will be distributed to each regional LHN and supported by the Rural Support Service
Lymphoedema Compression Garment Scheme	\$6,000 Supplies & Services <i>(to be provided to Regional Support Services for allocation)</i>
Improving Trachoma Control Services for Indigenous Australians	\$1,207,000
Country Cancer Services – Chemotherapy	All activity now in 2022-23 commissioned base
GP Agreement	\$5,614,851

## SIGNATURE

This is a Service Agreement (the Agreement) between the Chief Executive of the Department for Health and Wellbeing (Chief Executive) and the Eyre and Far North Local Health Network Incorporated (the Parties) which sets out the Parties' mutual understanding of their respective statutory and other legal functions and obligations through a statement of expectations and performance deliverables for the period of 01 July 2022 - 30 June 2023.


Through execution of the Agreement, the Local Health Network agrees to meet the service obligations and performance requirements as detailed in Part A-Part E of the Agreement. The Chief Executive agrees to provide the funding and other support as outlined in the Agreement.

### **Michele Smith**

Chair

On behalf of

Eyre and Far North Local Health Network Inc. Governing Board

Signed:  ..... Date: 27/10/2022 .....

### **Verity Paterson**

Chief Executive Officer


Eyre and Far North Local Health Network Inc.

Signed:  ..... Date: 27/10/2022 .....

### **Dr Robyn Lawrence**

Chief Executive

Department for Health and Wellbeing

Signed:  ..... Date: 30.11.22 .....



## APPENDIX 1: COMPANION ARCHITECTURE

Without limiting any other obligations, the delivery of services under this Agreement requires the LHN and DHW to comply with:

[Australian Health Service Safety and Quality Accreditation \(AHSSQA\) Scheme](#)

[Better Placed: Excellence in health education](#)

[Charter of Responsibility](#)

[Clinical Services Capability Framework](#)

Commonwealth Aged Care Quality and Safety Commission (where applicable)

[Disaster Resilience Policy Directive](#)

[Emergency Management Act 2004](#)

[Fifth National Mental Health and Suicide Prevention Plan](#)

[Health Care \(Governance\) Amendment Bill 2020](#)

[Health Care Act 2008](#)

[Integrated Compliance Management Framework](#)

[National Agreement on Closing the Gap](#)

[National Clinical Governance Framework](#)

[National Health Reform Agreement](#)

National Partnership Agreements between the State and Commonwealth Government

[National Safety and Quality Health Service Standards](#)

[NDIS Code of Conduct](#)

[NDIS Practice Standards and Quality Indicators](#)

[Office for the Ageing \(Adult Safeguarding\) Amendment Act 2018](#)

[Public Health Act 2011](#)

[System-wide Integrated Compliance Policy Directive](#)

[SA Health Gender Equality and Diversity Steering Committee: Strategic Directions 2020-2023](#)

[SA Health Policy Framework](#)

[SA Health Aboriginal Cultural Learning Framework](#)

[SA Health Aboriginal Health Care Framework](#)

[SA Health Aboriginal Workforce Framework 2017-2022](#)

[SA Health Accreditation Policy Directive](#)



[SA Health Clinical Placement Requirements for Health Care Students](#)

[SA Health Clinical Services Capability Framework](#)

[SA Health Corporate Governance Framework Summary](#)

[Enterprise Data And Information \(EDI\) Data Requirements Bulletin](#)

[SA Health Performance Framework](#)

[SA Health Research Ethics Policy Directive](#)

[SA Health Research Governance Policy Directive](#)

[SA Medical Education and Training Principles](#)

[SA Mental Health Services Plan – 2020-2025](#)

[Service Agreement Amendment Fact Sheet](#)

[Service Agreement Dispute Resolution Fact Sheet](#)

[South Australian Aboriginal Cancer Control Plan 2016-2021](#)

[South Australian Aboriginal Diabetes Strategy 2017-2021](#)

[South Australian Aboriginal Heart and Stroke Plan 2017-2021](#)

[South Australian Health and Wellbeing Strategy 2020-2025](#)

Standards for General Practice (where applicable)

[State Emergency Management Plan](#)

[State Public Health Plan 2019-2024](#)

[The Mental Health Act 2009](#)

All other [policies and directives applicable](#) to DHW

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## For more information

**Eyre and Far North Local Health Network 2022-23 Service Agreement  
Commissioning and Performance**

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