



Government of **Western Australia**
Department of **Health**

Service Activity Amendment Framework Process Guide 2015-16

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Acronyms

ABF	Activity Based Funding
ADG	Assistant Director General
BTA	Budget Transfer Allocation
CE	Chief Executive
DoH	Department of Health
FO	Financial Operations
GD	Group Director
HSP	Health Service Provider
HSEM	Health System Economic Modelling
HSIU	Health System Improvement Unit
HSPD	Health Services Purchasing Directorate
OMH	Office of Mental Health
MH	Mental Health
MHC	Mental Health Commission
NMHS	North Metropolitan Health Service
PSP	Purchasing and System Performance
SAA	Service Activity Amendment
SCGH	Sir Charles Gairdner Hospital
SM	System Manager
SMHS	South Metropolitan Health Service
WACHS	Western Australian Country Health Service
WAU	Weighted Activity Unit

Overview

The Service Activity Amendment Framework (the Framework) policy establishes the roles and responsibilities of the Department of Health as System Manager and purchaser of public health services, the Mental Health Commission as purchaser of specialised mental health services and the Health Service Providers in relation to the formal process of amendment of service activity and associated funding.

The Framework provides a clear governance structure and process that drives accountability while ensuring service activity amendments and financial resources are managed effectively and appropriately within a devolved governance structure.

This Process Guide should be read in conjunction with the Framework available at <http://ww2.health.wa.gov.au/About-WA-Health/Service-agreements>.

Aim

To successfully operationalise the Framework, a process map (refer to Appendix A) and three scenarios have been developed with step-by-step instructions on how to manage the service activity amendment process.

The service activity amendment scenarios are based on the three core mechanisms of change to service activity. These include:

- Inter-Health Service Provider – transfers of activity from a Health Service Provider site to a different Health Service Provider site (e.g. a North Metropolitan Health Service (NMHS) hospital to a South Metropolitan Health Service (SMHS) hospital).
- Intra-Health Service Provider – transfers of activity from one site to another site within the same Health Service Provider (e.g. a NMHS hospital to a NMHS hospital).
- Commonwealth or State Funding Amendments – purchase of additional activity determined by Commonwealth or State policy (e.g. the delivery of new targeted national breast cancer screening program to all WA Health country sites funded by the Commonwealth Government).



To get more information on the Framework please refer to the Department of Health's internet website at: <http://ww2.health.wa.gov.au/About-WA-Health/Service-agreements>.

Scenario 1: Inter-Health Service Provider



North Metropolitan Health Service (NMHS) is seeking the approval for the movement of 800 Weighted Activity Units (WAUs) from Sir Charles Gairdner Hospital (SCGH) to Royal Perth Hospital at the South Metropolitan Health Service (SMHS) to perform cardiac catheterisation services over a three-month period while one of their cardiac catheterisation laboratories is upgraded. The total transfer is 800 WAUs.

Potential impacts:

No impact to Department of Health budget expense limit; no impact to WAU estimate; transfer adjustments to Activity Based Funding (ABF) targets for each Health Service Provider; no additional Commonwealth ABF impact.

Process steps

1. The Health Service Provider seeking to transfer service activity advises the Health Services Purchasing Directorate (HSPD) of the proposed transfer.
 - Note:** It is the responsibility of the transfer initiator to attain approval from the transfer receiver CE (Health Service and Hospital) prior to initiating a service activity amendment.
2. The HSPD discusses the change with the Health System Economic Modelling (HSEM) Directorate to gauge an understanding of the significance and implications of the transfer.
3. The HSPD organises the initial consultation meeting with the relevant stakeholders from the Health Service Providers (both the transfer initiator and the transfer receiver) and within the Department of Health (HSPD, HSEM, Health System Improvement Unit (HSIU) and Financial Operations (FO)), to discuss the transfer and the process required for approval.
4. The transfer initiator (NMHS) develops a draft proposal that outlines the rationale for the transfer and completes Budget Transfer Allocation (BTA) form along with a Service Activity Amendment (SAA) form for discussion with their Chief Executive (CE).
5. The transfer initiator CE reviews the draft proposal, BTA and SAA and advises if changes are required. If no changes are required the CE can either approve or reject the transfer of activity.
 - a. If the transfer is rejected then no further action is required.
 - b. If the transfer is approved by the CE then the Health Service Provider transfer initiator advises the HSPD of the approval.
6. The HSPD organises a follow-up consultation meeting with the Health Services (both transfer initiator and transfer receiver) and Department of Health stakeholders (HSPD, HSEM, HSIU and FO) to review the CE approved draft proposal and forms and advises the Health Service Provider transfer initiator if changes are required.
 - a. If changes are required the Health Service Provider transfer initiator will need to amend the draft proposal and/or forms and submit this to their CE for approval.
 - b. If no changes are required the proposal and forms are progressed to the finalisation stage.

7. The HSPD records the activity amendment in the service activity amendment log and assigns a unique record number.
8. The HSPD develops a briefing note to progress the final approval of the proposal and forms with the Assistant Director General of the Purchasing and System Performance Division.
 - a. If final approval is not granted then the HSPD notifies the Health Service Provider transfer initiator of the rejection and the reason(s) for the rejection of the activity amendment. No further action is required.
 - b. If the final approval is granted, the HSPD provides a copy of the approvals to the Health Service Provider and Department of Health stakeholders for processing (refer to Appendix A for the stakeholder processing requirements).



The Mental Health Commission and the Office of Mental Health stakeholders must be included in the consultation process for all mental health related activity transfers.

Scenario 2: Intra-Health Service Provider



NMHS requests movement of 500 WAUs of activity for the current financial year only from SCGH to Osborne Park Hospital, as demand in Osborne Park has spiked compared to the target. SCGH is already over their threshold target activity but would like to transfer activity to Osborne Park to cope with demand at that facility. The total transfer is 500 WAUs.

Potential impacts:

No impact on Department of Health budget expense limit; no impact on WAU estimate; transfer adjustment to ABF targets at site level; no impact to ABF targets at Health Service Provider; no additional Commonwealth ABF funding impact.

Process steps

1. The Health Service Provider seeking to transfer service activity advises the HSPD of the proposed transfer.
Note: As this transfer is within a Health Service Provider it is assumed that questions about suitability and adequacy of transfer amount as well as ability of receiving site to handle the requirements implicit with the transfer are understood/agreed.
It is the responsibility of the transfer initiator to attain approval from the transfer receiver Hospital CE prior to initiating a service activity amendment.
2. The HSPD discusses the change with the HSEM directorate to gauge an understanding of the significance and implications of the transfer.
3. The HSPD organises the initial consultation meeting with the relevant stakeholders from the Health Service Provider (possibly representatives from each site within the Health Service Provider) and within the Department of Health (HSPD, HSEM, HSIU and FO), to discuss the transfer and the process required for approval.
4. The transfer initiator (NMHS) develops a draft proposal that outlines the rationale for the transfer and completes BTA form along with a SAA form for discussion with their CE.
5. The CE reviews the draft proposal, BTA and SAA and advises if changes are required. If no changes are required the CE can either approve or reject the transfer of activity.
 - a. If the transfer is rejected then no further action is required.
 - b. If the transfer is approved by the CE then the Health Service Provider transfer initiator advises the HSPD of the approval.
6. The HSPD organises a follow-up consultation meeting with the Health Service Provider (possibly representatives from each site within the Health Service Provider) and Department of Health stakeholders (HSPD, HSEM, HSIU and FO) to review the CE approved draft proposal and forms and advises the Health Service Provider transfer initiator if changes are required.
 - a. If changes are required the Health Service Provider transfer initiator will need to amend the draft proposal and/or forms and submit this to their CE for approval.

- b. If no changes are required the proposal and forms are progressed to the finalisation stage.
- 7. The HSPD records the activity amendment in the service activity amendment log and assigns a unique record number.
- 8. The HSPD develops a briefing note to progress the final approval of the proposal and forms with the Assistant Director General of the Purchasing and System Performance Division.
 - a. If final approval is not granted then the HSPD notifies the Health Service Provider transfer initiator of the rejection and the reason(s) for the rejection of the activity amendment. No further action is required.
 - b. If the final approval is granted the HSPD provides a copy of the approvals to the Health Service Provider and Department of Health stakeholders for processing (refer to Appendix A for the stakeholder processing requirements).

Scenario 3: State Funding Amendment



The State Government has approved increased funding for in-scope Telehealth services in regional WA. The Department of Health now has additional funding that is to be provided to WACHS to deliver more of this type of activity.

Potential impacts:

Increase in Health Service budget expense limit; increase in WAU estimate; adjustment to ABF targets for Health Service Provider; additional Commonwealth ABF funding impact.

Process steps

1. The HSPD discusses the change with the HSEM directorate to gauge an understanding of the significance and implications of the transfer.
2. The HSPD organises the initial consultation meeting with the relevant stakeholders from the Health Service Provider receiving the funding and within the Department of Health (HSPD, HSEM, HSIU and FO), to discuss the transfer and the process required for approval.
3. The HSPD develops a draft proposal that outlines the rationale for the transfer and completes BTA form along with a SAA form for discussion with the Director HSPD.
4. The Director HSPD reviews the draft proposal, BTA and SAA and advises if changes are required.
 - a. If no changes are required the Director can either approve or reject the transfer of activity.
 - b. If the transfer is rejected then no further action is required.
5. Once the Director HSPD reviews the draft proposal, BTA and SAA and no further changes are requested, these are progressed to the Group Director Resources to review.
 - a. If the Group Director Resources requests changes, the HSPD updates the proposal and forms as required and then resubmits to the Director HSPD and Group Director Resources.
 - b. If no further changes are requested the Director HSPD and Group Director Resources approve the draft proposal, BTA and SAA.
6. The HSPD organises a follow-up consultation meeting with the Health Service Provider and Department of Health stakeholders (HSPD, HSEM, HSIU and FO) to review the Director HSPD and Group Director Resources approved draft proposal.
 - a. If changes are required the HSPD will need to amend the draft proposal and/or forms and submit this to the Director HSPD and Group Director Resources for approval.
 - b. If no changes are required the proposal and forms are progressed to the finalisation stage.
7. The HSPD records the activity amendment in the service activity amendment log and assigns a unique record number.

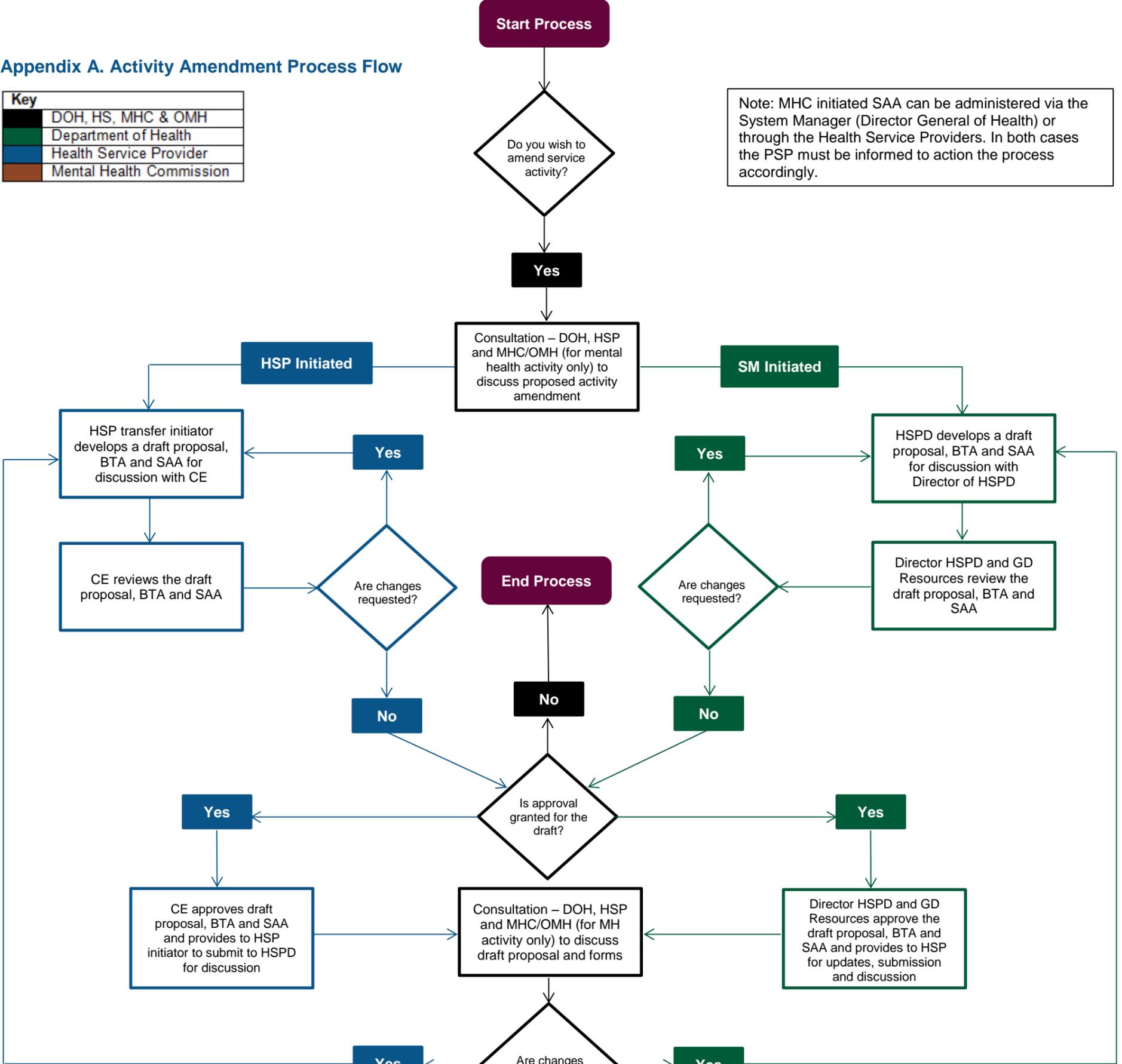
8. The HSPD develops a briefing note to progress the final approval of the proposal and forms with the Assistant Director General of the Purchasing and System Performance Division.
 - a. If final approval is not granted then the HSPD notifies the Health Service Provider initiator of the rejection and the reason(s) for the rejection of the activity amendment. No further action is required.
 - b. If the final approval is granted, the HSPD provides a copy of the approvals to the Health Service Provider and Department of Health stakeholders for processing (refer to Appendix A for the stakeholder processing requirements).

Appendix A. Activity Amendment Process Flow

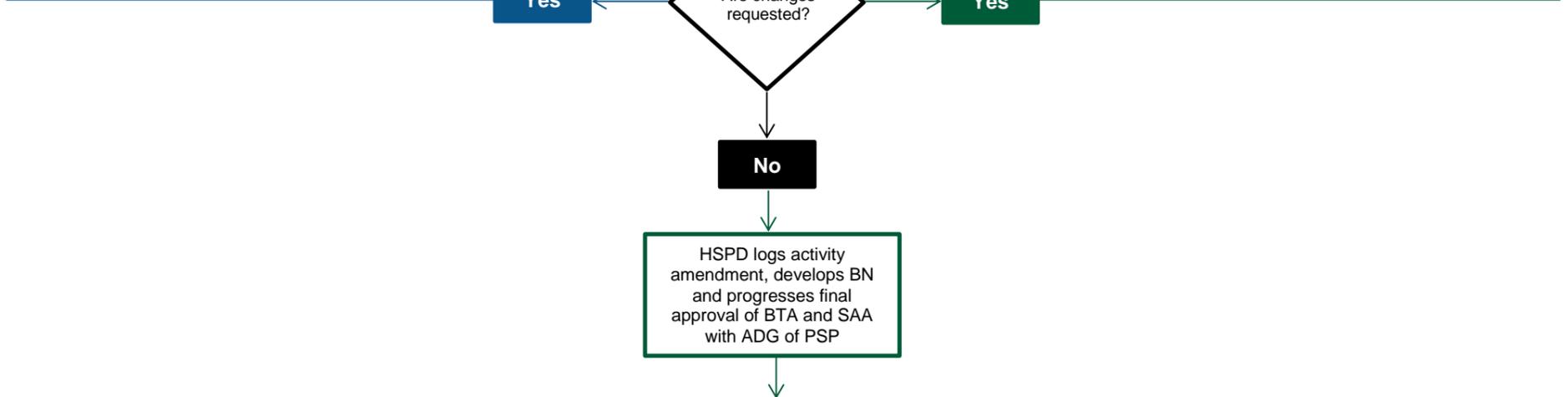
Key	
	DOH, HS, MHC & OMH
	Department of Health
	Health Service Provider
	Mental Health Commission

Note: MHC initiated SAA can be administered via the System Manager (Director General of Health) or through the Health Service Providers. In both cases the PSP must be informed to action the process accordingly.

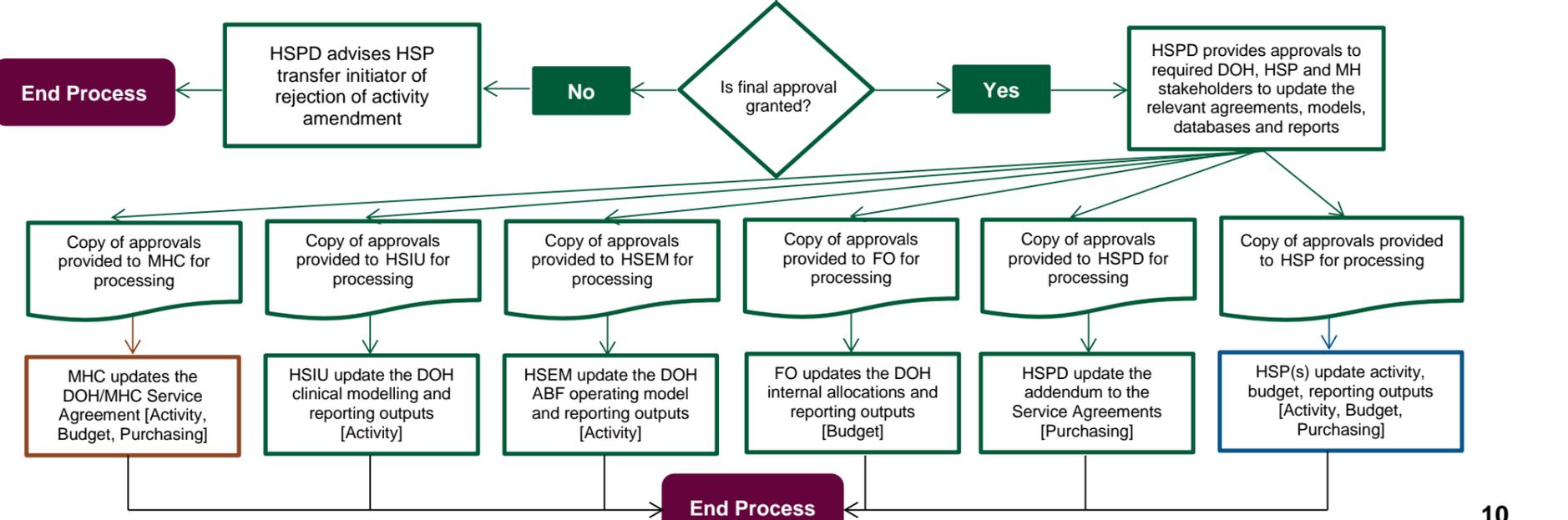
Stage 1 Draft activity amendment development and consultation



Stage 2 Finalisation of activity amendment



Stage 3 Processing



Document control

VERSION	DATE	AUTHOR	COMMENTS
Version 1.0	30 November 2015	Rebecca Chatterton	Approved on November 2015.



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