

Health New Zealand | Te Whatu Ora

# Working with Agreements

*A step-by-step guide*

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# Introduction

The purpose of this guide is to help contract managers and administrators when they work with the Contracts Support Team in planning, setting up and managing their agreements. The guide explains the main functions of the Contracts Support Team in creating and maintaining agreements and the required procedures and documentation.

The Contracts Support Team is based in Dunedin and is part of the Health New Zealand | Te Whatu Ora (Health NZ). The team is responsible for administering non-departmental expenditure health agreements and associated payment processes.

The Contracts Support Team consists of a Contracts Support Team Leader, Contracts Support Supervisor, Contracts Support Officers and Contracts Support Administrators. The team maintains approximately 20,000 active agreements for Te Aka Whai Ora (Māori Health Authority), Districts, National Commissioning teams and Whaikaha (Ministry of Disabled People). Around 18,000 agreements are created or varied each year, with almost 10,000 of these between May and September.

The main functions of the Contracts Support Team are divided into two areas, Primary Care and Secondary Care. Both have their own dedicated sections in this guide.

## **Primary Care**

The Primary Care section covers dental, pharmacy and PHO agreements, as well as payee numbers and Section 88 Notices for maternity providers, general practitioners and minor benefits. Most Primary Care agreements contain nationally consistent terms and conditions as well as a fee-for-service payment structure.

## **Secondary Care**

The Secondary Care section covers the processes that make up the majority of the work carried out by the Contracts Support Team. Most Secondary Care agreements are individually negotiated and are either bulk funded or have client eligibility checked before payment.

We welcome any comments you may have about the agreement processes and practices described in this guide.

# **Part 1: Primary Care**

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# Primary Care



Primary health care relates to the professional health care provided in the community, usually from a general practitioner (GP), practice nurse, pharmacist or other health professionals.

Primary Care agreements are claim based and most agreements contain nationally consistent terms and conditions and pricing structures. Providers submit claims for services either manually or electronically, and payments are processed using the Proclaim payment system. Most Proclaim paid services require a valid agreement and payee number before claims can be accepted and processed.

Most Primary Care requests are processed using an application that the Contracts Support Team receives directly from the provider. Our team processes the following agreement and application types.

## Payee Numbers

Payee numbers are required to submit claims for fee-for-service payments processed by Proclaim (the payment system). They are also used to verify the identity of a provider when that provider rings our contact centre.

### ***General Medical Services (GMS) and Immunisation Claiming***

Most payee number applications we process are from GPs and GP practices that are members of Primary Health Organisations (PHOs). Claims for casual General Medical Services (GMS) and immunisations (IMMs) require a payee number as well as the PHO's agreement number.

Providers can request an application form for a payee number from our contact centre (see Appendix 2: Who to Contact). Once we receive a completed application, we create a memo and send it along with the application to the District for approval, before issuing the payee number.

Information about claiming can be found here: [health.govt.nz/new-zealand-health-system/claims-provider-payments-and-entitlements/general-medical-services-claims](https://health.govt.nz/new-zealand-health-system/claims-provider-payments-and-entitlements/general-medical-services-claims) and [health.govt.nz/new-zealand-health-system/claims-provider-payments-and-entitlements/immunisation-subsidy](https://health.govt.nz/new-zealand-health-system/claims-provider-payments-and-entitlements/immunisation-subsidy)

### ***National Health Index (NHI) Access***

Providers who are medical practitioners or who hold an active agreement with the Health NZ or ACC are entitled to access National Health Index (NHI) numbers. Payee numbers issued for claiming purposes can be used to access NHI numbers, but providers who don't supply Proclaim paid services, such as mental health providers, can apply for a payee number specifically for NHI access. Providers can request an application form for an NHI access payee number from our contact centre (see Appendix 2: Who to Contact).

## Primary Health Organisation (PHO) Agreements

PHO agreements cover services provided mostly in a general practice setting. The base document is nationally consistent; however local service specifications can be inserted. Practices that are members of a PHO receive capitation payments through the PHO, based on the number of patients who are enrolled with them. Capitation payments are processed using the Capitation Based Funding (CBF) system.

Claims for casual GMS and immunisations require the PHO's agreement number as well as a payee number (see Payee Numbers above).

Practitioners and practices that are not a member of a PHO need a Section 88 General Practitioner or General Practice Site Notice to claim (see Section 88 Notices below).

## Combined Dental Agreements

There are over 850 active Combined Dental Agreements (CDAs). The agreement is optional and covers oral health services provided to adolescents and special dental services provided to children and adolescents. The agreement is nationally consistent; provider specific terms and conditions and local service specifications can't be inserted.



Unlike other Primary Care agreement types, dental providers need to liaise with their District directly if they want to establish a CDA. To create a new agreement, we require a completed Agreement Request Form (ARF), Perorg<sup>1</sup> form or application form, bank account verification and a list of the practitioners who will be using the agreement to claim. See Part 2: Preparing Your Agreement Request for more information. Once we have received the full information, we will issue an agreement and a payee number. The payee number is used for payments and to verify identity when a practice requests NHI numbers.

CDA claims are processed by Sector Operations in Wellington using Proclaim and must be submitted via post on paper claim forms. Claiming information, including claim forms, can be found on the Ministry's website at: [health.govt.nz/new-zealand-health-system/claims-provider-payments-and-entitlements/dental-claim-and-enrolment-forms](https://health.govt.nz/new-zealand-health-system/claims-provider-payments-and-entitlements/dental-claim-and-enrolment-forms)

A copy of the current CDA (including the current payment schedule), Operational Guidelines and Licence to Occupy can be found at: [nsfl.health.govt.nz/service-specifications/current-service-specifications/oral-health-service-specifications](https://nsfl.health.govt.nz/service-specifications/current-service-specifications/oral-health-service-specifications)

## Integrated Community Pharmacy Services Agreement (ICPSA)

There are around 1,000 active Integrated Community Pharmacy Services Agreements (ICPSA). To create a new agreement, we require a completed ARF, application form, bank account verification and Medicines Control licence (if one has been issued, see below) before we can process the request. See Part 2: Preparing Your Agreement Request for more information. The base agreement is nationally consistent, however local service specifications can be added as a schedule in part 3C.

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<sup>1</sup> Perorg is Health NZ provider database.



*You can submit the ARF and accompanying documentation before the Medicines Control licence has been issued, to get the process underway. We can't activate the agreement or accept authorisation to pay the agreement in draft without a valid licence.*

There is a pharmacy specific ARF available on the Health New Zealand | Te Whatu Ora website at: <https://www.tewhatauora.govt.nz>. This ARF lists compulsory services, as well as additional services that a pharmacy can choose to provide.

Unlike CDAs, application forms for new ICPSAs can be requested from our contact centre (see Appendix 2: Who to Contact). We will also issue a claimant number; the pharmacy uses this number along with the agreement number to submit claim batches. It's also used to verify the pharmacy's identity if they request special authorities for certain drugs or customer NHI numbers.

Pharmacy claims are submitted electronically to Sector Operations in Whanganui and are paid using Proclaim. A copy of the current ICPSA as well as additional information about pharmacy services can be found at: [Community Pharmacy Agreement](#)

## **Section 88 Notices**

Section 88 Notices have nationally consistent terms and conditions and pricing. The provider is deemed to have accepted the Notice's terms and conditions when they submit their first claim. Any changes to a Notice are gazetted on [www.gazette.govt.nz](http://www.gazette.govt.nz) and are not required to be varied in CMS. We administer the following Notices:

### ***National Commissioning funded***

- Maternity services
- Wigs and hairpieces subsidy
- Breast prostheses subsidy

### ***District funded***

- General practitioner and general practice site notices

Application forms for each notice can be requested from our contact centre (see Appendix 2: Who to Contact). For District funded applications, we require approval before we process them. We do this by sending a memo outlining the provider's details as well as a copy of the application to the relevant contact. Once we receive approval, we can issue a notice and payee number. Claims can be submitted electronically or manually and are processed by Sector Operations in Wellington using Proclaim.

## **Contact Lens Benefit Agreements**

The Health NZ commissioning funds Contact Lens Benefit agreements in the Northern, Te Mana Taki (Midland) and Te Waipounamu (Southern) regions while Districts fund agreements in the Central region. The subsidies paid are nationally consistent, however there are regional eligibility differences.



Eligible practitioners and organisations apply for a Contact Lens Benefit agreement using an application form obtained from our contact centre (see Appendix 2: Who to Contact). Once we have reviewed the form for accuracy, it's submitted to the relevant National Commissioning or District contact for approval before processing. Claims must be submitted manually and are processed by Sector Operations in Wellington using Proclaim.

## **Children's Worker Safety Checks**

The Children's Act 2014 (the Act), previously called The Vulnerable Children Act 2014, stipulates that all paid employees and contractors as well as unpaid workers who are working with children as part of an educational or vocational training course for state-funded organisations must undergo a safety check. More information about the Act and safety checking can be found at: <https://www.health.govt.nz/our-work/health-workforce/childrens-action-plan-childrens-worker-safety-checking-and-child-protection-policies>

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More information about Primary Care related applications, claims and entitlements is available on the Ministry website at: [www.health.govt.nz/new-zealand-health-system/claims-provider-payments-and-entitlements](http://www.health.govt.nz/new-zealand-health-system/claims-provider-payments-and-entitlements)

## **Part 2: Secondary Care**

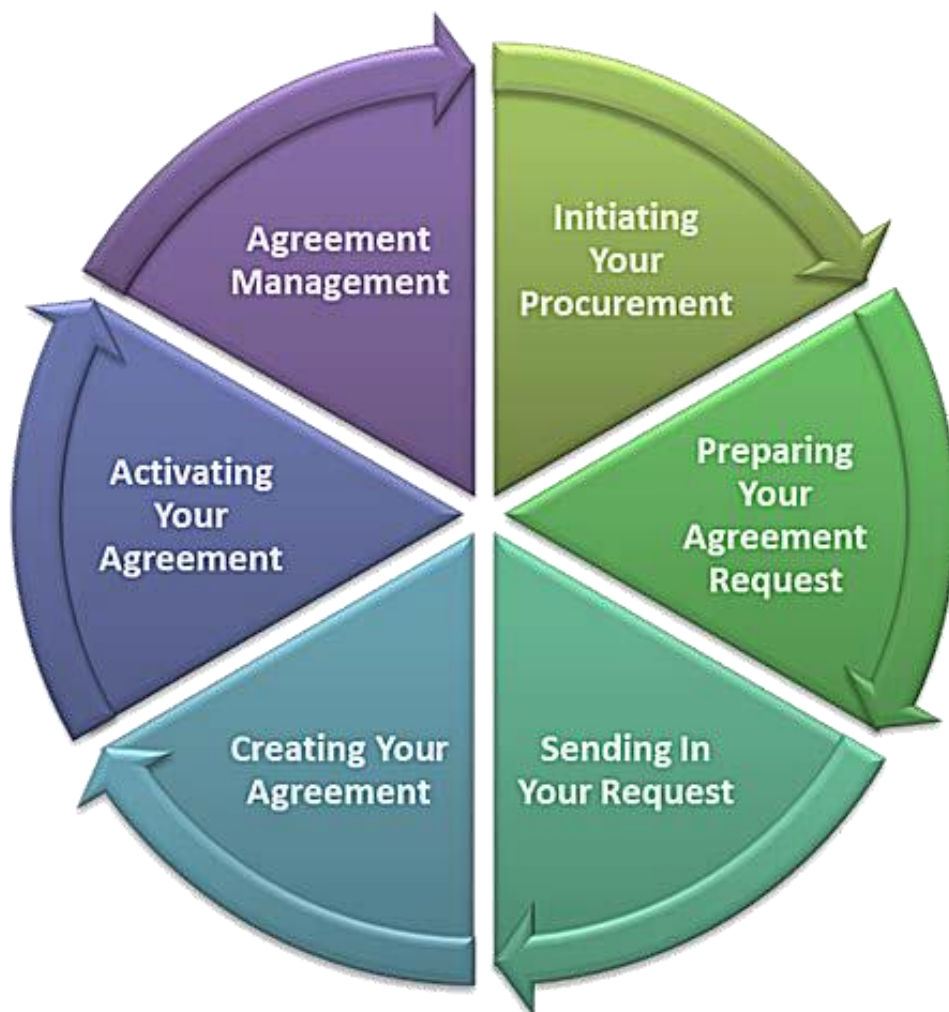
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# Overview

This section covers the process for creating agreements that are defined by the Contracts Support Team as Secondary Care. As mentioned in the introduction, Secondary Care agreements are usually individually negotiated and are either bulk funded or require client eligibility validation before payment.

Figure 1 below illustrates the process carried out by you and the Contracts Support Team to create and maintain Secondary Care agreements.

**Figure 1: The Secondary Care Agreement Process**



As shown above, the agreement process can be viewed as a lifecycle from initiation of procurement, through to agreement management. Each stage of this lifecycle is covered by a section in this guide.

The Contracts Support Team can provide you with advice and information throughout the agreement process.

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# 1. Initiating Your Procurement



Before you submit an agreement request to the Contracts Support Team, you should follow your District's or Commissioning teams process for planning, decision making and service purchasing.

It's expected that this process will follow the five principles of government procurement:

- Plan and manage for great results
- Be fair to all suppliers
- Get the right supplier
- Get the best deal for everyone
- Play by the rules.

It's also expected that, for the purchase of goods and services with a value exceeding \$100,000, the Government Rules of Sourcing will be followed.

For more information about the Government Rules of Sourcing and procurement, see the New Zealand Government Procurement website at: [www.procurement.govt.nz/procurement](http://www.procurement.govt.nz/procurement)

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## 2. Preparing Your Agreement Request



The information in this section outlines what you need to consider and provide when you're preparing an agreement request.

### Provider Numbers

The provider number is used as a unique identifier and is generated by Health NZ's provider database (Perorg). It is linked to information such as a provider's address and GST and bank account number. If a provider has agreements with more than one funder, the same provider number will be used for all agreements.

To check if a provider has an existing provider number:

- **For Commissioning agreements**, search in Oracle or CMS Perorg
- **For District funded agreements**, search in the Health Information Network (HIN) in Agreement Management.

If the provider you're contracting with is new, you'll need to complete an Additions and Amendments to the Contact Database ('Perorg') form.

We need bank account verification for all new providers. We can accept any of the following forms of verification:

- A screen shot from online banking with the account holder's name, the bank's name and the account number printed on it
- The top of a bank statement with the account holder's name, the bank's name and the account number printed on it
- An email from the bank with the account holder's name, the bank's name and the account number printed on it
- A pre-printed deposit slip
- A manually completed deposit slip that has been signed and stamped by the bank.

Send us the completed Perorg form and bank account verification when you send in your completed Agreement Request Form (ARF.)

### Agreement Types

When a new agreement is created one of the following agreement templates will be used unless you provide your own agreement document. Each template has different terms and conditions. The overall value and what is being purchased will determine which template is most appropriate. The table below outlines the features of each agreement type.

**Table 1: Agreement types**

<b>Agreement type</b>	<b>Features</b>
<b>Long agreement</b>	<ul style="list-style-type: none"> <li>• six-part agreement</li> <li>• Part A–D unable to be edited without Health Legal approval</li> <li>• extensive terms and conditions</li> <li>• used for higher risk, higher overall value purchases (\$100,000+)</li> <li>• must include service specification/s</li> </ul>
<b>Short agreement</b>	<ul style="list-style-type: none"> <li>• three-part agreement</li> <li>• Section A unable to be edited without Health Legal approval</li> <li>• fewer terms and conditions than long agreement type</li> <li>• used for lower overall value purchases (&lt;\$100,000)</li> <li>• must include service specification/s</li> </ul>
<b>Letter of agreement</b>	<ul style="list-style-type: none"> <li>• basic agreement format</li> <li>• limited number of terms and conditions</li> <li>• used for low-value, low-risk purchases</li> <li>• must include service specification/s or provider specific terms and conditions</li> </ul>
<b>Outcome agreement</b>	<ul style="list-style-type: none"> <li>• Streamlined agreement format, designed to make contract process more efficient and fairer for NGOs</li> <li>• Districts - must supply their own document</li> </ul>
<b>Service schedule</b>	<ul style="list-style-type: none"> <li>• can only be used if a head agreement is in place (see Head/Umbrella Agreements below)</li> <li>• only contains terms and conditions relevant to the service being purchased. General terms and conditions are contained in the head agreement</li> <li>• must include service specification/s</li> </ul>
<b>Aged Related Residential Care agreement</b>	<ul style="list-style-type: none"> <li>• used for residential rest home, hospital, dementia and hospital specialised services</li> <li>• nationally consistent terms and conditions and location-based pricing</li> <li>• annual project to vary instigated by the Contracts Support Team and Central Technical Advisory Services (see the Aged Related Residential Care Agreement Annual Process section below)</li> </ul>
<b>Integrated Community Pharmacy Services agreement</b>	<ul style="list-style-type: none"> <li>• compulsory services added by default, other services optional</li> <li>• nationally consistent terms, conditions and pricing</li> <li>• pharmacy specific ARF available</li> </ul>
<b>Combined Dental Agreement</b>	<ul style="list-style-type: none"> <li>• covers dental services provided to adolescents and/or special dental services to children</li> <li>• nationally consistent terms, conditions and pricing</li> </ul>

<b>Government model contract</b>	<ul style="list-style-type: none"> <li>• for low-value, low-risk common goods and services</li> <li>• completed document must be supplied</li> </ul>
<b>Variation</b>	<ul style="list-style-type: none"> <li>• two-part agreement</li> <li>• can only be used for variations of existing active agreements</li> <li>• Section B: Provider Specific Terms and Conditions section able to be amended</li> <li>• can be used to add and amend service specifications</li> </ul>

## **District-funded National Agreements**

The Aged Related Residential Care (ARRC) agreements, Combined Dental Agreements (CDA) and the Integrated Community Pharmacy Services Agreement (ICPSA) contain nationally consistent terms and conditions. The Central Technical Advisory Services/Districts are responsible for liaising with the advisory and regulatory bodies and for providing agreement documentation.

These agreements are normally varied annually to change prices and sometimes update terms and conditions. Unlike other agreement types, the contracting process for national agreements is initiated by the Contracts Support Team. We do this by providing you with a list of your agreements and the final documentation provided by Central Technical Advisory Services/District Shared Services, for your approval.

Changes to these agreements in the Contract Management System (CMS) and Client Claims Payment System (CCPS) are done electronically by means of a scripting process and we use mail merge to produce the agreement documents.

## **Head/Umbrella Agreements**

A head agreement, also known as an umbrella agreement, is a document that contains the standard terms and conditions that apply to one or more service schedules that sit beneath it. The service schedules contain the service-specific information, such as payment schedules, service specifications and reporting, and can be varied without needing to vary the head agreement. One head agreement per provider is required. A standard long or short agreement template can be used.

A head agreement is useful for contracting with providers who supply a large number of different types of services as it allows you to vary individual service schedules rather than the entire agreement each time. Please note, no payments are made against a head agreement, payments are made against the service schedules.

## **Assignments and Novations**

The assignment/novation process and documentation can be used when one provider takes over the services provided by another. Alternatively, you can issue the new provider with a full new agreement and terminate the agreement with the previous provider. If you choose to issue a new agreement or a novation, you can add and/or amend services but you can't if you use an assignment. When you submit a request for an assignment, novation or new agreement, you need to notify Sector Operations of the agreement number to be terminated, and the date of termination (see Terminating an Agreement under Part 6: Agreement Management below).

## Assignments

Assignment documents have a basic format; they do not include payment schedules, service specifications and other components of a standard agreement. The previous provider is required to hand over full agreement documentation to the new provider. Both the previous provider and new provider must sign the assignment documents.



*We can only assign agreements with the status of 'active'. We are unable to make any amendments to the term and conditions of the existing agreement at the time of assignment. If there are both Whaikaha and District funded agreements to be assigned and they are Client Claims Payment System (CCPS) paid agreements, the assignment commencement date will be the date of the sale.*

You'll need to complete and send us an Assignment Request Form and a Perorg form to start the process.

## Novations

Novations are similar to assignments, but you have the option of adding and amending services. You'll need to complete a Novation Request Form with service pages for all services being novated and changes/end dates for any services being clearly noted. The completed novation document will need to be provided when you send in your novation agreement request and accompanying documents.

## Variations

Variations to existing agreements make up a significant amount of the Contracts Support Team's work. You may want to vary an agreement to change the following:

- term
- price
- service volume
- contracted services (either additional services, or changes to existing services)
- deliverables.

The standard variation document is made up of two parts: A: Summary and B: Provider Specific Terms and Conditions.

The Children's Act 2014 and Health Emergency Planning clauses are left in by default for Secondary Care agreements unless we are advised to remove them.

It is important that you specify clearly on the ARF that your request is to vary an existing agreement. Advice about completing an ARF is discussed in Completing Your Agreement Request Form below.



*You can't vary an existing agreement to change the legal entity. You need to either assign or novate the agreement to the new legal entity or issue them with a new agreement.*



# Purchase Unit Codes

Purchase unit codes are part of a classification system used to consistently measure, quantify and value services. When you're completing your ARF, you'll need to specify a code for each service. It's important to choose a code that most accurately reflects the service being purchased.

A list of all purchase unit codes can be found on the Purchase Unit Data Dictionary (PUDD): [Nationwide Service Framework Library – Health New Zealand | Te Whatu Ora](#)



*When you've found a purchase unit code on the PUDD that you want to use, check that it doesn't have an end date specified in the End Date column. If the code has an end date, there should be a comment in the Remap column advising what code has or will replace it.*

Certain services, such as rest home and hospital level care, have standard purchase unit codes that are used in every agreement. If the service you're purchasing is client eligibility based and needs to be paid via the CCPS payment system, you need to check the PUDD first to see if the code you want to use can be used for CCPS payments (see Figure 2 below). Only certain purchase unit codes map to CCPS codes that Needs Assessment and Service Coordination (NASC) agencies load client eligibilities against.

**Figure 2: Purchase Unit Data Dictionary**

Nationwide Service Framework Purchase Unit Data Dictionary (PUDD) 2017/18 Version 22							
Search for <b>current</b> purchase units in column C. For <b>retired</b> purchase units go to sheet "b) PU Mapping Table".							
Purchase Unit Code	Purchase Unit Description	Purchase Unit Definition	Unit of Measure	National Collections and/or Payment Systems	GL Code	Output Class	Service Specification link
COOC112	Community Residential services for people with Chronic Health Conditions	This service provides 24-hour support for eligible people aged 16 years and over with a chronic health condition at the level assessed as being necessary for people to have a safe and satisfying home life.	Occupied Bed Day	CCPS	6645	Rehabilitation and Support	<a href="#">Mandatory service specification</a>



*Some codes have mandatory service specifications (also see Service Specifications below). A code that has a mandatory specification cannot be amended. However, you can include provider specific terms and conditions to add or exclude clauses within the specification. You can find out whether a code has a mandatory specification on the PUDD (see Figure 2 above).*

If you need help to work out the appropriate code or service specification to use, contact the Nationwide Service Framework (NSF) team (see Appendix 2: Who to Contact).

# Payment Systems

There are various internal payment systems that are used, depending on the service being purchased. When you complete your ARF, specify which system to use for each service.

**Table 2: Payment Systems**

Payment system name	Used for
CMS (Contract Management System)	<ul style="list-style-type: none"> <li>• invoice-based, bulk-funded services</li> <li>• payments processed using purchase orders via Oracle</li> <li>• payments processed in Dunedin</li> </ul>
CCPS (Client Claims Payment System)	<ul style="list-style-type: none"> <li>• client-based services that require validation of client eligibility (eg, residential care, home based support)</li> <li>• payments processed in Dunedin</li> </ul>
Proclaim	<ul style="list-style-type: none"> <li>• primary care related fee-for-service payments (eg, general medical services, immunisations, pharmacy, laboratory payments)</li> <li>• payments processed in Wellington and Whanganui</li> </ul>
CBF (Capitation-Based Funding)	<ul style="list-style-type: none"> <li>• Primary Health Organisation (PHO) payments based on enrolment data</li> <li>• payments processed in Wellington</li> </ul>

## Purchase Methods

A purchase method is a payment mechanism that is used to determine how payments against a service are structured. The purchase method you choose dictates the way the funding is to be allocated/distributed to your provider over the course of the agreement.

There are five different purchase methods: Block, Capacity, Price Volume Block, Price Volume Capped and Price Volume Uncapped. Below are some descriptions and examples that may help you determine the best method to use. You'll need to enter a purchase method on the Service Detail page of the ARF for all CMS and CCPS paid services. You don't need to specify a purchase method for Proclaim paid services.



*For CCPS paid services, you should only use Price Volume Uncapped as the purchase method. This is because we can't specify a limit (volume) in the CCPS payment system, only a unit price.*

Table 3 summarises the features of the different purchase methods.

**Table 3: Purchase Methods**

Purchase Method	Fixed Amount	Indicative Amount	Volume	Unit Price	CMS Paid	CCPS Paid
Block	X				X	
Capacity		X			X	
Price Volume Block	X		X	X	X	
Price Volume Capped		X	X	X	X	
Price Volume Uncapped		X		X	X	X

The following section explains the different purchase methods in detail and gives examples of each.

### Block

Fixed amount of funding.

### CMS:

By default, we will split the service total into even amounts as per the Payment Frequency unless specified in the Payment Schedule on the Service Detail page on the ARF (eg, first payment period amount \$10,000.00 with subsequent periods at \$2,000.00).

### Document:

Service Information - service total plus the total price is specified

Purchase Unit (PU ID)	Total Price excl. GST	GST Rate (%)	Payment Type
RMPM23 PH Promotion - Nutrition and Physical Activity	\$6,000.00	15	CMS
<b>Total price for the Service Schedule</b>	<b>\$6,000.00</b>		

Payment Schedule - payment period totals specified

Payments will be made by us on these dates:	On invoices received by us on or before:	For services supplied in the period:	Amount (excl GST)
20 August 2018	31 July 2018	July 2018	\$1,000.00
20 September 2018	31 August 2018	August 2018	\$1,000.00
23 October 2018	30 September 2018	September 2018	\$1,000.00
21 November 2018	31 October 2018	October 2018	\$1,000.00
20 December 2018	30 November 2018	November 2018	\$1,000.00
21 January 2019	31 December 2018	December 2018	\$1,000.00
<b>Total</b>			<b>\$6,000.00</b>

### Example:

You're funding a provider's fixed operating costs (eg, lease costs) that will not change during the term of the agreement. You want to pay the provider a fixed amount each payment period.

## Capacity

Indicative amount of funding.

### CMS:

By default, we will split the service total into even amounts as per the Payment Frequency unless specified in the Payment Schedule on the Service Detail page on the ARF.

The service total can also be added as a single payment that multiple invoices can be paid against. If you do this, the payment date specified needs to be the earliest date you would want invoices being paid on.

### Document:

Service Information - service total plus the total price is specified

Purchase Unit (PU ID)	Total Price excl. GST	GST Rate (%)	Payment Type
COGP0001 Targeted Activities	\$1,000.00	15	CMS
<b>Total price for the Service Schedule</b>	<b>\$1,000.00</b>		

Payment Schedule - payment period totals not specified

Payments will be made by us on these dates:	On invoices received by us on or before:	For services supplied in the period:
20 August 2018	31 July 2018	July 2018
20 September 2018	31 August 2018	August 2018
23 October 2018	30 September 2018	September 2018
21 November 2018	31 October 2018	October 2018
20 December 2018	30 November 2018	November 2018
21 January 2019	31 December 2018	December 2018

### Example:

Your provider needs to be reimbursed for travel expenses. You're not sure what the total will be, but you've got a maximum amount you want to spend and there may be multiple invoices submitted for payment.

## Price Volume Block

Fixed amount of funding based on a fixed volume and unit price. Mostly used for FTE-based health services.

### CMS:

By default, we will split the service total (volume x unit price) into even amounts as per the Payment Frequency unless specified in the Payment Schedule on the Service Detail page on the ARF.

### Document:

Service Information - volume, unit price and service total plus the total price is specified

Purchase Unit (PU ID)	Volume	Unit Price excl. GST (per PU)	Total Price excl. GST (UP x V)	GST Rate (%)	Payment Type
MHA03D Adult Crisis Respite - Non-clinical staff	2.5 FTE	\$87,000.00 per FTE	\$217,500.00	15	CMS
<b>Total price for the Service Schedule</b>			<b>\$217,500.00</b>		

Payment Schedule - payment period totals specified

Payments will be made by us on these dates:	On invoices received by us on or before:	For services supplied in the period:	Amount (excl. GST)
20 August 2019	31 July 2019	July 2019	\$36,250.00
20 September 2019	31 August 2019	August 2019	\$36,250.00
21 October 2019	30 September 2019	September 2019	\$36,250.00
20 November 2019	31 October 2019	October 2019	\$36,250.00
20 December 2019	30 November 2019	November 2019	\$36,250.00
20 January 2020	31 December 2019	December 2019	\$36,250.00
<b>Total</b>			<b>\$217,500.00</b>

**Example:**

You're purchasing FTE-based services. The amount that the provider will be paid per FTE is fixed, and there are a set number of FTEs that you're funding so the volume will not change.

**Price Volume Capped**

Indicative amount of funding based on an indicative volume and a fixed unit price.

**CMS:**

By default, we will split the service total (volume x unit price) into even amounts as per the Payment Frequency unless specified in the Payment Schedule on the Service Detail page on the ARF.

**Document:**

Service Information - volume, unit price and service total plus the total price is specified

Purchase Unit (PU ID)	Volume	Unit Price excl. GST (per PU)	Total Price excl. GST (UP x V)	GST Rate (%)	Payment Type
PHOI0006 Emergency Vaccination Programme	1,000 vaccinations	\$10.00	\$10,000.00	15	CMS
<b>Total price for the Service Schedule</b>			<b>\$10,000.00</b>		

Payment Schedule - Payment period totals not specified

Payments will be made by us on these dates:	On invoices received by us on or before:	For services supplied in the period:
20 August 2018	31 July 2018	July 2018
20 September 2018	31 August 2018	August 2018
23 October 2018	30 September 2018	September 2018
21 November 2018	31 October 2018	October 2018
20 December 2018	30 November 2018	November 2018
21 January 2019	31 December 2018	December 2018

**Example:**

You're purchasing syringes for an immunisation outreach service. You know the price per syringe (unit price) and the maximum amount of them that is needed (volume) so you can specify a service total.

## Price Volume Uncapped

Indicative amount of funding based on a fixed unit price only.

### CMS:

Unit price entered only; CMS-paid payment periods show as \$0.

### Document:

Service Information - unit price only is specified

Purchase Unit (PU ID)	Unit Price excl. GST (per PU)	GST Rate (%)	Payment Type
HOP1033 Residential (Aged - Rest Home)	\$87.50	12.3	CCPS

Purchase Unit (PU ID)	Unit Price excl. GST (per PU)	GST Rate (%)	Payment Type
CS01001 Community Radiology - Procedure 1	\$10.00	15	CMS

Payment Schedule (CMS-paid services only) - payment period totals not specified

Payments will be made by us on these dates:	On invoices received by us on or before:	For services supplied in the period:
20 August 2018	31 July 2018	July 2018
20 September 2018	31 August 2018	August 2018
23 October 2018	30 September 2018	September 2018
21 November 2018	31 October 2018	October 2018
20 December 2018	30 November 2018	November 2018
21 January 2019	31 December 2018	December 2018

### Examples:

**CCPS paid:** You're purchasing rest-home level services with a bed-day unit price. You use the CCPS payment system to process the payment as there's a requirement to validate a client's eligibility for the service before payment is made.

**CMS paid:** You're purchasing radiography services. You've specified a unit price per procedure, but you're unsure how many clients will be scanned so you're unable to specify a volume.

## Payment Frequencies

A payment frequency is required on the Service Detail page of the ARF for all CMS and CCPS paid services. Below is a table that shows the frequencies that can be used for each of the payment systems:

Frequency	CMS Paid	CCPS Paid
Monthly	X	X
Fortnightly	X	X
Quarterly	X	
Six-monthly	X	
Annually	X	
One-off	X	





Frequencies that aren't in the list (eg, payments based on the number of days in the month) must be specified in the Payment Schedule on the Service Detail page of the ARF.

## GST Rates

You will need to specify a GST rate on the Service Detail page of the ARF. Below is a table outlining the rate to use based on the services being provided:

Rate	Used For
15%	Standard rate, applies to non-residential services
12.9%	Residential private and specialised hospital services
12.3%	Residential rest home and dementia services
0%	Payments to overseas or GST exempt providers

## General Ledger (GL) Codes

Every CMS-paid service needs to have a full General Ledger (GL) code specified on the Service Details page of your ARF. GL codes for CMS are made up of six sections, as explained in the tables below, and look like this:

**2-63-92-8111-200-000**

GL codes are used for reporting purposes and to determine the funding pool a service is paid from. Your financial analyst should be able to advise the code to use.



*You don't need to specify a GL code for CCPS or Proclaim paid services. This is because they're already hard coded in the payment systems.*

### Common Chart of Accounts

The Common Chart of Accounts assigns numeric codes, including GL codes, to financial transactions. They can then be recorded in Health NZ's financial systems and used to prepare reports on financial activities.

### District-funded Agreements:

The Common Chart of Accounts can be found at:

[Nationwide Service Framework Library – Health New Zealand | Te Whatu Ora](#)

GL Component	
<b>Company</b>	For Districts this is always 3
<b>Group</b>	Identifies the operating group
<b>Responsibility</b>	Identifies where the provider is situated (usually your District's code)
<b>Service</b>	Refers to the services that are being supplied. Specified in the GL Code column in the purchase unit code's record in the PUDD
<b>Type</b>	Identifies the type of provider and nature of the service
<b>Commissioning/ District</b>	000 – This is the code used for all Districts

## National Commissioning - funded Agreements:

The Commissioning Teams' Non-Departmental Expenditure (NDE) chart of accounts can be found on MOH@WK under Finance.

GL Component	
Company	For the Commissioning Teams, this is always 2
Group	Identifies the business unit responsible for the transaction
Responsibility	Identifies the responsible area within the business unit
Service	Refers to the services that are being supplied. Specified in the GL Code column in the purchase unit code's record in the PUDD
Type	Records whether the provider is a District, other Crown Entity or NGO
National Commissioning/ District	Records the output and appropriation the cost relates to

## Provider Specific Terms and Conditions

Including a Provider Specific Terms and Conditions (PSTC) section in your agreement will allow you to detail deviations from the service specification, without changing the specification itself. PSTC can be used in both new agreements and variations.

Some of the reasons for including PSTC in your agreement could be to:

- add clauses to, or exclude clauses from, the service specification
- detail information relating to a specific client
- add some generic clauses (eg, your Regions' smokefree policy)
- detail the arrangements for recovering unspent funds
- add reporting requirements or targets that are specific to a provider
- clarify the intent of the agreement variation.

The PSTC is a section that you write yourself, and it is usually included at the end of the Provider Specific Terms and Conditions section in the agreement or variation template.

## Service Specifications

The service specification is the foundation of your agreement. It describes the services to be funded and delivered, in a measurable manner and incorporates the relevant purchase units and reporting requirements.

Some health services have minimum national service requirements that must be met when contracting for or providing these services. These requirements are covered in nationwide service specifications and have been agreed by Health NZ.

To ensure that minimum national service requirements are met, some service specifications are given 'mandatory' status. This means that you must use these specifications when these services are included in your agreement. Mandatory service specifications should be used exactly as they appear on the Nationwide Service Framework. If you have any additional requirements or exclusions, these should be documented in the Provider Specific Terms and Conditions section of the agreement (see below).





You can find out whether a code has a mandatory specification on the Purchase Unit Data Dictionary (PUDD) found on the Nationwide Service Framework Library (NSFL) website: [Nationwide Service Framework Library – Health New Zealand | Te Whatu Ora](#)

Nationwide service specifications use a three-tiered structure. If the service specification you are using has mandatory status, you may be required to include tier 1, 2 and 3 service specifications.

- Tier 1 is an overarching service specification that contains generic principles and content common to all the tiered specifications below it. It may also contain service guidelines in appendices, for services without service specifications.
- Tier 2 includes the elements specific to that service. It includes a reference to its generic overarching document so that the total service requirements are explicit.
- Tier 3 are more detailed service descriptions for specific services.

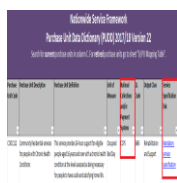
To keep your agreement documentation to a minimum, you may wish to reference service specifications by including a link to the specification on the NSFL.

Some services do not require national consistency and are therefore not covered by nationwide service specifications. If the service you are contracting for doesn't have a service specification on the NSFL, you can create your own 'local' specification. Information about service specifications and advice about what they should contain can be found at:

[Nationwide service specifications – Health New Zealand | Te Whatu Ora](#)

If your agreement request includes a service that has a mandatory service specification, you don't need to supply a copy of this with your request form as the Contracts Support Team will automatically include the current version of the specification from the NSFL. If you are using a service specification from the NSFL with the status 'recommended' or 'non-mandatory' or using your own local specification, you'll need to supply a copy with your ARF.

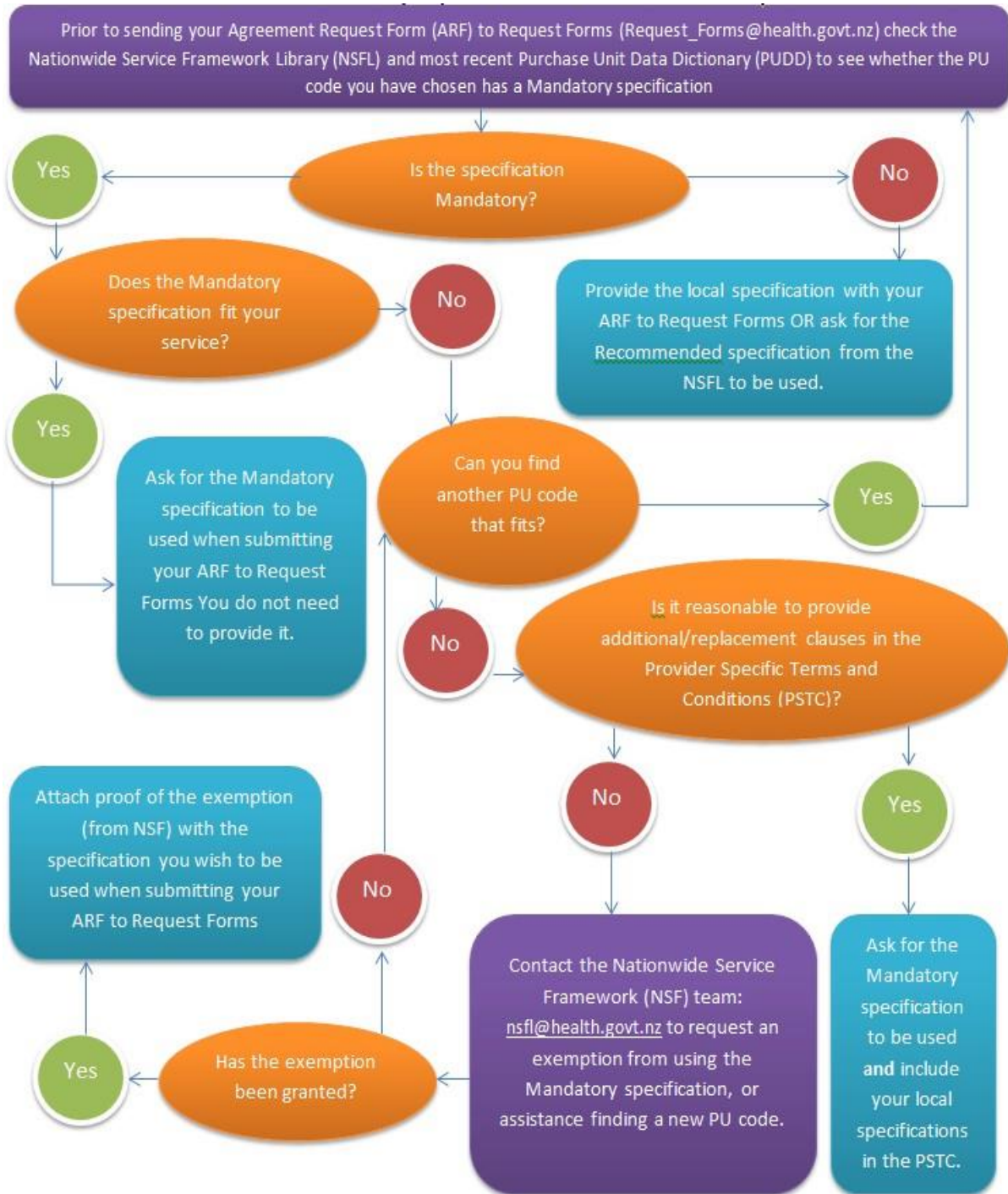
Service Specification Flow Chart (Figure 3) will help you ensure the correct service specification is included in your agreement.



*When you submit a funder-created service specification to be included in an agreement, make sure it's a final version without watermarks and has been formatted using the font Arial, size 10.*

**Figure 3:**

**Service Specification Flow Chart**



# Performance Reporting

Performance reporting is information reported by the provider in accordance with their agreement. Most agreements will include a requirement for the provider to submit performance reporting. Typically, the reporting requirements section of an agreement will look something like:

**Figure 4: Reporting Requirements**

PU Code	Frequency	Reporting Requirements
CHC0009	Quarterly	<ol style="list-style-type: none"> <li>1. Number of days that your service has been utilised during the reporting period.</li> <li>2. Number of individual Service Users.</li> <li>3. Number of Service Users new to the Service.</li> <li>4. Number of rejected referrals.</li> <li>5. Narrative report containing:               <ul style="list-style-type: none"> <li>• <u>feedback</u> from Service Users on their experience.</li> <li>• <u>summary</u> of complaints and action taken.</li> <li>• <u>reason</u> for any rejected referrals.</li> <li>• <u>update</u> on any service issues, including design development and delivery of new initiatives.</li> <li>• <u>describe</u> any issues including risk management issues.</li> <li>• <u>identify</u> gaps in service delivery.</li> </ul> </li> </ol>

Please forward your reports to:

Performance Reporting  
 Health New Zealand | Te Whatu Ora  
 Sector Operations  
 Private Bay 1942  
 Dunedin 9054

Email: [performance\\_reporting@health.govt.nz](mailto:performance_reporting@health.govt.nz)  
[agreement.manager@yourdhb.health.nz](mailto:agreement.manager@yourdhb.health.nz)

Performance reporting may be sent directly to you, or to a National Collections system (eg. PRIMHD, for Mental Health services), or collected by the Contracts Support Team on your behalf using Performance Monitoring Returns (PMRs) or a combination of the above.

Information gained by performance reporting helps you manage the agreement. It allows you to assess the effectiveness of services delivered under an agreement and compare performance between different providers. Good performance reporting will assist with planning and decision-making for future procurement.

## Including Performance Reporting in your Agreements

If you're using a mandatory service specification from the Nationwide Service Framework Library (NSFL), this will usually include a section called Reporting Requirements. This is national standard reporting that has been agreed by Districts and National Commissioning teams and should not be changed. You can amend the reporting in a mandatory service specification using the Provider Specific Terms and Conditions section of the agreement.

If you are using a local service specification, or one from the NSFL that doesn't have mandatory status, you can include a section for reporting requirements, using the format shown in the example above.

Information regarding the type of reporting that you might want to include in your agreement can be found in Appendix 6: Principles for Creating Reporting Requirements.

## Reporting Frequency

Most reporting is collected on a quarterly basis, however monthly, six-monthly, annual and other frequencies are also available. You might, for example, want your provider to submit a report every quarter but give a monthly breakdown of some of their reporting data and supply an annual report each year. Different reporting frequencies can be combined. Check with your designated Contracts Support Officer if you're unsure if your intended reporting timetable will work in CMS.



*We recommend that you use the same reporting frequency for similar agreements with different providers as this makes it easier to compare performance.*

CMS will automatically set a due date for reporting of the 20<sup>th</sup> day of the month following the end of the reporting period. If you require a different due date, we can override this with your required date.

**Table 4: Standard Quarters for Reporting**

Start of Reporting Period	End of Reporting Period	Report Due Date
1 January	31 March	20 April
1 April	30 June	20 July
1 July	30 September	20 October
1 October	31 December	20 January

## Performance Monitoring Returns

Performance Monitoring Return (PMR) templates (see **Figure 5** below) are Microsoft Word files that are supplied to your provider and that contain the reporting requirements from the agreement. The provider is required to complete and submit PMRs to the Contracts Support Team, one PMR for each reporting period of their agreement. How you can access your providers' PMR information is covered in the Agreement Management section of this guide.



*You can use your own funder-created templates in conjunction with PMRs if there is reporting that cannot be captured in the PMR. You should refer to your template in the Reporting Requirements section and, if possible, include a copy of it in the agreement. We will supply the provider with their PMR templates, but you should supply the funder-created template to them yourself.*

**Figure 5: Performance Monitoring Return front page and excerpt of page 4 showing reporting requirements**

Phone: 0800 855 066  
 Email: performance\_reporting@health.govt.nz

<p><b>PERFORMANCE MONITORING RETURN</b></p> <p>«PROVIDER_NAME»</p> <p><b>Provider Number:</b>  <b>Agreement Number:</b>  <b>Agreement Term:</b>  <b>Agreement Manager:</b>  <b>Agreement Deputy Manager:</b></p>
--

Reporting Period		
Start Date	End Date	Due Date

**I, the duly authorised person, confirm that the information provided in this report is accurate:**

Print Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Position: \_\_\_\_\_

Date: \_\_\_\_\_

Please assist Sector Operations in maintaining accurate records:

Please print clearly the name of the person within your organisation to whom Performance Monitoring-related correspondence should be addressed for this agreement:

First Name: \_\_\_\_\_

Family Name: \_\_\_\_\_

Email address: \_\_\_\_\_

Please ensure you complete and forward this Performance Monitoring Return by:

Email

This completed Performance Monitoring Return should be emailed to:  
[performance\\_reporting@health.govt.nz](mailto:performance_reporting@health.govt.nz)

**Important**

If you are required to supply reporting which is not in the form of numerical data, such as a narrative (written) report, strategic plan, financial report or data spreadsheet, please enter 'Yes' or 'Y' in the 'Actual Data' column and attach your report to this template. For further information on narrative reports, please refer to the instructions on page 2 of this template.

**Reporting for each service within the contract**

1. Day care chronic health condit Purchase Unit: CHC0009 Short-term Care (Day) for People with CHC- Residential Facility Purchase Unit Measure: Day Facility: S999999 Any Care Home	Reporting Unit	Start Date	End Date	ID	Actual Data
	Narrative report as per reporting requirements	01 April 2017	30 June 2017	4082	<input type="checkbox"/>
	Number of days that your service has been utilised during the reporting period	01 April 2017	30 June 2017	321691	<input type="checkbox"/>
	Number of individual service users	01 April 2017	30 June 2017	304336	<input type="checkbox"/>
	Number of rejected referrals	01 April 2017	30 June 2017	318891	<input type="checkbox"/>
	Number of service users new to the service	01 April 2017	30 June 2017	321012	<input type="checkbox"/>



# Completing Your Agreement Request Form

The Agreement Request Form (ARF) captures the information that the Contracts Support Team needs to be able to set up the agreement in CMS, populate Health NZ's payment systems and create the agreement document.

Below is a sample of the standard District ARF. Word and Excel versions of this ARF, plus National Commissioning, pharmacy, assignment, and novation-specific versions

For help with completing your ARF, see the ARF Completion Guides in Appendix 4 (District) and Appendix 5 (National Commissioning) of this document. Some fields on the guides include page numbersreferencing sections in this document.

If you require further assistance with completing your ARF, please contact your designated Contracts Support Officer or email [request\\_forms@health.govt.nz](mailto:request_forms@health.govt.nz)



Submit Agreement Request Form to [request\\_forms@health.govt.nz](mailto:request_forms@health.govt.nz)

**Mandatory fields to be completed\***

No Embedded Documents are to be included in the ARF

AGREEMENT REQUEST FORM					
Agreement Request Form indicate whether*		New Agreement		Variation	
Does this replace a previous Request Form*		Yes		No	
Variation change comprises					
Term	Price	Volume	Add Service	Modify	

SUPPLIER / PROVIDER DETAILS	
Legal Entity Name*	
<i>(New Entities require a Supplier – Provider Additions and Amendments Form)</i>	
Trading as <i>(if applicable)</i>	
Postal Address*	
Physical Address*	
Supplier / Provider Contact Name*	
Supplier / Provider Email Address*	
Supplier / Provider Performance Reporting Contact Name <i>(If Performance Reporting is collected via Sector Operations*)</i>	
Supplier / Provider Performance Reporting Email Address <i>(If Performance Reporting is collected via Sector Operations*)</i>	
Provider Number* <i>(unless new supplier / provider)</i>	
New Zealand Business Number (NZBN)* <i>As per NZBN website <a href="https://www.nzbn.govt.nz">https://www.nzbn.govt.nz</a></i>	

COMMISSIONER DETAILS	
Commissioner*	Health New Zealand   Te Whatu Ora
National Team / Region*	
District <i>(if from a Region*)</i>	

COMMISSIONER DETAILS	
Agreement Manager Name*	
Agreement Deputy Name* <i>(name will appear on contract)</i>	
Recipient Name*	
Recipient Email Address*	
Finance Manger <i>(if different to the above Recipient)</i>	
Service Area / Life Course*	

AGREEMENT DETAILS	
Agreement Name*	
Original Agreement No. <i>(Variations only*)</i>	
Agreement / Variation Start Date*	
Agreement / Variation End Date*	
Increased/Decreased Dollars (Net Change) <i>(CMS Paid Services*)</i> <i>Must be Total of Service Detail pages (GST Excl)</i>	\$
Agreement Type* <i>E.g. Letter of Agreement, Short, Long, Variation</i>	
Ethnic Classification <i>(delete if not relevant)</i>	General / Māori / Pacific Island

SERVICE DETAILS PAGE – NB Every service requires a separate page		
Service Details Page comprises	Addition of New Service	Change to Existing Service

SERVICE DETAILS		PAYMENT SCHEDULE			
Purchase Unit Code* <i>As per PU Data Dictionary</i> <i>Nationwide Service Framework Library (NSFL)</i>		Start Date	End Date	Payment Date	Amount
Purchase Unit Description <i>(Description will show in PU table in the document e.g B2)</i>					
Ethnic Classification					
GST Percentage*					
Payment System*					
Purchase Method*					
Price Per Unit (GST Excl) <i>(only use for PV services*)</i>	Old Unit Price \$				
	New Unit Price \$				
Volume <i>(only use for PV services*)</i>					
Increased/Decreased Service Dollars					
Net Change <i>(GST Excl)</i> <i>(CMS Paid Services*)</i>	\$				
Payment Frequency*					
Payment Date*					
Service / Variation Start Date*					
Service / Variation End Date*					
GL Code <i>(CMS Paid Services*)</i>	XX-XX-XX-XXXX-XXXX-XXXX				

ADDITIONAL CONTRACT DETAILS		
Provider Specific Terms and Conditions	Attached	Not Applicable
Service Specification	Sector Operations generated (Mandatory on NSFL)	Funder supplied (Non-Mandatory on NSFL)
	Not Applicable	
<b>Note: No track changes, embedded documents, watermarks in PSTC or Service Specification. Font - Arial 10</b>		
Comments		

FACILITY NAME If Applicable	
Facility Name	
Facility Physical Address	

GEOGRAPHICAL AREA CLAUSE	
No change to Geographical Area Clause (DEFAULT)	
Agreement is a National Agreement, remove Geographical Area Clause	
Agreement covers multiple areas, please amend Geographical Area Clause to include the following Districts:	

---

## 3. Sending in Your Request



This section tells you what you need to do once you've prepared your request and you're ready to send it to us for processing.

You need to email the completed ARF and completed Perorg form (if the agreement is with a new provider), service specifications and/or provider specific terms and conditions to [request\\_forms@health.govt.nz](mailto:request_forms@health.govt.nz)

You'll receive an automated response confirming that your email has been received.



*There's no need to supply service specifications for services that have a mandatory specification on the Nationwide Service Framework Library (NSFL), we keep the most up-to-date version in CMS.*

Make sure the subject line of the email contains the provider's name, the agreement name and the agreement number if it's a variation. Please send only one request per email.

**Figure 6: Example of Agreement Request email**

To:	<a href="mailto:request_forms@health.govt.nz">request_forms@health.govt.nz</a>
Cc:	
Bcc:	
Subject:	Health Limited - Consultancy Services - 123456-00

If your request is incomplete, a member of the team will contact you and advise what information is needed. If you need to resubmit an agreement request, make sure you mention clearly in the subject line that it's a replacement.

**Figure 7: Example of Replacement Agreement Request email**

To:	<a href="mailto:request_forms@health.govt.nz">request_forms@health.govt.nz</a>
Cc:	
Bcc:	
Subject:	REPLACEMENT - Health Limited - Consultancy Services - 123456-00

*We aim to return your draft agreement to you for checking within seven working days after we've received full and final information. Our workload increases significantly from May to August. During this time, it might take us longer than usual to process and return your request.*

# 4. Creating Your Agreement



This section describes what we do with the information you've supplied on your agreement request.

Once we've received your completed ARF and accompanying documentation and they contain all of the required information, we enter it into CMS. CMS uses the information you've supplied to create the agreement document, payment structures and Performance Monitoring Return (PMR) templates.

**Figure 8: CMS Front Screen**

The screenshot displays the 'Contract Maintenance' application window. The interface includes a menu bar (File, Edit, Actions, Other Topics, Help) and a main form area. The form is divided into several sections:

- Contract / Version:** 357481 / 00
- Provider:** T584332
- Test Limited:** Test Limited
- Status:** DRAFT
- Validated:**
- Invoice:**
- BCTI:**
- District Health Board:** MOH
- 22 Ministry of Health:** 22 Ministry of Health
- Reporting DHB:** [Empty]
- Contract Name:** To Show What CMS Looks Like
- Contract Type:** Long Contract
- Operating Group:** PER
- Start Date:** 01-Jan-2017
- End Date:** 03-Aug-2020
- Variation Start:** [Empty]
- Termination Date:** [Empty]
- Umbrella Contract:**
- Umbrella:** [Empty]
- National Contract:**
- Contract Manager:** SALENAB
- Contract Deputy:** SALENAB
- Provider Contact:** SALENAB
- Finance Manager:** SALENAB
- Agreement Officer:** SALENAB
- Provider Monitor:** SALENAB
- Ethnic Comp:** GENERAL
- Payment Frequency:** Monthly
- Days:** [Empty]
- Reporting Frequency:** Quarterly
- Renewal / Variation / Interim / Offer:** [Empty]
- Note Type:** [Empty]
- Document:** [Empty]
- Contract Amount:** [Empty]
- Variation Amount:** [Empty]
- NASC Ref:** [Empty]
- Ref Doc:** [Empty]
- Created:** [Empty]
- Modified:** [Empty]
- By:** [Empty]
- Copy Contract:** [Button]
- New:** [Button]
- Save:** [Button]
- Exit:** [Button]

On the right side, there is a vertical list of navigation options: Participants, Sub Contracts, Schedules, Services, Correspondence, Contract Trail, Document, Doc Sections, Report Header, Reporting Units, and Alt. Numbers.



## Payment Systems

**CMS Paid Services:** The payment information entered against Contract Management System (CMS) paid services is extracted using Oracle to create purchase orders. Purchase orders summarise provider and service details and are created based on the payment date.

**CCPS Paid Services:** If there are Client Claims Payment System (CCPS) paid services, we enter the same payment information that was entered into CMS into the CCPS Contract Module. This payment information links with client eligibilities.

**Proclaim Paid Services:** Proclaim paid services use a fee-for-service structure. The fees are maintained in a fee group that can be attributed to multiple agreements and extracts from CMS to Proclaim overnight.

## Quality Checking

Once the information from the ARF has been entered into CMS and the agreement documentation has been produced, the ARF and any supporting documentation are given to another Contracts Support Team member to peer check for accuracy.



CCPS paid services are peer checked by the payments team.

## Performance Reporting

If you've requested performance reporting for your agreement to be collected by the Contracts Support Team, this will now be set up in CMS. The reporting requirements from the service specifications and Provider Specific Terms and Conditions of the agreement are used to create the questions that will appear on the PMRs that will be sent to the provider.

## Return to You

Once all peer-checks have been completed, your draft agreement document is emailed back to you for review. If performance reporting is going to be collected by the Contracts Support Team, you'll also receive a draft PMR template for review.

If you see anything in the draft agreement or PMR template that needs to be amended, please reply to the team member who sent you the email.

## Payment in Draft

Payment in draft can only be used if no further changes will be made to the agreement and should only be done in special circumstances. If you want payments made against a draft agreement, please send authorisation to your designated Contracts Support Officer.

---

# 5. Activating Your Agreement



Once you have sent the agreement to the provider and have received it back signed, you need to send it to us to be made active in CMS to enable payments to commence.

To do this you need to:

- scan and email the agreement document to [scannedagreements@health.govt.nz](mailto:scannedagreements@health.govt.nz). You'll receive an automated response confirming that your email has been received. When you scan your agreement, please use the minimum resolution so that the files aren't too big.
- make sure the subject line of the email contains the provider's name and the agreement number, including the current variation number. Please only send one agreement per email.



*It's important to get your signed, scanned agreement back to us before the first payment date to ensure that payments are made on time. Payment in draft should only be done in special circumstances.*

**Figure 9: Example of Scanned Agreement email**

To:	<a href="mailto:scannedagreements@health.govt.nz">scannedagreements@health.govt.nz</a>
Cc:	
Bcc:	
Subject:	Health Limited - Consultancy Services - 123456-00

If everything is in order, we will activate the agreement and payments can commence. Commissioning staff can view a copy of the scanned agreement in 'Agreements Search'; District staff can view a copy on the Health Information Network (HIN) the following day.

If performance reporting is being collected by the Contracts Support Team, Performance Monitoring Return (PMR) templates are emailed to the provider. A separate PMR template is supplied for each reporting period of the agreement.

---

## 6. Agreement Management



When the agreement has been made active in CMS, the Contracts Support Team carry out the ongoing tasks relating to payments and reporting, as well as provider and agreement record management.

### Purchase Orders

If an agreement is CMS paid, purchase orders are created in Oracle, based on the payment dates entered in CMS. The purchase order number comprises the agreement number, the variation number and the specified payment date. If there are multiple services in an agreement with the same payment date, they will show within the purchase order with different service detail lines.

Oracle creates purchase orders automatically 30 days before the specified payment date. If the payment date is less than 30 days in the future or is retrospective, the purchase order is extracted manually. Invoices received by the Provider Payments Team are entered against the relevant purchase order and are then ready to be receipted or approved.

**District-funded Agreements:** Purchase orders will be sent on a spreadsheet for approval to the designated invoice approval contact by the Provider Payments Team.

**National Commissioning-funded Agreements:** The Finance Manager/Receiptor for an agreement will need to log into the iProcurement Receiving module and receipt the invoice against the purchase order.

### Purchase Order Management

The following purchase order amendments are carried out by the Contracts Support Team's Contracts Support Administrators.

**Closing Purchase Orders:** Purchase orders only close automatically once receipted if there is a three-way match. A three-way match is possible when the block purchase method is used and the invoice and receipted amount match the fixed amount. Other purchase orders must be closed manually.

Once a purchase order is closed, it will no longer show up on the receipting/approval list. To request closures, email [adminsupport@health.govt.nz](mailto:adminsupport@health.govt.nz) with a list of the purchase order numbers that need to be closed.



*It's important to regularly advise us to close purchase orders, to make sure the receipting or invoice approval lists you receive for approval are manageable and up to date.*

**Reopening Purchase Orders:** Occasionally a purchase order that has already had an invoice receipted and paid against it will need to be reopened. This usually happens with services that have an indicative rather than a fixed total.

Email [adminsupport@health.govt.nz](mailto:adminsupport@health.govt.nz) with a list of the purchase order numbers that need to be reopened.

**National Commissioning Receptor Changes:** We need to know about any changes to who is responsible for receipting invoices against agreements so we can update the relevant purchase orders.

Email [adminsupport@health.govt.nz](mailto:adminsupport@health.govt.nz) with a list of the purchase order numbers and the name of the new receptor.

## Performance Reporting

### Accessing Performance Monitoring Returns

When we receive your provider's PMR, we record it as 'received' in CMS and forward a copy to you. We then enter the reporting data from the PMR into CMS, where you can access it using the HIN or via specially created reports.

### Performance Reporting Management

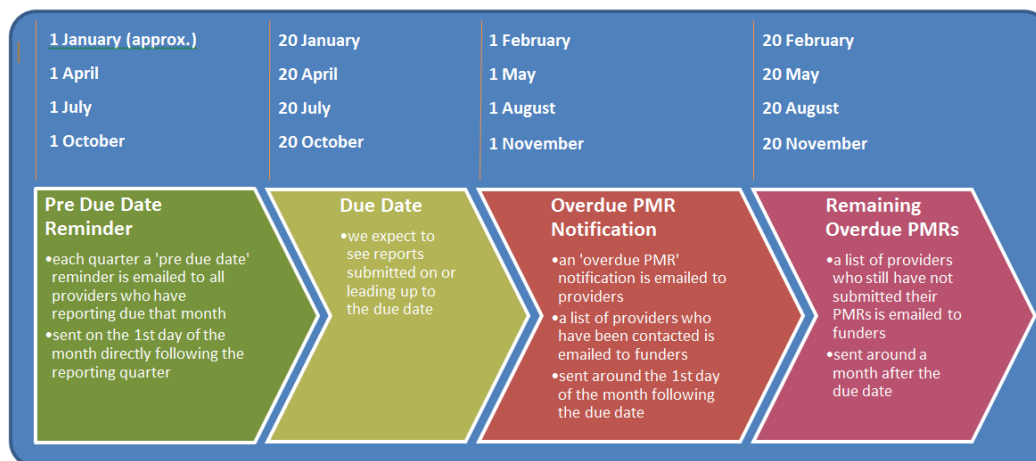
#### Pre-Due Date Reminder

At the start of the month directly following the reporting quarter (eg, 1 July, 1 October, etc.), a 'pre-due date' reminder email is sent to all providers who have reporting due. At this point we will receive a number of requests from providers who have mislaid their PMR templates, so we will supply them with replacements. Additionally, we regularly run a report to check that providers have the templates they need in order to be able to submit their reporting and, where necessary, we send out further templates.

#### Overdue PMRs

Where providers have not submitted their PMR by the start of the month following the due date for submission, we'll send them an email, notifying them that their PMR is overdue. We'll send you a report of all providers who have been sent this email, as well as a report of any PMRs that have still not been received, approximately a month after the due date for reporting.

**Figure 10: Performance Reporting Process Overview**





## **Incomplete PMRs**

If a PMR received from your provider is incomplete (ie, it doesn't contain all the required reporting), then we'll contact them to request the outstanding reporting. You'll receive a copy of this communication. When we receive the outstanding reporting from the provider, we'll forward this to you and enter it into CMS.

## **Agreement Management Reports**

We can provide you with regular reports from CMS to help you manage your agreements. All the information that you include on your request forms is held in CMS, as well as payment and reporting information and can be extracted in data reports.

The kind of data we can provide includes:

- a list of all your agreements
- agreements with a status of 'draft', including ones that have been approved to be paid in draft
- agreements that are due to expire
- performance reporting – showing the data supplied by the provider against the reporting requirements in their agreement
- provider performance reporting history – a report showing a provider's record in submitting PMRs (eg, whether PMRs have been submitted on time and whether they have contained all the required data)

To access reports like these, contact your designated Contracts Support Officer, explaining what data you require. If we're unable to provide you with the data ourselves, we may forward your request to District Support. Contact details for District Support can be found in Appendix 2: Who to Contact.

## **Provider Information Management**

As part of the ongoing management of your agreements, the Contracts Support Team maintain provider information held in our systems.

Changes we can make include:

- provider address information
- provider bank account information
- provider contact person
- legal entity name (see note below)
- GL code.

Change requests can be sent to [adminsupport@health.govt.nz](mailto:adminsupport@health.govt.nz), copy your designated Contracts Support Officer in on the email.

*We can only update a legal entity's name if the name has been changed in the Companies Office record. If it is a new legal entity, either an assignment, a deed of novation or a new agreement is required. See Agreement Types under part 2: Preparing Your Agreement Request.*

# Terminating an Agreement

Occasionally there will be the need to terminate an agreement. This may be because of insolvency, performance or compliance issues, a change of ownership or because the legal entity has changed.



*You need to check when the last payment was made against an agreement before advising us of the termination date. The termination date should be after the last payment was made. If you terminate an agreement from a date before the last payment period was processed, this can cause issues for the payments team.*

Termination requests can be sent to [request\\_forms@health.govt.nz](mailto:request_forms@health.govt.nz). Make sure you advise the date the agreement should be terminated from.

## Payment Queries

As mentioned previously, the Contracts Support Team is responsible for setting up payment information in the various payment systems.

If you have any queries about payments after an agreement has been activated, please contact the appropriate payment team. See Appendix 2: Who to Contact for email and phone number information for each team.

## Appendix 1: Principles for Creating Reporting Requirements

If you're adding your own reporting requirements to an agreement, please consider the following questions:

- What do I need to know and why do I need to know it?
- How often do I need to know it? (This could be determined by factors such as perceived risks associated with the agreement, the financial value of the agreement and the provider's previous record in reporting.)
- What is the definition of what I need to know?
- How will this information help me make decisions?
- Can the information I am asking for be analysed?
- Can this information be obtained elsewhere?

### Results Based Accountability

Results Based Accountability (RBA) is a simple, practical way for organisations to monitor and evaluate the results of their programmes. Districts and the National Commissioning use RBA to measure the effectiveness of services delivered by providers against agreements, using the answers to three key questions: "how much did we do?", "how well did we do it?" and "is anyone better off?"





## Appendix 2: Who to Contact

Query Type	Phone	Email
Agreement queries	0800 855 066	<a href="mailto:adminsupport@health.govt.nz">adminsupport@health.govt.nz</a>
Primary Care applications	0800 855 066	<a href="mailto:customerservice@health.govt.nz">customerservice@health.govt.nz</a>
Performance Reporting queries	0800 855 066	<a href="mailto:performance_reporting@health.govt.nz">performance_reporting@health.govt.nz</a>
PRIMHD reporting queries		<a href="mailto:data-enquiries@health.govt.nz">data-enquiries@health.govt.nz</a>
Submitting a Request Form		<a href="mailto:request_forms@health.govt.nz">request_forms@health.govt.nz</a>
Submitting a signed, scanned agreement		<a href="mailto:scannedagreements@health.govt.nz">scannedagreements@health.govt.nz</a>
Purchase order management queries		<a href="mailto:adminsupport@health.govt.nz">adminsupport@health.govt.nz</a>
Purchase Unit code queries		<a href="mailto:nsfl@health.govt.nz">nsfl@health.govt.nz</a>
Service specification queries		<a href="mailto:nsfl@health.govt.nz">nsfl@health.govt.nz</a>
CMS payment queries	0800 855 066	<a href="mailto:providerinvoices@health.govt.nz">providerinvoices@health.govt.nz</a>
District Support queries, including HIN queries		<a href="mailto:sector.operations@health.govt.nz">sector.operations@health.govt.nz</a>
Residential payment queries	0800 855 066	<a href="mailto:customerservice@health.govt.nz">customerservice@health.govt.nz</a>
Dental payment queries	0800 855 066	<a href="mailto:dental_queries@health.govt.nz">dental_queries@health.govt.nz</a>
Laboratory payment queries	0800 855 066	<a href="mailto:labclaims@health.govt.nz">labclaims@health.govt.nz</a>
General Medical Services and Immunisation payment queries	0800 855 066	<a href="mailto:claimsmanagement@health.govt.nz">claimsmanagement@health.govt.nz</a>
Pharmacy payment queries	0800 855 066	<a href="mailto:customerservice@health.govt.nz">customerservice@health.govt.nz</a>
General primary care payment queries	0800 855 066	<a href="mailto:customerservice@health.govt.nz">customerservice@health.govt.nz</a>

## Appendix 3: Glossary

<b>Abbreviation</b>	<b>Full Name</b>
ARF	Agreement Request Form
ARRC	Aged-Related Residential Care
CBF	Capitation-Based Funding
CCPS	Client Claims Payment System
CDA	Combined Dental Agreement
CMS	Contract Management System
ICPSA	Integrated Community Pharmacy Services Agreement
DISTRICT	Former District Health Board
GL Code	General Ledger Code
GMS	General Medical Services
HIN	Health Information Network
NASC	Needs Assessment and Service Coordination
NDE	Non-departmental Expenditure
NGO	Non-Governmental Organisation
NHI	National Health Index
NSFL	Nationwide Service Framework Library
PHO	Primary Health Organisation
PMR	Performance Monitoring Return
PSTC	Provider Specific Terms and Conditions
PUDD	Purchase Unit Data Dictionary
WWA	Working With Agreements