

Integrated Community Pharmacy Services Agreement National Annual Agreement Review 2023

Meeting 3 Minutes

Date	Tuesday 25 July 2023	
Start Time	1:00 pm	Finish Time 4:00 pm
Location	MS Teams	
Independent Chair	Shenagh Gleisner	
Te Whatu Ora	Emma Prestidge, Interim Director, Primary, Community and Rural, National Commissioning Adeline Cumings, Group Manager, Primary Health Care System Improvement and Innovation, National Commissioning	
Te Aka Whai Ora	Cherie Seamark, General Manager, Primary & Community Care	
Provider representatives	Alchemy Group Ravnit Lal	Bargain Chemist Group Peter Shenoda
	Canterbury CP Group Aarti Patel, Alex de Roo	Chemist Warehouse Group Ravniel Singh, Saif Al-Sheibani
	Countdown Pharmacy Group Jeremy Armes, Jason Wong	Girn Group Jatinder (Jay) Girn
	Green Cross Health Gemma Buchanan	Independent Pharmacy Group Phil Berry
	Kiwi Pharmacy Ming Goh, Mitchell Trezise	Midland CP Group Cath Knapton
	NDL Group Nikil Lal, Pooja Rathod	Oakley Brown Pharmacy Group Carolyn Oakley Brown, Linda Hermiston
	Pharmacy Care Group Amrit Ram	Pharmacy Guild of NZ Andrew Gaudin, Nicole Rickman, Glenn Mills, Sally McKechnie (Simpson Grierson)
	Pharmacy Partners David Mitchell	Pill Drop Jack Lee
	Totem Group Kerry Oxenham	ZOOM Pharmacy David Taylor, Din Redzepagic
Independent representatives	Ibrahim Al-Mudallal	Sam and Eliza Hood
	David Bullen	Jessica Moh
	Ian McMichael	Natalia Nu'u
	Nancy Nasef	Craig Thompson
	Nathan Reilly	
Observers	Manatū Hauora	TBC
	Pharmaceutical Society of NZ	Richard Townley, Shirena Vasan
	Pharmacy Council of New Zealand	Michael Pead
	Māori Pharmacists Association	Mariana Hudson, Kevin Pewhairangi

	Pacific Pharmacists Association Diana Phone
Te Whatu Ora In attendance	Billy Allan, Manager Pharmacy, National Commissioning Alex Rodgers, Principal Analyst, Improvement & Innovation Estelle Petrick, Executive Assistant to Emma Prestidge Interim Director, Primary, Community and Rural

Meeting papers

1.	Minutes from last meeting - agreed and published Integrated Community Pharmacy Services Agreement National Annual Agreement Review 2023, meeting 2
2.	Actions from last meeting NAAR 2023 – meeting 2, 10 July 2023, Actions
3.	Summary of NAAR price uplift proposals
4.	Case Mix Seasonal Adjusters: an exploration of alternative algorithms
5.	Response to Te Whatu Ora's ICPSA offer proposal Pharmacy Guild, Green Cross Health and Totem Group of pharmacies

Agenda

Time	Item
1.00 pm	1. Welcome <ul style="list-style-type: none"> • Karakia • Apologies • Agenda confirmation
1.15 pm	2. Review of actions from Meeting 2, 10 July 2023 (paper)
1.30 pm	3. Representatives' response to Te Whatu Ora's proposed offer Supporting papers <ol style="list-style-type: none"> a. Summary of NAAR price uplift proposals b. Case Mix Seasonal Adjusters: an exploration of alternative algorithms c. Response to Te Whatu Ora's ICPSA offer proposal Pharmacy Guild, Green Cross Health and Totem Group of pharmacies
3.50 pm	4. NAAR Meeting Close <ol style="list-style-type: none"> a. Discussion summary b. Agreed actions c. Joint communique: key messages agreed d. Next meeting: 1-4 pm, Monday 21 August 2023 e. Karakia whakamutunga

1. Welcome, karakia, apologies, agenda confirmation
Welcome: The Chair opened the meeting
Karakia timatanga: Emma Prestidge
<p>Apologies, were received from:</p> <ul style="list-style-type: none"> • Canterbury CPG Aarti Patel • Chemist Warehouse Ravniel Singh • Girn Group Jatinder Girn • Oakley-Brown Group Carolyn Oakley-Brown • Pharmacy 547 Ian McMichael • PillDrop Jack Lee • Te Aka Whai Ora Cherie Seamark (Karney Herewini representing) • Unichem Peninsula Pharmacy Ibrahim Al-Mudallal • Māori Pharmacists Association Mariana Hudson • Hillsborough Pharmacy Natalia Nu'u <p>Not present:</p> <ul style="list-style-type: none"> • Phil Berry • David Bullen • Eliza Hood • Sam Hood • Cath Knapton • Jessica Moh • Nancy Nasef • Kevin Pewhairangi • Din Redzepagic • David Taylor
<p>Orientation to the meeting</p> <p>The Chair outlined how the agenda would be worked through. The response from Te Whatu Ora to the questions from the last meeting would be addressed first, looking at the papers prepared by Te Whatu Ora which were in the pack for this meeting, enabling Te Whatu Ora to answer questions on these papers and representatives to discuss these items</p> <p>The substantive part of the meeting was to work through the response prepared by the Pharmacy Guild, Green Cross Health and Totem Group on the Te Whatu Ora draft enabling further comment on the impact analysis and the case mix adjusters.</p> <p>The Chair reassured representatives that before the end of the meeting they would be given the opportunity to raise anything further not yet covered.</p>

2. Review of actions from Meeting 2, 10 July 2023 (paper)			
Number	Action	Due Date	Status
20230710:1	Te Whatu Ora to undertake an impact analysis of the 5% price uplift by service lines in comparison to the Additional Professional Advisory Services (APAS). This would take place across the October-September year versus a July-June agreement year.	17 July 2023	Paper distributed and included in the 25 July 2023 meeting agenda.

20230710:2	Te Whatu Ora to undertake an impact analysis of moving the APAS payments into service lines.	17 July 2023	Paper distributed and included in the 25 July 2023 meeting agenda.
20230710:3	Te Whatu Ora to work with Pharmac on supply chain issues	February 2024	Added to the Te Whatu Ora Pharmacy work programme.
20230710:4	Te Whatu Ora to undertake an impact analysis of Case Mix Seasonal Adjuster modelling.	17 July 2023	Paper distributed and included in the 25 July 2023 meeting agenda.
20230710:5	Te Whatu Oro to investigate the potential of introducing a Community Pharmacy Rural Adjuster.	February 2024	Added to the Te Whatu Ora Pharmacy work programme.
20230710:6	Te Whatu Ora to endeavour to commence NAAR 2024 by December 2023.	October 2023	Added to the Te Whatu Ora Pharmacy work programme.

Impact Analysis Paper (numbers 1 and 2 from 10 July meeting actions)

Te Whatu Ora introduced this paper

The paper presents three ways of assigning the 5% cost pressure uplift, all undertaken with a same general approach.

Proposal Alpha is the same as the proposal presented at the NAAR meeting of 10 July 2023. It first applies a 5% uplift to all lines that can be changed in time (with some rounding). Then, the remaining increase is put into further increasing the Handling Fee.

Proposal Beta is similar to Proposal Alpha except that APAS is not increased at all. That money is instead put into further increasing the Handling Fee, Case Mix, and CPAMS fees.

Proposal Gamma eliminates the concept of APAS entirely. Instead, a very large increase is made to Handling Fees, while all other lines that can be increased are done so.

The three analyses are forecasts to give the same nominal additional expenditure in the next year, but they have different impacts on individual pharmacies. Gamma provides an extremely large variance as to how pharmacies are affected. Alpha and Beta are largely quite similar to each other and how they would affect any individual pharmacy.

In relation to pack fees

Te Whatu Ora presented a history of the pack fees.

Countdown Pharmacy

Countdown was highly supportive of going for the straight 26 cents pack fee for simplicity, plus avoiding the dilutive effect that increased volumes will have. They wish to avoid the 25.3 cents being eroded over time bearing in mind that Te Whatu Ora is predicting a 2% increase in volumes this year and the Pharmacy Guild are predicting 3.7% increase.

In Countdown's view, the current equations protect Te Whatu Ora from growth but do not currently benefit the sector.

Pharmacy Guild

Wished to know the number of packs per quarter, because there is uncertainty about the link between dispensing volumes and packed volumes, so the pack numbers are needed. It could well be that the flat 26 cents is the right answer, but the Pharmacy Guild needs to be able to assure its members that it is a simplification that works for all parties.

In relation to allocation to Additional Professional Advisory Services (APAS) and Service lines

Pharmacy Partners

Expressed discomfort about eroding APAS because it serves the purpose of promoting equity and also funding services that aren't definitively defined in the ICPSA. Eroding the amount of money going through APAS will send the wrong signal about both equity and those more broadly, harder to define community pharmacy services.

Concern was also noted about excessively lifting CPAMS payments in relation to other services because many pharmacies can't provide CPAMS, not meeting the specifications for number of trained pharmacists, and some districts traditionally haven't funded the service. Excessive lifting of CPAMS payments would mean that a number of pharmacies would cross subsidise CPAMS pharmacies.

Pharmacy Guild

There's an equity weighting adjustment within that cost pressure, and in the view of the Pharmacy Guild 'additional professional advisory services' is a misnomer as it has only ever been for cost pressures.

The equity weighting is starting to create significant distortions and that is probably what leads to outliers particularly in the Beta and Gamma modelling. A more moderate impact analysis is needed about moving more funding into service fees, but not all APAS funding. We need to see this impact analysis before making a decision.

Pharmacy Partners

Disputed the comment that APAS was only ever about lifting/ putting in the cost adjusters, believing there's a lot more to it than that.

Pharmacy Partners asserted that the sector must be serious about equity and have to do something significant in community pharmacy to change this. Many pharmacies have served communities where there are significant equity issues, and these are not going to be addressed by putting money on service lines unless we specify specific services that focus on equity in some fashion.

Countdown Pharmacy

Agreed with the statement about equity. There's never been any performance metrics around APAS in terms of how you invest the additional money into certain population groups.

Whilst supporting Gamma, Countdown Pharmacy agrees with the Pharmacy Guild that the negative outliers might experience a very violent shock to their businesses should Gamma be taken on in its entirety.

Nathan Reilly

Expressed a view that over time a move away from the APAS model was important, but that making a dramatic change quickly will not be acceptable for pharmacies who will be negatively affected. He cautioned to move carefully to avoid this shock.

Case mix seasonal adjusters (number 4 from 10 July meeting actions)

The consensus was that Method 2a is favoured, as it is the most predictive of actual payments. The method provides 'dispensings per workday' (any day that is Monday to Friday inclusive). A ratio of dispensings per workday for the month against dispensing per workday for its reference month is calculated (the month three months ago), and utilised data from the last ten years (the full method is described in the paper 'Case Mix Seasonal Adjusters: an exploration of alternative algorithms').

Te Whatu Ora Pharmacy work programme (numbers 3, 5 and 6 from 10 July meeting actions)

It was clarified that

- the February 24 date for the supply chain work (Action 20230710.3) and the Community Pharmacy rural adjuster investigation (Action 20230710.5) were added after the meeting by Te Whatu Ora, indicating these are likely timeframes.
- NAAR is required to start in the last quarter of the calendar year (ie, between October and December 2023 for NAAR 2024) hence this addition of an October 2023 start date (Action 20230710.6).

Chair's summation

There is quite a wide range of views on the Impact Analysis which will need to be addressed in further discussions prior to finalising the agreement.

ACTION: 20230725:1

Te Whatu Ora to provide the volume trends in pack fees paid since the ICPSA was established 1 October 2018.

3. Representatives' response to Te Whatu Ora's proposed offer**Response to Te Whatu Ora's ICPSA offer proposal
Pharmacy Guild, Green Cross Health and Totem Group of pharmacies**

The paper in the meeting pack was prepared by Pharmacy Guild in consultation with Green Cross Health and Totem Group and represents a combined view across these issues. The intent behind the paper was to seek consensus between provider representatives and the funder representatives particularly on all the substantive matters and issues that are in this paper.

5% price uplift offer and progressing the two independent reviews**Pharmacy Guild**

Maintaining access to medicines and essential pharmacy services is a core underpinning of a nationwide service contract. It was amplified by Pharmacy being defined as essential services during COVID-19.

Many points were made (well detailed in the paper) including:

- inadequate recognition of costs pressures for Community pharmacy
- lack of professional party for community pharmacy – general practice fees have moved around the rate of inflation, hospital staff about twice the rate of inflation, while dispensing services have been funded at around half the rate of inflation
- there is a significant historical underfunding of cost pressures for pharmacy.

It was agreed in 2020 for Grant Thornton to look at wage cost pressures and Sapere to look at the service and funding model. Stage 1 of the reviews showed a material problem. The Pharmacy Guild noted that all the representatives agree that a 5% price uplift is not enough, which makes it even more urgent to progress stage 2 and 3 of these independent reviews, and to do a joint budget bid to address the problem.

Te Whatu Ora

Made an initial response to this request making the following points:

- the 5% price uplift has been consistently offered to all sectors, this cannot be changed
- the matters in the reviews fall outside of NAAR, needing to be addressed in the broader conversation about future funding models in New Zealand primary, community and rural health services.
- there will not be a budget process for this for 2024
- the policy work and consultation strategy has not yet been agreed. Once it is pharmacy will see the opportunities to engage.

Green Cross

Consistently applying the 5% price uplift across all sectors ignores the historical underfunding for the pharmacy sector. In addition, the forecasting is very uncertain.

Pharmacy is likely to be at the heart of the community health service. There is a real danger that pharmacy services will be compromised to the extent that delivering on the future of the health services will be put at risk.

Pharmacy Guild

The work needs to be done, whether inside or outside of NAAR. What we have not heard is that 'serious consideration' has been given to these issues as was promised. The Pharmacy Guild asked whether the policy paper specifies how a sustainably funded community pharmacy services can be achieved? A catch-up investment and real attention to pay parity is essential.

It is clear there is no commitment to budget 2024 which means that NAAR will be in the same position as it is now in 2024, which is both disappointing and frustrating.

It is distressing to see how Te Whatu Ora can take a macro policy lens and not actually deal with real issues on the ground now. Pharmacies will close, the workforce is stressed. This goes against the principles of having access to these essential pharmacy services.

The Pharmacy Guild expressed a view that Te Whatu Ora is not hearing the message about the threat to the viability of community pharmacy. Or the sector is not managing to get over how serious the situation is. Green Cross, Canterbury Community Pharmacy Group and the Oakley Brown Pharmacy group reiterated this and felt time was running out. They talked of pharmacies shutting down in the UK (citing this is likely to happen in New Zealand), that fewer pharmacy students are coming through the schools of pharmacy, and that middle level pharmacists are looking to other careers.

Te Whatu Ora

Responded to this, first reassuring NAAR that the pressures voiced at NAAR are often raised at Te Whatu Ora's executive leadership team (ELT), and Emma particularly has been vocal in Te Whatu Ora about the concerns. Representatives were reassured that they are not doing anything wrong in their approach.

Emma reiterated that Te Whatu Ora is investing in areas like pharmacy immunisations, with a 29.5% immunisation administration fee price uplift proposed for pharmacy for this year, and

investments into some system (winter) pressures work (eg, the pharmacy minor ailments service).

Emma explained that the policy paper was not detailed around the pharmacy sector specifically. It is impossible for Te Whatu Ora to address all the funding needs straight away, and with economic conditions the way they are, there can be no promises for the next year. The policy paper provides advice on the future of primary and community services in New Zealand.

She clarified that once the policy work has been completed, a timeline and communication plan will be published. Te Whatu Ora will then set up its contract and design groups for the overarching national contracts and header agreements. The vision is that the new contracts will be integrated across the whole of primary and community sector, not just working with individual sectors.

The plan is to come out to the sector with an engagement plan, possibly around September, with hui happening after election from November onwards.

No specific community pharmacy initiatives will be put forward in budget 2024.

2023/2024 expenditure forecast

Pharmacy Guild

Appreciated the work done by Te Whatu Ora but noted the uncertainty that remains around forecasting demand.

The Pharmacy Guild think that a 3.7% increase in volumes is a more realistic level and probably conservative because in looking back over the last five years, 2018-2023, the average was around 4.1%. It is important to get an expected volume forecast.

Te Whatu Ora

Te Whatu Ora stands by its June 2023 forecast. Te Whatu Ora would need to see the analysis that leads to the assertion of a 3.7% increase being more realistic. Te Whatu Ora is happy to have this discussion with the Pharmacy Guild offline.

Whilst Te Whatu Ora accepts there is some uncertainty, partly with the prescription co-payment removal, but believe they have the best possible information on medicine supply chains and repeat dispensings.

There are line items that don't grow with demand such as APAS - If we put the 5% price uplift into APAS, the sector would be guaranteed that the nominal amount would be exactly what we agreed, no more, no less.

On the other hand, if you put the price uplift into service lines that change with dispensing volumes, for example the handling fee and the case mix fee, the revenue grows or shrinks if dispensing volumes are higher or lesser than the forecast.

Totem Group

How did you model the minor ailment service (MAS) and the output that is going to create short term?

Te Whatu Ora

The MAS is currently on track to increase demand by about 0.5%. MAS is a proof-of-concept scheme. It is a separate agreement to the ICPSA, with payments to the pharmacy for the

consultation work is part of this separate agreement. Our forecast is only modelling service expenditure under the ICPSA. MAS medicine supply volumes have not been modelled.

Approaches to applying the 5% price uplift offer and immunisation services fee and Impact analysis of price uplift offer

Pharmacy Guild

Pleased that Te Whatu Ora is willing to consider different applications for the cost pressures funding uplift and that we're looking at moving the 5% price uplift into service fee lines. The Pharmacy Guild is happy with the proposed 29.5% increase in the immunisation administration fee to \$36.05 (excl GST) and thanked Te Whatu Ora for the offer.

However, the Pharmacy Guild raised a number of matters which need further modelling, for example, applying the 5% price uplift offer to nationwide services fees, not local smoking cessation (which is a locally commissioned service), and avoiding further funding being applied to APAS.

The Pharmacy Guild requested an opportunity explore a few different scenarios to ensure interpretation of these are understood.

Te Whatu Ora

Agreed that a round table discussion to investigate these matters would be valuable. Te Whatu Ora and the Pharmacy Guild to explore additional funding modelling options.

Contract year period

The proposal to move the ICPSA contracting year from October to September each year, to July to June.

Pharmacy Guild

Seeking clarity from Te Whatu Ora on the back dating statement from the last meeting. What would the spend in 2023/24 be? The Pharmacy Guild is still considering legal advice on the possible use of a compulsory variation.

Countdown Pharmacy

Noted that there's a lot of potential money on the table here for the sector if we are able to move the contract date forward to 1 July (from 1 October), both this year and next and every subsequent year.

Te Whatu Ora

In principle agreed that Te Whatu Ora would be happy to align with a 1 July contract commencement date, and that a change would involve more funding into the pharmacy sector in financial year 2023/24.

The bottom line is that back dating the ICPSA to 1 July 2023, instead of a 1 October 2023 implementation date, means an additional \$8 million is available to pharmacies and that will be paid for the work done in July, August and September 2023.

Pharmacy Guild

Expressed a concern that, if the sector agreed to this backdating, there are still a number of questions they wish to be answered. For example, what would it mean when we come to NAAR 2024, how will we be able to take account of the outcome of Budget 2024 (announced in May), how would we get around the complexity in terms of expenditure forecasts and volume forecasts? How would we land these analyses in time to sign a voluntary variation by 1 July?

Green Cross Health

Seeking clarity on the implication of this forecasting, given the uplift of the additional \$8million and how Te Whatu Ora will treat this in forecasting going forward?

Te Whatu Ora

Feel that it is definitely possible for Te Whatu Ora to enable a new agreement to be implemented from 1 July each year, probably with a slight reorientation. What Te Whatu Ora needs is the consensus from NAAR that this is what they want.

Te Whatu Ora can commence cost pressure analysis work earlier and can do the forecast earlier, although it might be somewhat less reliable as there is less real data, but that is what Te Whatu Ora rely on for all other sectors. Currently, Pharmacy is the only sector where their agreement is implemented after 1 July each year.

Te Whatu Ora undertakes three forecasts a year, in February, June and October. The October forecast has the advantage of knowing what was decided at the previous NAAR and therefore takes into account the fact that the handling fees or the APAS or whatever has gone up and therefore it will account for all of the additional spend.

Chairs summation

The majority of the representatives at the meeting were keen to move to 1 July date ICPSA agreement year, particularly bearing in mind the financial advantage of so doing. However, there is still more work to be done, and consensus is not yet reached.

Immunisation co-administration fee

Pharmacy Guild

Pharmacists do not understand, or accept, the absence of fee parity with general practice for an influenza and shingles immunisation co-administration fee. There is a disincentive for doing multiple immunisations which is not what the system wants.

Te Whatu Ora

As indicated at the last meeting, there are technical challenges with enabling an immunisation co-administration fee for shingles and influenza. We are working on a solution so we may be able to come back to the next meeting with an offer.

An immunisation co-administration fee for other immunisation combinations would need to be discussed in a broader context, because it's not just pharmacy, it's general practice and other providers as well, and Te Whatu Ora will have to do some analysis around the impact on that.

Proposed service-based reviews (LTC, CPAMS and clozapine)

Pharmacy Guild

Agree in principle to the three service reviews indicated in the offer, with the setting up of an EAG to undertake these.

The Pharmacy Guild acknowledged that those services need a sustainable funding model and pricing work, and that the services are underfunded services. However, there are other services which merit review, so there is a concern that there is cherry picking going on. There is a worry that pharmacy providers might start to exit services where it does not make financial sense to provide a service that leads to a loss.

The Pharmacy Guild emphasised that they did not want to support these service reviews taking precedence over progressing the two independent reviews.

Nathan Reilly

Asked why these services were chosen for review. He noted other reviews, for example, compounding or Age-Related Residential Care which could be chosen instead.

Te Whatu Ora responded to these points

These service reviews would be undertaken in parallel with the development of the new agreement and funding model, so they wouldn't be undertaken instead of any of the issues noted in the independent reviews.

Te Whatu Ora has suggested LTC, CPAMS and LTC because those are the services that, anecdotally, they have heard are of the most concern. It is possible to choose different services, but capacity means Te Whatu Ora cannot do everything.

The aged care sector had its reviews undertaken in about 2016 and these have not been addressed. This is why a review of the aged care, home and community support services models is an action under Te Pae Tata 2022.

In relation to the organisation structure

Pharmacy Guild

Noted, on seeing the finalised organisation structure that there was little specific mention pharmacists or pharmacy. There is therefore a concern that there is no resource base in the structure to take the work of the pharmacy sector forward and to effectively engage with the sector.

Te Whatu Ora

There was some debate around this when the structure was being designed about how specific you get on titles. There is no need to be concerned, there is well retained expertise within the 'living well' primary and community section and the analytical sections across both national and regional teams that relate specifically to pharmacy.

Work plan for 2023 /2024

Pharmacy Guild

Raised three issues about the work plan wanting to be sure that these initiatives will go ahead bearing in mind the changes in Te Whatu Ora. They are keen to see that there will be additional work done as part of the work plan.

Minor Ailments Service (MAS)

Pharmacy Guild

A great investment and value proposition – there is a desire to build on the winter 2023 initiative with a nationwide pharmacy minor ailments service.

Green Cross

Asked if the MAS will be analysed as it progresses or will the analysis wait until the end of the proof of concept. They did not want the MAS to slow down. Noted some major positive impacts, for patients, and helping general practices with their workload

Totem

Cautioned that the freeing up of general practitioner time, may not be a good measure as the patients go from their waiting rooms to Pharmacy, and general practice appointments will be backfilled by other patients.

Pharmacy Guild

Noted that the patient feedback form for the service was still not available. Wished to avoid doing the evaluation without this crucial information.

Te Whatu Ora

- The MAS is a proof of concept, we've got to allow that to work its way through and have its evaluation at the end of it. So, no decision about continuance etc will be made until after that evaluation. Analysis has already begun. Once more data is available more complex analysis will be undertaken.
- The patient feedback form is expected to be made available this week. Public communications are being prepared.
- Acknowledged that when a general practice service is freed up, it does not result in fewer general practice appointments, but that someone else takes the appointment.

National community pharmacy contract policyPharmacy Guild

The Pharmacy Guild is concerned that Te Whatu Ora still has about ten local ICPSA contracting policies. There was also a commitment from Te Whatu Ora on the development of a national community pharmacy contract policy for consistent nationwide ICPSA access criteria. The Pharmacy Guild thinks 'simplify and unify', let's just get one national nationwide consistent contracting policy.

Interested in the timeline for the national policy on accessing ICPSA contract.

Te Whatu Ora

The national agreement or national policy on accessing ICPSA is underway.

The plan is to have an interim policy initially. Ultimately Te Whatu Ora want to get to a unified policy for all our providers, not just pharmacy and that will take time.

Given the changes that Te Whatu Ora has highlighted in terms of restructure, we're hoping over the next four to six months a nationally consistent policy will be implemented. A draft policy is being developed, so hopefully Te Whatu Ora can share this over the coming months to get feedback.

Pharmacies providing services to General practice - Comprehensive primary and community care teamsPharmacy Guild

The Pharmacy Guild has talked in the past about making sure we don't get tangled up with comprehensive primary and community care teams where there is a risk of a loss of workforce from community pharmacies under the Te Whatu Ora staff procurement model rather than commissioning for services (for example through existing community pharmacy providers). The Pharmacy Guild see an opportunity with comprehensive primary and community care teams, but are concerned that care team implementation could lead to a fragmentation of pharmacist workforce

Te Whatu Ora

The work around the comprehensive primary and community care teams is underway - who is the employer of those pharmacists will be up to Localities and where that best fit sits. It may be a community pharmacy, a NGO, an independent contractor, or the general practice itself. There are several potential models.

No decision has been made and it will be up to the Locality to determine the best employer.

In relation to Localities

There were questions about the locality work and how pharmacists get engaged.

Te Whatu Ora

There are very few Localities at the moment around the country. The understanding is that they are working up their plans and that they are engaging with local community providers.

If pharmacies are in one of the prototype areas and have not been engaged, then you are welcome to contact Te Whatu Ora. Te Whatu Ora can definitely channel it through the right localities team to make sure that pharmacies are engaged with the prototypes.

Chair's summation

The key items mentioned for inclusion in the work plan appear to be in process or planned.

Steps between now and the 21 August NAAR meeting

Pharmacy Guild

Was concerned that there is as yet no agreement on the substance of an offer which could be promoted to the sector, and then there is the challenge of drafting a contract variation and preparation of the letter of offer. The deadline is 21 August and completion by the end of September. We need to do more now in order to achieve this.

There is an alternative that's provisioned within the terms of reference for NAAR (clause 22): in the event that we can't as a group of funder and provider representatives reach agreement, we can put up separate recommendations to you what used to be the 20 district health board Chief Executives, now Te Whatu Ora ELT, but this will take time.

Te Whatu Ora

Aimed to be as flexible as possible to assist. Legal Counsel has already commented on the possibility of moving the contract year. They are waiting in the wings to draft a formal letter of offer and the variation. So early decisions on some of the matters in the offer would be very useful.

A suggestion was made to hold another short NAAR meeting prior to the planned meeting on 21 August if there looked to be a number of areas where there is agreement and follow up work can begin. [This meeting has been pencilled in for Monday 7 August, 1-3 pm].

ACTION: 20230725:2	Te Whatu Ora and the Pharmacy Guild to discuss the forecast percentage increase in the annual volume growth (2% vs 3.7%; Te Whatu Ora vs the Pharmacy Guild).
ACTION: 20230725:3	Te Whatu Ora and the Pharmacy Guild to explore additional funding modelling options, including a 'middle' option, applying the 5% price uplift to service lines, with partial removal of the APAS payment, to understand the pharmacy outliers.

ACTION: 20230725:4	Te Whatu Ora to investigate if/how an immunisation co- administration fee can be enabled through the ProClaim payments system.
ACTION: 20230725:5	A placeholder to be added for another short meeting prior to the 21 August 2023.

4. NAAR meeting close

4.1 Agreed actions

Number	Action	Due Date
20230725:1	Te Whatu Ora to provide the volume trends in pack fees paid since the ICPSA was established 1 October 2018	7 August 2023
20230725:2	Te Whatu Ora and the Pharmacy Guild to discuss the forecast percentage increase in the annual volume growth (2% vs 3.7%; Te Whatu Ora vs the Pharmacy Guild)	7 August 2023
20230725:3	Te Whatu Ora and the Pharmacy Guild to explore additional funding modelling options, including a 'middle' option, applying the 5% price uplift to service lines, with partial removal of the APAS payment, to understand the pharmacy outliers	7 August 2023
20230725:4	Te Whatu Ora to investigate if/how an immunisation co- administration fee can be enabled through the ProClaim payments system	21 August 2023
20230725:5	A placeholder to be added for another short meeting prior to the 21 August 2023	28 July 2023

4.2 Joint communique

The Chair will provide the draft joint communique by close of business, Wednesday 26 July 2023, for feedback by 4 pm Friday 28 July 2023.

The final communique will be distributed separately to these minutes.

4.3 Next steps

- The Chair will review the draft minutes by close of business Thursday 27 July 2023 and send them to participants.
- Comments on the minutes are to be received by midday Monday 31 July 2023. No comment will be taken as approval.
- The agenda for the 21 August 2023 meeting will be sent on 14 August 2023.

4.4 Next meeting: 1-4pm, Monday 21 August 2023.

4.5 Karakia whakamutunga: Emma Prestidge