

<< >> 2022

<Provider contact name>
<Provider name>
<Postal address 1>
<Postal address 2>
<Postal address 3>

Kia ora koutou,

Letter of Offer - Variation 4 of the Integrated Community Pharmacy Services Agreement

Please find attached Variation 4 of the Integrated Community Pharmacy Services Agreement (ICPSA). This voluntary variation should be read in conjunction with this letter of offer.

Your acceptance of the variation must be received by 5.00pm on 16 September 2022, for the variation to take effect on 1 October 2022.

If you choose not to sign the variation, the terms and conditions of your ICPSA will remain unchanged.

Summary of key changes in Variation 4

Funding Uplift

Variation 4 includes a 3% (\$21.7 million) funding uplift to be applied to the APAS (Schedule 2) pool.

The APAS pool will increase from \$12.15 million per quarter to \$17.575 million per quarter. The total APAS funding pool will increase to \$70.3 million.

APAS funding will continue to be calculated quarterly, based on each provider's market share, using dispensed items and patient visits, with weightings for ethnicity and card status, then paid in three equal monthly amounts. This is the same method currently used in Variation 3.

Immunisation Services

The immunisation administration fee will increase from \$21.23 to \$27.84 excluding GST. This increase will start on 1 July 2022 for providers who accept, sign and return their signed variations by 5pm, 16 September 2022.

A new Immunisation Service Schedule is included in Variation 4. It replaces the two current schedules in the ICPSA for Influenza and MMR immunisation services. The new Schedule will enable appropriately authorised vaccinators working in pharmacies to deliver a wider range of immunisations as the development of the Aotearoa Immunisation Register and logistics issues permit. It also enables immunisations for pertussis and the extended age range for MMR to be delivered in addition to the current immunisation services. A provider will only be able to deliver the immunisation services if it can meet all of the service components specified in the new Schedule. For example, the immunisation services can only be delivered by a pharmacist or authorised vaccinator, and the provider must have achieved "Cold Chain Accreditation".

The payment conditions note that only one immunisation fee can be claimed for an eligible service user on one day even if more than one immunisation is given.

Clause changes

There are a number of clause changes in the variation. These changes reflect the enactment of the Pae Ora (Healthy Futures) Act 2022 and update definitions, including the definition of geographic areas.

Accepting the Offer

By signing Variation 4, you are agreeing to the terms set out within it.

Variation 4 will take effect on 1 October 2022 if a signed copy of the variation is returned before 5.00pm on 16 September 2022. Signed variations will be accepted after this date, however funding increases will be delayed until the following relevant quarter. Please refer to Clause A2 of Variation 4 for details on this.

The signatory page is on page 4 of the Variation. Please ensure:

- your signatory signs the section headed with your provider name and includes their name, position and date of signing; and
- the signing is witnessed, and the witness details are completed.

Please sign, scan and email the signed variation to **<Email>** by 5pm 16th September 2022. We will then sign it and return a completed copy for your records.

Future intentions

Te Whatu Ora, via this letter of offer, documents its intention to work together with the pharmacy sector, as part of its future directions work, to transform the approach to funding pharmacy services. This includes giving serious consideration to the two reports: *Independent Review of Community Pharmacy Services, Sapere, 2021* and the *Independent-Review of Community Pharmacy Wage Cost Pressures, Grant-Thornton and Strategic Pay, 2021*.

Te Whatu Ora also notes that, with regard to pay parity, there is a whole of government approach and work being undertaken. Te Whatu Ora will work with the pharmacy sector to ensure that they are included in this work. This is not a promise of a specific outcome.

Ngā mihi,

<Portfolio Manager or other signatory>
<District>