

National Variation 5 to Integrated Community Pharmacy Services Agreement

BETWEEN

Te Whatu Ora Health New Zealand

NZBN: 9429050678402

AND

[Name]

[NZBN]

9 October 2023

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National Variation 5 to Integrated Community Pharmacy Services Agreement

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A: SUMMARY

Background

- A. On or after 1 October 2018, a former District Health Board (now Te Whatu Ora – Health New Zealand ("**Te Whatu Ora**") and the Provider entered into the Integrated Community Pharmacy Services Agreement ("**Agreement**").
- B. The parties have agreed to vary the agreement four times, with the latest national voluntary variation coming into effect on 1 October 2022. A compulsory variation was made to the Agreement on 1 July 2023 to give effect to the removal of the standard \$5 prescription co-payment from that date.
 - (a) In accordance with clause B.23 of the Agreement, the parties participated in the National Annual Agreement Review of the nationally-consistent Parts and Service Schedules of the Agreement.
 - (b) The Provider and Te Whatu Ora agree to amend the Agreement as set out in this national variation 5 ("**Variation**").

A1 Interpretation

- A1.1 In this Variation, unless the context requires otherwise:
 - (a) words and expressions not otherwise defined in this Variation have the meaning given to them in the Agreement; and
 - (b) references to clauses and schedules are the clauses and schedules of the Agreement.

A2 Part C is conditional on acceptance of the Variation by all community pharmacy providers

- A2.1 The amendments set out in Part C of this Variation are conditional on Te Whatu Ora receiving signed written agreement to Variation 5 (including by email) from the Provider, and every other community pharmacy provider that holds an Integrated Community Pharmacy Services Agreement, before 5pm on 20 November 2023 ("**Condition**").
- A2.2 If the Condition is not met, Part C will not take effect.
- A2.3 Te Whatu Ora will notify the Provider as soon as possible after 20 November 2023 whether the Condition has been met.

A3 Commencement Date

- A3.1 If the Condition is met, the entire Variation will apply with effect on and from 1 July 2023.

A3.2 If Te Whatu Ora receives the Provider's signed written agreement to this Variation (including by email) before 5pm on 20 November 2023, but the Condition is not met, this Variation will take effect as follows:

- (a) clause B6 of this Variation will apply with effect on and from 1 July 2023 (noting that, in relation to the zoster (shingles) vaccine, the Provider has only been funded to administer that vaccine since 1 August 2023);
- (b) all other clauses in Part B of this Variation will apply with effect on and from 1 October 2023; and
- (c) Part C will not take effect.

A3.3 If Te Whatu Ora does not receive the Provider's written agreement by 5pm on 20 November 2023, but receives this Variation signed by the Provider:

- (a) before 5pm on the 13th day of the last month of any quarter, all of the clauses in Part B of this Variation will take effect on the first day of the next quarter, except clauses B1.2, B2.2, B3.2, B4.3, B5.3-B5.4, and B6.3-B6.5 (and Part C will not take effect); or
- (b) after 5pm on the 13th day of the last month of any quarter, all of the clauses in Part B of this Variation will take effect on the first day of the quarter immediately following the next quarter except clauses B1.2, B2.2, B3.2, B4.3, B5.3-B5.4, and B6.3-B6.5 (and Part C will not take effect).

A4 Signatures

For **Te Whatu Ora – Health New Zealand**:

For «**Provider_name_**» «**Trading_As**»:

_____ (signature)

_____ (signature)

Name

Name

Position

Position

Date

Date

Witnessed by:

Witnessed by:

_____ (signature)

_____ (signature)

Name

Name

Occupation

Occupation

Residence

Residence

Date

Date

B: CHANGES TO THE AGREEMENT

B1 Changes to the Handling Fee

B1.1 The follow clauses are amended by replacing the specified Handling Fee (HF) of "\$1.01" with "\$1.13":

- (a) clauses 16.2, 30.2, 31.2, and 32.2 of Schedule 1 (Dispensing and Professional Advisory Services);
- (b) clause 12.2 of Schedule 3A.1 (Opioid Substitution Treatment Services);
- (c) clause 9.2 of Schedule 3A.2 (Aseptic Services);
- (d) clause 9.2 of Schedule 3A.3 (Sterile Manufacturing Services);
- (e) clause 10.2 of Schedule 3A.4 (Clozapine Services (Monitored Therapy Medicine Services));
- (f) clause 12.2 of Schedule 3B.1 (Long-term Conditions Services);
- (g) clause 9.2 of Schedule 3B.2 (Community Residential Care Pharmacy Services);
- (h) clause 9.2 of Schedule 3B.3 (Age-related Residential Care Pharmacy Services); and
- (i) clause 7.2 of Schedule 3B.4 (Special Foods Services).

B1.2 For October and November 2023, Te Whatu Ora will, despite anything else in this Agreement, pay the Provider an amount to reflect the increase in the Handling Fee, as set out in this clause B1.1, no later than 30 April 2024. Specifically, Te Whatu Ora will pay the Provider the difference between:

the amount that would have been paid to the Provider by Te Whatu Ora in respect of the Handling Fee for the period 1 October to 30 November 2023, if the increased Handling Fee specified above had been paid for that period

and

the actual amount paid to the Provider by Te Whatu Ora as Handling Fees for October and November 2023.

B2 Changes to the Case Mix and LTC Case Mix initial base service fee

B2.1 The following clauses are amended by replacing the initial base service fee (ISF) of "\$4.43" with "\$5.03":

- (a) clauses 18.1 and 27.5 of Schedule 1 (Dispensing and Professional Advisory Services);
and
- (b) clauses 15.1 and 24.5 of Schedule 3B.1 (Long-term Conditions Services).

B2.2 The parties agree that, despite anything else in this Agreement:

- (a) the Advanced Case Mix Service Fee payments (and equivalent LTC payments) paid to the Provider for October and November 2023 were calculated on the basis that the ISF was \$4.43; and
- (b) the increase in the ISF to \$5.03 will be reflected in the stage two recalculation of those payments (the Interim Case Mix Service Fee payment), which will be paid in accordance with the Agreement.

B3 Changes to Case Mix and LTC Case Mix repeat base service fee

B3.1 The following clauses are amended by replacing the repeat base service fee (RSF) of "\$3.03" with "\$3.27":

- (a) clauses 19.1 of Schedule 1 (Dispensing and Professional Advisory Services); and
- (b) clauses 16.1 of Schedule 3B.1 (Long-term Conditions Services).

B3.2 The parties agree that, despite anything else in this Agreement:

- (a) the Advanced Repeat Case Mix Service Fee payments (and equivalent LTC payments) paid to the Provider for October and November 2023 were calculated on the basis that the RSF was \$3.03; and
- (b) the increase in the RSF to \$3.27 will be reflected in the stage two recalculation of those payments (the Interim Case Mix Service Fee payment), which will be paid in accordance with the Agreement.

B4 Changes to the Per Pack Fee

B4.1 Clause D.11 ("Pack Fee Recalculation") is deleted.

B4.2 Clause E.1 is amended by:

- (a) Replacing the definition of "Per Pack Fee" with the following:

***Per Pack Fee** means an amount paid by Te Whatu Ora as an additional margin payment towards the procurement and stockholding costs for a subsidised pack of a Pharmaceutical as listed in the Pharmaceutical Schedule, being:*

- (a) \$0.27; except that
 - (b) if less than a full pack of the relevant Pharmaceutical as listed in the Pharmaceutical Schedule is Dispensed, the Per Pack Fee will be paid on a pro-rated basis."
- (b) Deleting the definition of "Pack Fee Recalculation".

B4.3 For October and November 2023, Te Whatu Ora will, despite anything else in this Agreement, pay the Provider an amount to reflect the increase in the Per Pack Fee as set out in this clause B4 no later than 30 April 2024. Specifically, Te Whatu Ora will pay the Provider the difference between:

the amount that would have been paid to the Provider by Te Whatu Ora in respect of the Per Pack Fee for the period 1 October to 30 November 2023, if the increased Fee specified above had been paid from 1 October 2023

and

the actual amount paid to the Provider by Te Whatu Ora in respect of the Per Pack Fee for October and November 2023.

B5 Changes to Schedule 2 (Additional Professional Advisory Services)

B5.1 Clause 3.2 is amended by replacing "\$17,575,000" with "\$12,150,000".

B5.2 If the Condition is not met, clause 4.1 is amended by replacing "1 October 2022" with "1 October 2023".

B5.3 The parties acknowledge that the Advanced Professional Advisory Services (APAS) Payment paid to the Provider in October and November 2023 was calculated on the basis that the Payment Pool for the relevant Quarter was \$17,575,000, rather than the new Payment Pool of \$12,150,000 for each Quarter. Accordingly, Te Whatu Ora will calculate the difference between:

the APAS Payments actually paid to the Provider in October and November 2023; and

the APAS Payment payable to the Provider, on the basis of the Payment Pool for each Quarter being \$12,150,000.

B5.4 The parties agree that, despite anything else in this Agreement, Te Whatu Ora may set-off the amount calculated under clause B5.3 above against any other amounts owed by Te Whatu Ora to the Provider, in accordance with clause D43 of the Agreement.

B6 Change to Schedule 3A.5 (Immunisation Services)

B6.1 Clause 7.2 is amended by replacing it with the following:

"The Immunisation Services Fee is the purchase cost (if any) (inclusive of GST) of the Vaccine administered to an Eligible Service User, and one of the following:

(a) \$36.05 (GST exclusive) for administering a Vaccine to an Eligible Service User, unless a Vaccine has already been administered to that Eligible Service User on the same day; or

(b) if the zoster (shingles) vaccine and the influenza vaccine are administered to an Eligible Service User on the same day:

(i) \$36.05 (GST exclusive) for administering the first Vaccine (the zoster (shingles) vaccine or the influenza vaccine) to that Eligible Service User; and

(ii) \$20.52 (GST exclusive) for administering the second Vaccine (a zoster (shingles) vaccine or an influenza vaccine) to that Eligible Service User.

B6.2 Clause 8.2 is replaced with the following:

"Unless clause 7.2(b) applies, the Provider is not entitled to receive more than one Immunisation Services Fee if more than one Vaccine is administered to an Eligible Service User on the same day."

B6.3 Te Whatu Ora will, despite anything else in this Agreement, pay the Provider an amount to reflect the changes to the Fees described in clause B6.1 above for the 1 July 2023 to 30 September 2023 Quarter, as set out in clauses B6.1 and B6.2 above.

B6.4 Te Whatu Ora will pay the amount calculated in accordance with clause B6.2 above by no later than 30 April 2024.

B6.5 The amount that Te Whatu Ora will pay the Provider is the difference between:

the amount that would have been paid to the Provider in respect of the Fees specified in clause B6.1 above for the period 1 July 2023 to 30 November 2023, if the increased Fees specified in that clause had been paid from 1 July 2023

and

the actual amount paid to the Provider by Te Whatu Ora in respect of those Fees for that Quarter

B7 Change to Schedule 3B.1 (Long-term Conditions Services)

B7.1 If the Condition is not met:

- (a) clause 6.1 is amended by replacing the words "Financial Year" with the words "year commencing on 1 October"
- (b) clause 20.1 is amended by replacing the words "Financial Year" with the words "year ending 30 September".

B8 Change to Schedule 3B.5 (Community Pharmacy Anti-Coagulation Management Services)

B8.1 Clause 11.2(b) is amended by replacing "\$45.00" with "\$47.25".

C: CONDITIONAL CHANGES TO THE AGREEMENT

C1 Change to clause B.23

C1.1 Clause B.23(1) is amended by replacing "1 October" with "1 July".

C2 Changes to clause B.29

C2.1 Clause B.29(1) is amended by replacing "1 October" with "1 July".

C2.2 The Provider agrees that, in the period 1 October 2022 to 1 July 2023, Te Whatu Ora was only required to make available to the Provider and other community pharmacy providers in the Geographical Area, an amount equal to the portion of the \$3,075,000 per annum for that Geographical Area to fund Locally Commissioned Services.

C3 Further additional payment to reflect increase in Handling Fee and Per Pack Fee for the 1 July 2023 to 30 September 2023 Quarter

C3.1 Te Whatu Ora will, despite anything else in this Agreement, pay the Provider an amount to reflect the increase in the Handling Fee and Per Pack Fee specified in clauses B1 and B4 of this Variation for the 1 July 2023 to 30 September 2023 Quarter, as set out in this clause C3, no later than 30 April 2024.

C3.2 Te Whatu Ora will pay the Provider the difference between:

the amount that would have been paid to the Provider by Te Whatu Ora in respect of the Handling Fee and Per Pack Fee for the 1 July 2023 to 30 September 2023 Quarter, if the increased Fees specified in the relevant provisions in Part B had been paid for that Quarter

and

the actual amount paid to the Provider by Te Whatu Ora in respect of those Fees for that Quarter.

C4 Schedule 1 (Dispensing and Professional Advisory Services)

C4.1 Clause 23.1 is amended by replacing "30 September" with "30 June".

C5 Change to Schedule 1 and Schedule 3B.1 (final Case Mix Service Fee and LTC Case Mix Service Fee calculation)

C5.1 The parties agree that, for the purpose of clause 23.1 of Schedule 1 and clause 20.1 of Schedule 3B.1:

- (a) Te Whatu Ora will recalculate the stage three Final Case Mix Service Fee and Final LTC Case Mix Service Fee for each month of the nine month period (from 1 October 2022 to 30 June 2023), rather than each month of a full year; and

- (b) all subsequent stage three recalculations carried out in accordance with those clauses will be for each month of the year ending 30 June.

C5.2 Subject to clause C5.3, the parties agree that, despite anything else in this Agreement, for the 1 July to 30 September 2023 Quarter:

- (a) the Advanced and Interim Case Mix Service Fee payments (and equivalent LTC payments) paid or that will be paid to the Provider were calculated on the basis that the initial base service fee (ISF) was \$4.43, and the repeat base service fee (RSF) was \$3.03; and
- (b) no later than 30 April 2024, Te Whatu Ora will pay the Provider the difference between:
 - the amount that would have been paid to the Provider by Te Whatu Ora for those fees, if the increased Fees of \$5.03 (for the ISF) and \$3.27 (for the RSF) had been paid for that Quarter
 - and
 - the actual amount paid to the provider for those Fees for that Quarter.

C5.3 Clause C5.2 will not apply in respect of the Advanced Case Mix Service Fee payment for September 2023, if the Interim Case Mix Service Fee for September 2023 reflects the increase to the ISF and RSF Fees.

C6 Schedule 2 (Additional Professional Advisory Services)

C6.1 Clause 4.1 is amended by replacing "1 October 2022" with "1 July 2023".

C6.2 The parties agree that:

- (a) the APAS year beginning 1 October 2022 came to an end on 30 June 2023; and
- (b) the APAS year for 2023/24 began on 1 July 2023.

C6.3 The parties acknowledge that, in each month from 1 July to 30 November 2023, Te Whatu Ora paid the provider an APAS Payment that was calculated on the basis that the Payment Pool for the relevant Quarter was \$17,575,000, rather than the new Payment Pool of \$12,150,000 for each Quarter. Accordingly, Te Whatu Ora will calculate the difference between:

- the APAS Payments actually paid to the Provider for 1 July to 30 September 2023; and
- the APAS Payment payable to the Provider for that Quarter, on the basis of the Payment Pool for each Quarter being \$12,150,000.

C6.4 The parties agree that, despite anything else in this Agreement, Te Whatu Ora may set-off the amount calculated under clause C6.3 above against any other amounts owed by Te Whatu Ora to the Provider, in accordance with clause D43 of the Agreement.

C7 Schedule 3B.1 (Long-term Conditions Services)

C7.1 Clause 6.1 is amended by replacing "1 October" with "1 July".

C7.2 Despite the amendment to clause 6.1, the Provider agrees that, for the contract year of 1 July 2023 to 30 June 2024, Te Whatu Ora is only required to notify the Provider in writing before

31 October 2023 of the cap on the number of Service Users in the Geographical Area who may receive LTC Services during the Financial Year (the LTC Annual Cap).

C7.3 Clause 20.1 is amended by replacing "each Financial Year" with "each year ending 30 June".

C8 Schedule 3B.5 (Community Pharmacy Anti-Coagulation Management Services)

C8.1 Te Whatu Ora will, despite anything else in this Agreement, pay the Provider an amount to reflect the changes to the Community Pharmacy Anti-Coagulation Management Services (CPAMS) Service Fee described in clause B8 of this Variation for the 1 July to 30 September 2023 Quarter, as set out in clauses C8.2 and C8.3 below.

C8.2 The amount that Te Whatu Ora will pay the Provider is the difference between:

the amount that would have been paid to the Provider in respect of that fee for the 1 July 2023 to 30 September Quarter, if the increased fee of \$47.25 specified in clause B8 been paid from 1 July 2023

and

the actual amount paid to the Provider by Te Whatu Ora as CPAM Service Fees for that Quarter.

C8.3 The Provider must calculate the amount owed by Te Whatu Ora to the Provider in accordance with clause C8.2 above and may invoice Te Whatu Ora for that amount in accordance with clauses 11.3 and 11.4 of the Agreement.

C9 Schedule 3B.6 (Smoking Cessation Services)

C9.1 Clause 3.1 is amended by replacing "1 October" with "1 July".

C9.2 Despite the amendment to clause 3.1, the Provider agrees that, for the contract year of 1 July 2023 to 30 June 2024, Te Whatu Ora is only required to notify the Provider in writing before 30 November 2023 of the total number of Service Users the Provider may register to receive the Smoking Cessation Services for the period 1 October 2023 to 30 June 2024.