

Integrated Community Pharmacy Services Agreement National Annual Agreement Review 2025 Meeting 3, June 24th, 2025

Statement

The third meeting of the 2025 Integrated Community Pharmacy Service Agreement (ICPSA) National Annual Agreement Review (NAAR) took place on Tuesday June 24th between Health New Zealand | Te Whatu Ora and Community Pharmacy provider representatives.

Health NZ provided further information on the recently announced additional funding for general practice services. Although Provider representatives are supportive of more appropriate funding for general practitioners, considerable disappointment was expressed about the difference between the uplift offered to general practice and to the community pharmacy sector. The difference was described by provider representatives as unjustified. Fairness and transparency were requested.

At the last meeting, Health NZ asked provider representatives for information relating to cost pressures in the community pharmacy sector. Information was provided, including a summary from the Pharmacy Guild's joint work with Moore Markhams as independent accountants. Health NZ asked for any further cost pressure information to be provided by June 27th to enable a review of the cost pressure information to be completed ahead of the next meeting of NAAR.

NAAR did not proceed to consider options for distribution of funding across service lines, pending advice on the outcome of the cost pressure consideration by Health NZ and further elaboration about other aspects of the offer.

NAAR discussed these other items which included, for example, the provision of Paxlovid, issues in relation to immunisation and a review of the LTC service. Feedback was given. Health NZ will consider this and respond in time for the next NAAR meeting.

Significant concerns were expressed about the adverse financial impact on community pharmacy from the extension of maximum prescription lengths which was announced as part of Budget 2025. Health NZ noted that they are implementing a government policy decision in this instance. Health NZ will, this week, invite sector stakeholders to join a small group to work on the implementation solutions for the 12-month script policy.

NAAR provider representatives requested to see the collective financial impact of the whole package of proposals for NAAR 2025, including the extension of prescription lengths. Health NZ undertook to prepare this in time for the next meeting of NAAR.

This next meeting will be during the week of July 14th. It was confirmed that, once the uplift proposal is agreed, the payment to pharmacies would be backdated until 1st July.

Community Pharmacy provider representatives reiterated that they reserved the right to escalate their concerns but would prefer to avoid this if possible.

There was a request for the Expert Advisory Groups (EAG) to increase the pace of progress on the extended pharmacy service workstream.

There was an agreement from Health NZ to commence a review of the NAAR process and terms of reference, as requested by ICPG, straight after NAAR 2025.