

Integrated Community Pharmacy Services Agreement National Annual Agreement Review 2025 Meeting 4; August 4th, 2025

Statement

The fourth meeting of the 2025 Integrated Community Pharmacy Service Agreement (ICPSA) National Annual Agreement Review (NAAR) took place on Monday August 4th, 2025, between Health New Zealand | Te Whatu Ora and community pharmacy provider representatives.

Health NZ presented their response to the cost pressures papers prepared by NAAR provider representatives. Health NZ apologised for the time taken to address this matter and expressed appreciation to the Pharmacy Guild for their work outside of NAAR with Health NZ senior management.

Health NZ presented information on the total funding uplift which includes the impact of volume uplifts arising from increased demand, expanded service range and more affordable patient access to community pharmacy services over the past three years being 13%, 10.9% and 8.6% respectively. Provider representatives made clear that the volume uplifts do not compensate for what they see as the recent unacceptable annual price funding uplifts for the cost pressures faced by community pharmacy.

Health NZ has proposed a 3% uplift which provider representatives consider inadequate. Health NZ is constrained in their ability to change this per se but are proposing a significant programme of work to address key sector concerns. Providers representatives need further details in order to adequately respond to this new proposal. In addition, the Guild indicated a continuing issue with the quantum to which the 3% is being applied. Health NZ will take a closer look at this.

A wide variety of views and concerns were put forward relating to the potential impacts of the 12-month prescription policy. Full agreement on how to approach this was not reached. Health NZ committed to continue work with NAAR members on the implementation of this policy with a focus on mitigating unintended financial impacts on community pharmacy.

NAAR representatives asked how quickly the final offer can be resolved. Health NZ believes that a proposal for adoption can be presented to the next NAAR meeting. The proposed work programme will be scoped and Health NZ will complete the cost pressures uplift modelling to inform the application of the offer across service lines.

The next meeting will be in the last week of August. Once the final offer and work programme is discussed by NAAR, wider discussion with the sector can occur prior to potential resolution in September. Payments will be backdated to 1st July.