

**Integrated Community Pharmacy Services Agreement
National Annual Agreement Review 2025
Meeting 1 Minutes**

Date	27 March 2025	
Time	2:00-4:00pm	
Location	By Teams. Link Meeting ID: 436 892 344 007, Passcode: mG7cp7WJ	
Independent Chair	Shenagh Gleisner	
Health New Zealand -Te Whatu Ora	Martin Hefford, Director Living Well, National Commissioning Astuti Balram, Group Manager Primary Care, Living Well, National Commissioning Nicola Ehau, Regional Wayfinder, Commissioning, Te Manawa Taki Danny Wu, Regional Wayfinder, Commissioning, Northern Region	
Ministry of Health	Chris James, Group Manager, Medsafe, Manatū Hauora	
Representative Groups	Pharmacy Guild	Green Cross Health
	Independent Community Pharmacy Group	Midlands CPG
Representatives -Self	Aaron Heath	Nancy Nasef
	Alex De Roo	Natalia Nu'u
	Bargain Chemist Group	NDL Group
	Brett Hunter	Oakley-Brown Pharmacy Group
	Chemist Warehouse Group	Pharmacy Care Group
	David Bullen	PillDrop
	Gemma Buchanan	Qais Nayle
	Ian McMichael	Sam and Eliza Hood
	Ibrahim Al-Mudalla	Totem Group
	Jatinder (Jay) Girn	Woolworths Pharmacy
	John Handforth	Zoom Pharmacy
	Kiwi Pharmacy Group	Alchemy Group
Observers	To be confirmed	
Health NZ in attendance	Andrew Bary, System Design Manager, Pharmacy Services Vardhan More, Funding & Investment team, National Commissioning Karney Herewini, Senior Advisor Service Development, Hauora Māori Services Lisa Britton, Senior Service Development Manager, Primary Care	

Meeting papers

		Pack page numbers
1.	2025 Provider Representatives	4 - 5
2.	NAAR Terms of Reference	6 - 8
3.	NAAR 2025 Topics for Consideration	9 - 10
4.	ICPSA – February 2025 forecast of demand and expenditure	Emailed 21/03/2025 [PDF Attachment]
5.	ICPSA – February 2025 forecast of demand and expenditure: Supporting calculations	Emailed 21/03/2025 [Excel spreadsheet]

Agenda

Time	Item
2:00 pm	1. Welcome, Karakia 2. Purpose of the meeting
2:05 pm	3. Representation, New Members, Introductions
2:15 pm	4. Confirmation of observers and invited parties
2:30 pm	5. Orientation to the 2025 NAAR approach (Martin Hefford)
2:45 pm	6. NAAR 2025: Topics for Consideration
3:30 pm	7. ICPSA – February 2025 Forecast of Demand and Expenditure
3:45 pm	8. Timeline for subsequent NAAR meetings
3:50 pm	9. Summary and next steps 9.1. Discussion summary 9.2. Agreed actions 9.3. Joint communique: key messages agreed 9.4. Next meeting 10. Karakia
4:00 pm	11. Meeting close

1. Welcome, Introduction and Apologies

Welcome: The Chair opened the meeting and welcomed everyone.

Karakia Timatanga: Shenagh Gleisner

Present:

1. Alex De Roo
2. Andrew Gaudin, Pharmacy Guild of New Zealand
3. Andrew Bary, Health NZ | Te Whatu Ora
4. Astuti Balram, Health NZ | Te Whatu Ora
5. Cam Monteith, Independent Community Pharmacy Group
6. Carolyn Oakley-Brown, Oakley Brown Pharmacy Group
7. Chris James, Ministry of Health –Manatū Hauora
8. Clive Cannons, Independent Community Pharmacy Group
9. Danny Wu, Regional Commissioner Health NZ | Te Whatu Ora
10. David Bullen
11. Din Redzepagic (Zoom Pharmacy)
12. Gemma Buchanan
13. Glenn Mills, Pharmacy Guild of New Zealand
14. Ian McMichael
15. Jack Lee (PillDrop)e
16. Jason Wong, Woolworths Pharmacy Group
17. Jeremy Armes, Woolworths Pharmacy Group
18. Joel Sathuluri, Green Cross Health
19. Ming Goh, Kiwi Pharmacy Group)
20. Linda Hermiston, Oakley Brown Pharmacy Group
21. Lisa Britton, Health NZ | Te Whatu Ora
22. Martin Hefford, Health NZ | Te Whatu Ora
23. Mohamed Al-Mudalla
24. Nicole Rickman, Pharmacy Guild of New Zealand
25. Nikil Lal, NDL Group
26. Paul Webber, Green Cross Health [**joined at 3.25pm**]
27. Ravnit Lal, Alchemy Group
28. Vardhan More, Health NZ | Te Whatu Ora

Apologies:

1. Karney Herewini, Health NZ | Te Whatu Ora
2. Kerry Oxenham, Totem Group

Not present:

1. Aaron Heath
2. Bargain Chemist Group
3. Brett Hunter
4. Chemist Warehouse Group
5. Jatinder (Jay) Girn
6. Midlands CPG
7. Nancy Nasef
8. Natalia Nu'u
9. Pharmacy Care Group
10. Sam and Eliza Hood
11. John Handforth
12. Qais Nayle

3. Representation, New Members, Introductions

New members were welcomed. It was noted that the representative groups were recorded slightly differently from the last NAAR meeting, which was acceptable to NAAR.

4. Confirmation of observers and invited parties

There were no observers at this first meeting as it is for NAAR to decide which observers will be invited and to what meetings. In the terms of reference it is noted “ it is anticipated that other relevant bodies.... will be invited to attend meetings from time to time as appropriate”

Decision

NAAR decided to invite observers according to these terms of reference rather than the automatic inclusion of observers at every meeting. These observers are likely to include for example, the Pharmaceutical Society of NZ, the Pharmacy Council of New Zealand, the Māori Pharmacists Association, the Pacific Pharmacists Association, and the Independent Pharmacy Association.

ACTION: 20250327:1	Health New Zealand will inform potential observers of this decision and will ensure that relevant bodies are invited to meetings where appropriate, once the agenda is known
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5. Orientation to the 2025 NAAR approach (Martin Hefford)

Health NZ gave a brief introduction to the context for NAAR 2025.

- Health NZ has continued overspending, though the deficit is coming down. The health sector will receive the majority of any new government spend. The fiscal situation is tight and difficult.
- The three-year funding path has specified approximately \$500m for primary care, community care and public health to pay for all new initiatives, volume increases and uplifts. No decision has yet been made on any uplifts. This may be known shortly, but no date confirmed.
- But there is an additional approximately \$30m for additional volume in pharmaceuticals.
- Health NZ has had a proposal out for major staff cuts, a 30% reduction in the planning, funding and outcomes team alone along with tight staff, contractor consultant hiring restraints. This is having a significant impact on the ability to complete planned work programmes.
- Budgets are increasingly being held regionally to ensure decision-making is as close as possible to the front line

Discussion

Despite the move to devolved budgets to the regions, it was confirmed that the regions do not get to recast what is in the national part of the contract. (as an example, it was noted that the pharmacy schedule 1,2,3A are all nationally negotiated)

There are four commissioning regions. The potential complexity of this was noted, but decision-making closer to the coal face supported.

6. NAAR 2025: Topics for Consideration

A number of the Community Pharmacy representative groups (and Health NZ) had noted down the topics they wished to be considered in NAAR 2025. Written suggestions were made by the Pharmacy Guild, Totem, the Independent Community Pharmacy Group, Oakley- Brown and Health NZ. As there was a good deal of agreement between all these groups, the matters presented by each organisation will not be listed separately. Instead, these minutes lists those items where there was overall support for consideration.

- Completion of the sustainable funding model review and implementation.
- The statement in the ICPSA that NAAR will consider reasonable cost pressure adjustments

- Parity for pharmacists with other providers in terms of cost pressure adjustments
- Move towards prescription charges to be permitted
- Discussion on the 12 month prescriptions (initial versus repeat fees) should this be recommended at any stage
- Possible update of the ICPSA, streamlining and modernising

Other important points made included various ideas for the improvement of services, for example focus on patient-centred outcomes and improvement of the patient journey. There was also a request for attention to co-administration fees for all vaccinations and better linkages between NAAR and the EAG and other HNZ pharmacy development work.

At a more detailed level, incorporation of COVID Antiviral service spec into the ICPSA and of the COVID Vaccination into the ICPSA immunisation schedule was suggested.

Discussion

In relation to the Pharmacy Guilds OIA response to Health NZ

The Pharmacy Guild explained that they had submitted an OIA in September 2024 to Health NZ stating a number of concerns about NAAR 2024, particularly a focus on the failure to meet reasonable cost pressures. The Guild received a reply last month (following a complaint to the Ombudsman about the delay for which Health NZ apologised) The Guild are currently preparing a comprehensive response to this which raises a number of fundamental concerns. They can have their response to Health NZ by April 4th and asked that Health NZ considers this prior to final decisions on the cost pressure offer. Health NZ agreed.

ACTION: 20250327:2	HNZ will consider the response from PGNZ prior to a decision on uplift being made, in addition to providing a direct response to PGNZ
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In relation to the sustainable funding review

Health NZ explained that, due to staff shortages, it has been impossible to progress this overall review at this time.

In relation to reasonable cost pressures

NAAR Pharmacy provider representatives noted that the reasonable cost pressures come up every year in NAAR without clear resolution. They asked whether there could be some metric that quantifies reasonable cost pressures and bakes it in for the future so that it isn't open to interpretation or discussion each year.

NAAR Pharmacy provider representatives were asking for transparency, to understand the rationale for the decisions about cost pressures and up lifts. The point was made that the HNZ Board must have a methodology for working this out and should share it with NAAR.

Health NZ acknowledged the difficulties. They explained that reasonable cost pressures included labour costs, price changes and other pressures. Then there is a decision what to fund, and what is affordable in the budget. It was hard to see how a metric could be predetermined as there are so many factors that are considered. It is clearly a matter for ongoing discussion, the matter being covered in the letter from the Guild noted above.

Over and above general cost pressures, NAAR representatives pointed out some examples of where the system is forcing extra costs onto pharmacies which are not recognised. One example was the standards around the programmes which GPs use to enter information which produces unusable information for pharmacies. Health NZ expressed interest in learning more about opportunities to reduce compliance burden.

In relation to surcharging for funding shortfalls

NAAR Pharmacy provider representatives asked about progress on the issue of surcharging. HNZ said this is policy work being done by the Ministry of Health; the first step being developing a framework for the

primary and community care sector and second step looking to implement the framework, particularly with specific providers/parts of the sector.

Decision

It was agreed that the Ministry of Health be invited to the next NAAR meeting to fully brief NAAR on the progress of this surcharging work.

In relation to the 12 month initial versus repeat fees

The Guild made the point that there could be considerable potential negative impact of this policy and that NAAR needs to have an opportunity to be fully involved. They requested that, should the policy be moving to become a reality, that it is fully discussed at NAAR.

Decision

The Ministry of Health will cover this topic at the next NAAR meeting.

ACTION: 20250327:3	Health NZ to ask the Ministry of Health to address NAAR on key policy work programmes on surcharging and also to comment on the 12 month dispensing fee issue.
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In relation to COVID Antiviral service spec and Covid Vaccination

Health NZ had suggested the NAAR could consider the incorporation of COVID antiviral Service specifications into the ICPSA and to also consider incorporation of the Covid Vaccination into the ICPAS immunisation schedule.

NAAR pharmacy provider representatives expressed some caution over this, for example if COVID vaccination (and antivirals) were incorporated into the ICPSA the overall ICPSA volume increases may work against provider representatives in future cost-pressure discussions. The group were advised that overall forecast demand will take these factors into account by Health NZ when doing their budgeting, as opposed to a cost increase. There was also a question as to whether, if the COVID vaccinations went into the ICPSA would that mean potential loss of two immunisation administration fees.

Health NZ took on board these and other comments and will bring back options to NAAR next time. There could be, for example a way to retain the antiviral schedule in the master services agreement rather than bring it into ICPSA. Further analysis will occur and more discussions with NAAR

Decision

Health NZ will do more analysis and bring the options back to NAAR

ACTION: 20250327:4	Health NZ will do more analysis on the potential changes to the COVID antiviral service spec and to the Covid Vaccination and bring options back to NAAR at the next meeting.
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7. ICPSA – February 2025 Forecast of Demand and Expenditure

NAAR representatives noted the extensive work done to produce this report and appreciated it. There were no questions.

8. Timeline for subsequent NAAR meetings

Two meetings have been booked for NAAR 2025. The Guild requested that an additional meeting be added after the May 15th meeting if anything should come up during the budget process that requires NAAR debate. One example could be the 12 month dispensing proposal.

HNZ agree to add an extra meeting if required.

ACTION: 20250327:5

HNZ to add an additional NAAR meeting after the May 15th meeting should it be required.

9. Summary and next steps

The Chair summarised a few of the key points for the communique and explained that a draft communique will be sent out very soon for comments/edits by NAAR pharmacy provider representatives prior to finalisation. The minutes will be done as soon as possible and also sent to NAAR for approval prior to going up on the website.

The Chair thanked all NAAR representatives at what is clearly a difficult time.

Karakia whakamutunga: Shenagh Gleisner

Meeting close: 3.30pm

Summary of the actions

Number	Action	Date due
20250327:1	Health New Zealand will inform potential observers of this decision and will ensure that relevant bodies are invited to meetings where appropriate, once the agenda is known	2 May 2025
20250327:2	HNZ will consider the response from PGNZ prior to a decision on uplift being made, in addition to providing a direct response to PGNZ	2 May 2025
20250327:3	Health NZ to ask the Ministry of Health to address NAAR on key policy work programmes on surcharging and also to comment on the 12 month dispensing fee issue.	2 May 2025
20250327:4	Health NZ will do more analysis on the potential changes to the COVID antiviral service spec and to the Covid Vaccination and bring options back to NAAR at the next meeting.	2 May 2025
20250327:5	HNZ to add an additional NAAR meeting after the May 15th meeting should it be required.	26 May 2025