

# Variation to Agreement

Between

**Ministry of Health**

**For Health and Disability Services**

And

**«PROVIDER\_NAME»**

<b>Contract Name</b>	<b>Funding for Guaranteed Hours under Part B of the Settlement Agreement</b>
<b>Contract Number</b>	<b>«CONTRACT_CONTRACTID»/«CONTRACT_VERSION»</b>
<b>Commencement Date</b>	<b>1 April 2017</b>
<b>Expiry Date</b>	<b>«CONTRACT_ENDDATE»</b>
<b>Ministry of Health Contact</b>	<b>«CONTRACTMNG_NAME»</b>
<b>Provider Contact</b>	<b>«PRVDRCONTACT_NAME»</b>
<b>Provider's Address</b>	<b>«PROVIDER_ADDRESS» «PROVIDER_ADDRESS2» «PROVIDER_CITY»</b>

«PROVIDER\_NAME»  
«PROVIDER\_NUMBER» / «CONTRACT\_CONTRACTID»/«CONTRACT\_VERSION»

# Outcome Agreement Variation

## Section A

### A1 Definitions

**Act** means the Home and Community Support (Payment for Travel Between Clients) Settlement Act 2016 (**Act**)<sup>1</sup>

**DHBs** means all 20 District Health Boards as listed in Schedule 1 of the New Zealand Public Health and Disability Act 2000

**Guaranteed Hours** means a support worker's guaranteed hours of work per work period. Support workers with guaranteed hours are considered permanent employees and have certainty in regards to their regular work and wages. The Settlement Agreement Variation requires Providers to make an initial offer of Guaranteed Hours to all support workers (except those who are genuine casual employees) based on the following formula:

- a) For HCS employees employed at 1 April 2017, the greater of either:
  - i. 80% of an HCS employee's average hours over the 3 months 1 September 2016 to 30 November 2016;<sup>2</sup> or
  - ii. the regular client hours as agreed between the Provider and an HCS employee.

**HCS employee** means a support worker employed by an HCS employer

**HCS employer** means a service provider listed in Schedule 3 of the Act

**Ministry** means the Ministry of Health acting as a funder for Disability Support Services

**Providers** means all HCS employers listed in Schedule 3 of the Act

**Regular clients** means those who are assessed for home and community-based support services on an ongoing (open ended) basis or a period of 6 weeks or more

**Settlement Agreement** means the agreement reached between the sector parties in August 2014.

**Settlement Agreement Variation** means the second variation to the Settlement Agreement agreed on 20 October 2016.

**Travel time** means qualifying travel time in clause 3(1) of Schedule 4 of the Act

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<sup>1</sup> <http://www.legislation.govt.nz/act/public/2016/0002/latest/DLM6600910.html>

<sup>2</sup> If the HCS employee was employed after 1 September 2016, any period of 3 consecutive months ending on 31 March 2017

## **A2 Background**

A2.1. The DHBs, Ministry, Unions and Providers entered into a Settlement Agreement concerning the payment of travel time and travel costs incurred by non-salaried employees of Providers providing home and community-based support services (“the Settlement Agreement”) in 2014.<sup>3</sup>

A2.2. The Settlement Agreement was in 2 Parts – Part A has expired and is included in the Act; Part B is ongoing and relates to an overarching review of the HCSS sector, one aspect of which is the regularisation of the home and community support workforce.

The Settlement Agreement includes a commitment to regularise the HCSS workforce, including the entitlement to guaranteed hours from September 2016;

The Settlement Agreement was varied on 20 October 2016 to change the date for implementation of the regularisation of the HCSS workforce and to confirm arrangements for the funding of related costs in relation to regularisation (“Settlement Agreement Variation”). Accordingly, the implementation of guaranteed hours for HCS employees commences on 1 April 2017.

A2.3. The second Settlement Agreement Variation dated 20 October 2016 confirms that no party should be financially disadvantaged as a result of the implementation and ongoing management of this sector change. It provides a mechanism for any party to make claims where they can show they have been financially disadvantaged.

A2.4. The Settlement Agreement Parties have committed to a review to be completed in relation to this sector change in October 2017 in order to review actual and reasonable associated costs and to ascertain the level of funding required on an ongoing basis.

## **A3 Variations**

A3.1 The Agreement may be varied any time on written notice:

- (a) if it is necessary to comply with a change in law; or
- (b) if it is necessary to comply with a Crown direction; or
- (c) if the Crown funding agreement between the parties is varied or amended and the effect of any such variation or amendment is that a variation is needed so the parties can comply with obligations under the Crown funding arrangements

A3.2 Any variation must be in writing and must be signed by all parties.

A3.3 The procedure in this clause may be utilised only once in respect of each minimum wage increase.

## **A4 Commencement Date**

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<sup>3</sup> <http://www.health.govt.nz/new-zealand-health-system/claims-provider-payments-and-entitlements/home-and-community-based-support-services/between-travel-update-december-2014>

This variation commences on 1 April 2017.

**A5 Section B**

The attached Section B includes all of the adjustments to this Agreement as a result of this variation.

**A6 Remainder of Agreement**

The remaining terms and conditions of the Agreement are confirmed in all respects except for the variations as set out in this document.

## Signatures

Signed for and on behalf of the **Ministry of Health** as follows:

\_\_\_\_\_

Authorised Signatory

\_\_\_\_\_

Date

Name: \_\_\_\_\_

Position: \_\_\_\_\_

Signed for and on behalf of the **Provider** as follows:

\_\_\_\_\_

Authorised Signatory

\_\_\_\_\_

Date

Name: \_\_\_\_\_

Position: \_\_\_\_\_

## SECTION B

### B1. Funding by the Ministry

The Ministry shall pay the Providers funding for the Providers to meet their obligations under the Settlement Agreement variation in relation to guaranteed hours for support workers, excluding genuine casuals and those on short term contracts from 1 April 2017.

### B2. It is agreed that the following details apply to this Variation

<b>Provider Name</b>	«PROVIDER_NAME»
<b>Provider Number</b>	«PROVIDER_NUMBER»
<b>Contract Number</b>	«CONTRACT_CONTRACTID» - «CONTRACT_VERSION»
<b>Variation Commencement Date</b>	1 April 2017
<b>Variation End Date</b>	«CONTRACT_ENDDATE»

### B3. Details of all purchase units which apply to this Variation

Eligible cancelled visits and ongoing reduction of hours are defined in the Ministry of Health's operation policy; IBT Part B - Information for Providers, Employees, and Funders;

<http://www.health.govt.nz/new-zealand-health-system/claims-provider-payments-and-entitlements/between-travel-settlement>

Top up funding to transition the HCS workforce to guaranteed hours.

<b>Purchase Unit (PU ID)</b>	<b>Unit Price excl. GST (per PU)</b>	<b>GST Rate (%)</b>	<b>Payment Type</b>
Cancelled Shifts	\$19.61 per hour	15	IBT Portal
IBT- Cancelled Travel Time Band Rate	* <sup>4</sup>	15	IBT Portal
IBT – Cancelled Travel Time Exceptional Travel Time	* <sup>4</sup>	15	IBT Portal
Ongoing Reduction of Hours	\$19.61 per hour	15	IBT Portal
Top-Up Funding	As per B4 below	15	CMS

<b>Purchase Unit (PU ID)</b>	<b>Total Price excl. GST</b>	<b>GST Rate (%)</b>	<b>Payment Type</b>
IBT0001 IBT Part B - Unfilled guaranteed hours		15	CMS
<b>Total price for the Service Schedule</b>			

<sup>4</sup> The IBT Band Rate and Exceptional Travel rates are based on weighted averages and calculated in accordance with Schedule 3 of the Act. Agreed increases (to the base rates) for the band rate and exceptional travel rates are published on the Ministry of Health website.

**B4. Payment Details – Guaranteed Hours & Ongoing Reduction of Hours**

B4.1 Payment for services will be made within seven working days after the Ministry receives a claim through the provider IBT portal in the format prescribed in the Operational Policy Document.

B4.2 If the Ministry does not receive an invoice from you by the dates set out in the Payment Schedule of your Home and Community agreement, then we will pay you within 14 days after we receive the invoice. Send all invoices to:

Ministry of Health,  
Private Bag 1942,  
Dunedin.

B4.3 Providers are responsible for all taxation liabilities and all other costs and expenses arising in relation to the Services and the payments.

B4.4 The Ministry and DHBs will consult with providers 3 months prior to the proposed implementation of any proposed changes to the claiming process.

**B5. Payment Details - Top Up Funding**

B5.1 Payment for services will be made within 20 working days after the Ministry receives a valid tax invoice.

B5.2 If the Ministry does not receive an invoice from you by the dates set out in the Payment Schedule of your Home and Community agreement, then we will pay you within 14 days after we receive the invoice. Send all invoices to:

Ministry of Health,  
Private Bag 1942,  
Dunedin.

B5.3 Providers are responsible for all taxation liabilities and all other costs and expenses arising in relation to the Services and the payments.

B5.4 A quarterly fixed payment will be made on the first day of the quarter for top up funding in recognition of unfilled hours due to excess staff capacity.

The funding will reduce over the 15 months as shown in the table below.

**B6. Payment Schedule – Top Up Funding**

Date of Payment	Amount	Invoice Date
1 April 2017	(X) 100%	1 April 2017
1 July 2017	75% of X	30 June 2017
1 October 2017	75% of X	30 September 2017
1 January 2018	50% of X	31 December 2017
1 April 2018	25% of X	31 March 2018



## **B7. Payment Details – CMS Payments**

### **B7.1 Price**

The price we will pay for the service you provide is specified above. Note that all prices are exclusive of GST.

### **B7.2 Invoicing**

We will pay you on the dates set out in the Payment Schedule below for the services you provide in each invoice period so long as we receive a valid GST tax invoice from you. The invoice must meet all legal requirements and must contain the following information:

- a. Provider name (legal entity name)
- b. Provider number (legal entity number)
- c. Provider invoice number
- d. Contract number
- e. Purchase unit number or a description of the service being provided
- f. Date the invoice is due to be paid/date payment expected
- g. Dollar amount to be paid
- h. Period the service was provided
- i. Volume, if applicable
- j. GST rate
- k. GST number
- l. Full name of Funder

### **B7.3 Invoicing Address**

Send invoices to:

[providerinvoices@moh.govt.nz](mailto:providerinvoices@moh.govt.nz)

or post to:

Provider Payments  
Ministry of Health  
Private Bag 1942  
Dunedin 9054

**B8. Payment Schedule – CMS Payment**

<b>Payments will be made by us on these dates:</b>	<b>On invoices received by us on or before:</b>	<b>For services supplied in the period:</b>	<b>Amount (excl GST)</b>
20 July 2017	30 June 2017	1 April 2017 to 30 June 2017	
20 October 2017	30 September 2017	1 July 2017 to 30 September 2017	
20 January 2018	31 December 2017	1 October 2017 to 31 December 2017	
20 April 2018	31 March 2018	1 January 2018 to 31 March 2018	
20 July 2018	30 June 2018	1 April 2018 to 30 June 2018	
<b>Total</b>			

**B9. Reporting and Monitoring**

Quarterly Reporting

Number of;

- Rostered visits
- Rostered visits cancelled,
- number of cancelled hours that were replaced