

Compulsory Variation to Integrated Community Pharmacy Services Agreement

BETWEEN

Health New Zealand – Te Whatu Ora

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AND

[Name]

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1 July 2024

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A: SUMMARY

Background

- A. Health New Zealand |Te Whatu Ora (Health NZ) and the Provider are parties to the Integrated Community Pharmacy Services Agreement ("**Agreement**").
- B. On 30 May 2024, the Government delivered Budget 2024, which included the reinstatement of the standard \$5 prescription co-payment for Service Users from 1 July 2024.
- C. To give effect to that change in law and the Budget announcement, the Agreement is varied as set out in this compulsory variation ("**Variation**").
- D. This Variation is made in accordance with clause C.26 of the Agreement.

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 Commencement Date

A2.1 This Variation will take effect on 1 July 2024.

B: CHANGES TO THE AGREEMENT

B1 Change to clause D.5

B1.1 Clause D.5 is replaced with the following:

“Co-payments

- (1) *Subject to subclauses (2) and (3), the Provider may charge a Service User an amount not exceeding the relevant Co-payment determined in accordance with the Procedures Manual, the Pharmaceutical Schedule, and the Health Entitlement Cards Regulations 1993.*
- (2) *The Provider may charge a Service User up to the Maximum Standard Co-payment Amount for Dispensing a Subsidised Pharmaceutical to the Service User prescribed by:*
 - (a) *a Prescriber employed by Health NZ;*
 - (b) *a provider or Prescriber with an access or service agreement with Health NZ, or a PHO;*
 - (c) *an after-hours provider with an access or service agreement with Health NZ or PHO; or*
 - (d) *a provider providing a fully publicly funded service under a Section 94 Notice.*
- (3) *The Provider must not charge a Service User a Co-payment if an exemption as set out in the Procedures Manual applies,*
- (4) *Unless the Dispensing of the Pharmaceutical is done as part of a Negative A3 or J3 Transaction, or an exemption set out in the Procedures Manual applies, Te Whatu Ora will calculate each payment payable to the Provider under Schedules 1 or 3 (if relevant) on the basis that the Provider collected the Maximum Standard Co-payment Amount from the Service User, whether or not the Provider collected some or all of the Maximum Standard Co-payment Amount.*

B2 Change to clause D.7 (Pharmacy Charges)

B2.1 Clause D.7(1) is amended by replacing “*Subject to clause D.5(2)*” with “*Subject to clause D.5*”.

B3 Changes to clause E.1 (Definitions)

B3.1 Clause E.1 is amended as follows:

(a) the definition of “Co-payment” is amended by:

(i) replacing “*clause D.5(2)*” with “*clause D.5*; and

(ii) including the words “*and includes the Maximum Standard Co-Payment Amount*”;

(b) the definition of “Maximum Standard Co-payment Amount” is incorporated

“means an amount determined by Government or the Ministry of Health from time to time as being the maximum Co-payment that a Service User may be charged for Dispensing a Pharmaceutical described in clause D.5(2)”; and

(c) in the definition of “Negative A3 or J3 Transaction”, subclause (a) is replaced with “*the Co-payment that the Provider may charge for the Initial Item is greater than the Maximum Standard Co-payment Amount; and*”.

B4 Change to Schedule 3B.4 (Special Food Services)

B4.1 Clause 6.1 of Schedule 3B.4 is replaced with the following:

“The Provider must charge a Service User only one Co-payment if the Service User receives more than one flavour of the same type of Special Food listed in the Pharmaceutical Schedule.”