

# **Integrated Community Pharmacy Services Agreement National Annual Agreement Review 2024 Meeting 7, 10 September 2024**

## **Statement**

The seventh meeting of the 2024 Integrated Community Pharmacy Service Agreement (ICPSA) National Annual Agreement Review (NAAR) took place on Tuesday 10 September 2024 between Health New Zealand (Health NZ) and the pharmacy provider representatives.

The Pharmacy Guild (the Guild) made a very strong statement at the outset expressing disappointment and dissatisfaction with the outcome of NAAR 2024, particularly in terms of the inadequate price uplift and the failure to consider reasonable cost pressure adjustments, which is a ICPSA contractual requirement. The Guild also expressed their concerns about many aspects of the NAAR process this year, seeking an undertaking that NAAR will be different next year. The Guild requested that the Health NZ advice to the Commissioner is made available to NAAR participants to assure transparency.

NAAR provider representatives were very supportive of the points made by the Guild. The pressure experienced by community pharmacies was eloquently described. NAAR provider representatives acknowledged, reluctantly, that the price uplift will not change from 2.51%.

NAAR provider representatives wish to move at pace on decisions on the preferred options for adjusting service fee lines in the ICPSA. There was considerable agreement on the principles to be applied to the distribution of the uplift, for example, the importance of having no pharmacies experiencing a negative financial impact. A range of scenarios were discussed which require further modelling by Health NZ. This can be achieved quickly and circulated this week to all NAAR representatives. It is anticipated that consensus can be reached amongst the provider representatives.

NAAR provider representatives looked to the future, post NAAR 2024, and asked Health NZ to rapidly progress important issues in the work programme such as the roll out of a minor health conditions service, the potential to surcharge and a review of the funding model.

Health NZ was optimistic that the NAAR process could start earlier next year, and the process would be improved. However, the financial environment cannot be predicted so funding is likely to remain a challenge.

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