

# Integrated Community Pharmacy Services Agreement National Annual Agreement Review 2024 Meeting 8, 21 October 2024

## Statement

The eighth meeting of the 2024 Integrated Community Pharmacy Service Agreement (ICPSA) National Annual Agreement Review (NAAR) took place on Monday 21 October 2024 between Health New Zealand (Health NZ) and the pharmacy provider representatives.

NAAR participants approved Variation 6 to the ICPSA and the Letter of Offer to ICPSA contract holders. These will be sent out to all ICPSA contract holders in early November with an acceptance date of 28 November 2024. The variation includes the 2.51% uplift backdated to 1 July 2024. NAAR provider representatives consider this to be inadequate to address reasonable cost pressures but knew that they had pursued all available NAAR avenues possible to improve the offer.

The letter of offer includes an undertaking by Health NZ to explore the options for surcharging, to consider development and introduction of a nationwide funded minor health conditions service through community pharmacy and to incorporate updates to the Sapere 2020 and Grant Thornton reports on funding model and wage cost pressure issues into work plans for completion by June 2025. Outcomes will depend on budget availability with the fiscal environment remaining very constrained.

Concern was expressed over the potential adverse financial impact on community pharmacies of the current policy proposal being considered by the government to extend the maximum prescription duration from 3 months to 12 months. Discussions are in the very early stages. Health NZ agreed that NAAR provider representatives would be engaged if this policy proposal progresses and should any changes to prescription duration change be proposed to occur before 30 June 2025, NAAR would reconvene on an urgent and immediate basis to discuss.

Health NZ's updated pharmacy development workstream was presented to NAAR provider representatives. There will be many opportunities for key stakeholders to be involved in working and advisory groups over the next year.

Health NZ is committed to do their utmost to improve the process for NAAR 2025, including responding in writing to key concerns raised during NAAR 2024. Within the next month, ICPSA contract holders will be asked to nominate their representatives for NAAR 2025, and NAAR provider representatives will be invited to indicate the key issues they wish to be discussed during NAAR 2025.

The Pharmacy Guild asked Health NZ to consider a set of principles for the NAAR 2025 process based around consistency, fair and reasonable pricing/cost pressure recognition, parity across primary and community services providers, and a focus on delivering increased value for money for better health outcomes and reduced waiting times. Health NZ will consider these principles with the NAAR 2025 group. The financial environment is likely to remain a significant challenge.

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