

# Guaranteed Hours Funding Framework (Transitional Arrangements for the period 1 April 2017 to 30 June 2018), March 2017

This update provides important information about the Ministry of Health & DHB transitional arrangements for the 1 April 2017 implementation of the second variation of the In-Between Travel Settlement - Part B for the Funding of Guaranteed Hours.

We are now entering the implementation phase of guaranteed hours for Home and Community Support Workers, including funding for cancelled appointments, thanks to the work of the many interested parties.

This guidance is now being provided to assist you in preparing for the April 1 2017 implementation (and ongoing matters).

The purpose of this document is to provide information on a wide range of the areas or issues impacted by the new workforce model for providers, employees and funders.

It includes technical guidance and a number of funding policy issues regarding guaranteed hours.

Please take the time to consider the information below. We value your views and if you have general questions or feedback about the information, please email us at [ibt@moh.govt.nz](mailto:ibt@moh.govt.nz)

The Ministry expects to update this guidance as required and will keep you fully advised of any revisions.

## Document Version Control

Date	Version	Summary of changes
9 March 2017	V1.0	Original document emails to providers
24 March 2017	V1.1	<ul style="list-style-type: none"><li>Added footnote 2, "Cost needs to be balanced against quality and employment standards"</li><li>Added footnote 3 about exceptional travel "Parties will continue to work through the exceptional travel issue. The intention is to find a fair solution that does not disadvantage workers."</li><li>Section 4.1– amended codes</li><li>Section 4.4 -added decision flow chart</li><li>Section 4.5 – added decision flow chart</li></ul>
12 April 2017	V1.2	<ul style="list-style-type: none"><li>Changed the sentence in 4.1 to "Cancelled visits including during additional hours, ongoing reduction in hours, and travel components will be claimed through the existing IBT claim portal using the same template."</li></ul>

		<p>Added in 3.3 “Non-replaced unavoidable cancelled visits will include visits during Additional Hours. Additional Hours is the non-guaranteed time agreed between the employer and the support worker above the guaranteed hour.”</p> <ul style="list-style-type: none"> <li>• Various changes in 4.1 – 4.3 to allow for claiming of cancelled “Additional hours” and clarifying potential error codes.</li> <li>• 1Added in on 4.3 “NOTE: codes AA, AT and AN are treated in the same way as AD, AE and AF (resp.). The different codes will be used to capture the difference between cancellations that would drop the worker under their guaranteed hours and those that are additional hours. Funders expect Providers to have best practice rostering process and where audits suggest cancellations due to poor rostering process, Funders may seek recovery of the paid cancelled hours.”</li> </ul>
12 June 2017	V1.3	<ul style="list-style-type: none"> <li>• Updated various sections to specify payment for cancelled visits and ongoing reduction of hours is based on each care and support workers wage band instead of an average wage rate.</li> <li>• The new rates for cancelled visits and ongoing reduction of hours are shown in table 1 of section 3.3 along with the increased on-cost to 21.7%.</li> <li>• A link to the Care and Support Worker (Pay Equity) Settlement Act is shown in footnote 1. The Act specifies all of the wage rates for the duration of the settlement.</li> <li>• Section 4 updated to reflect applicable rates for payment of cancelled visits and ongoing reduction of hours</li> </ul>
25 October 2017	V1.4	<p>3.2 updated to State “The funding rates are the same as the rates for the funding of non-replaced unavoidable cancelled visits (Table 1). Because the Ministry funds providers the full wage rate, the Ministry expects Providers to pay support workers their relevant ordinary pay rate.”</p>

		3.3 updated to state “Because the Ministry funds providers the full wage rate, the Ministry expects providers to pay support workers their relevant ordinary pay rate. “
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## Background on Regularisation

In 2014, the DHBs, Ministry, Unions and Providers entered into a Settlement Agreement concerning the funding of travel time and travel costs incurred by non-salaried employees providing home and community-based support services ('the Settlement Agreement').<sup>1</sup>

The Settlement Agreement was in two parts. Part A has been actioned and is now included in the Act; Part B relates to the overarching review of the HCSS sector, aspects of which are regularisation of the home and community support workforce and future models of care. This Part is ongoing and involves various initiatives/workstreams.

There are four components to Regularisation of the workforce:

1. majority of workers employed on guaranteed hours
2. training to enable level three NZQA Certificate qualifications within two years of commencing work, consistent with the service needs of the population
3. wages paid on the basis of the required levels of training of the worker
4. a case mix/caseload mechanism to ensure the fair and safe allocation of client to home care workers at a safe staffing level.

Regularisation was due to commence in September 2016 (i.e. 2 years after the signing of the Settlement Agreement).

The Settlement Agreement was varied on 20 October 2016 to change the implementation date to 1 April 2017, and to focus primarily on guaranteed hours in the first instance.

Guaranteed hours for support workers excludes genuine casual employees (i.e. engaged as and when required, not rostered regularly and not obligated to be available for work) and those providing short-term support (i.e. where client support has been allocated for six weeks or less and doesn't get extended).

New employment law came into effect from 1 April 2016 known as the Employment Standards Legislation (ESL). This new legislation specifies new rules in relation to agreed hours, guaranteed hours and availability, cancellation of shifts and related compensation, and secondary employment options. This document relates just to the guaranteed hours component of the settlement agreement, though it is recognised that there are linkages with ESL.

## Statement of Principles

Funding is provided in the context that all parties adhere to the following principles:

- All parties will act consistently and in good faith with the principles and obligations set out in the IBT Settlement Agreement and Variations, the Employment Relations Act (ERA), and existing contracts.

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<sup>1</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>  
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- Funders will apply a fair and reasonable tolerance regarding claims during the transition period to reflect the time and effort required for Providers to move to new systems and processes.
- Providers take all reasonable action to find other work for employees before proposing a reduction in an employee's guaranteed hours.
- Providers will take all reasonable steps to minimise the number of employees who have their guaranteed hours reduced.

Funders and/or providers will not be restricted from exploring other models of care for the provision of home and community support services.

In setting out these expectations, the Ministry does not intend to restrict the ability of funders or providers to explore other models of care for the provision of home and community support services.

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# 1 The Ministry's Operational Policy – Criteria for Funding of Guaranteed Hours

## 1.1 Notice Period

The notice period is the length of time between notification of a cancelled visit and the scheduled appointment time and date. The Ministry will pay for unavoidable cancelled visits up to 48 hours prior to the scheduled appointment subject to (1.2).

## 1.2 Reason for Cancellation

The Ministry will fund all unavoidable cancellations regardless of the reason, where those cancellations are not subsequently replaced by the provider. Unavoidable cancellations is defined as cancellations where neither the provider nor the support worker has control over the cancellation.

Examples of unavoidable cancellations are:

1. client choice (though it is expected that the provider will work with clients to reduce the number of cancellations)
2. client unavailable for reasons such as hospital admission; respite care; and death.

Examples of cancellations that won't be funded:

1. cancellations requested by the support worker e.g. support worker being on leave (planned and sick)
2. an error was made by the provider's coordinator (i.e. the client's service authorisation ceased and the Needs Assessment Service Coordination service notified the provider).

## 1.3 Ongoing reduction of (total guaranteed) hours

Ongoing reduction of total agreed guaranteed hours is where a provider needs to make a reduction to a support worker's total number of guaranteed hours in their employment agreements because of the withdrawal or partial withdrawal of service by a client and/or NASC and the provider is unable to offer ongoing alternative work. The Ministry expects providers to actively manage demand for their services (both for private and government funded) and the supply of their workforce i.e. we expect providers take all reasonable actions to meet their obligations under the Employment Relations Act and to reduce costs.

## 1.4 Duration of Transitional Funding

The length of time transitional funding support will be in place is 15 months from 1 April 2017 to 30 June 2018. This includes funding for all funding components of guaranteed hours. A review will be undertaken in October 2017 in order to the effectiveness of the operational policy settings and funding-levels to support the implementation and ongoing management of guaranteed hours.



## 2 General Policies

### 2.1 Exclusions

The policy excludes Ministry funded Family Funded Carers as these carers should not be employed by Home and Community Support providers.

Staff funded through individualised funding are excluded.

### 2.2 Regularisation model

There are a number of models of guaranteeing hours to employees. The Ministry's expectation is that providers will transition to the most cost effective<sup>2</sup> model to the Crown.

## 3 How will the funding be administered from 1 April 2017?

There are different components to funding for Guaranteed Hours implementation and management:

### 3.1 One-off funding for implementation costs (paid by the Ministry)

One-off funding will be made towards providers' implementation costs from a pool of \$1 million. Funding will be allocated proportional to providers' IBT Part A claims for the period 1 January 2016 to 31 December 2016.

The Ministry will only make one payment per provider for implementation costs. If a provider acquires another business, it is the provider's responsibility to negotiate with the party selling the business to resolve any outstanding costs related to the implementation of regularisation.

### 3.2 Ongoing Reduction of Hours (funded through DHB/MOH Contract)

It is recognised that providers may have costs related to workers having total agreed guaranteed hours higher than demand for the Provider services and therefore the support worker's employment agreement has to be varied e.g. a client dies and the provider is based in an area where there are a low number of referrals.

Funding is available after the provider discusses the permanent reduction to the support worker's total agreed guaranteed hours due to anticipated lack of service demand. The funding is based on payments to workers for missed appointments, limited to 3 weeks, for the permanent reduction in total agreed guaranteed hours. The funding rates are the same as the rates for the funding of non-replaced unavoidable cancelled visits (Table 1). Because the Ministry funds providers the full wage rate, the Ministry expects Providers to pay support workers their relevant ordinary pay rate.

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<sup>2</sup> Cost needs to be balanced against quality and employment standards  
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Ongoing reduction of hours do not include situations where providers make workers redundant or partially redundant for other business reasons.

### 3.3 Funding for non-replaced unavoidable cancelled visits (funded through DHB/Ministry Contract)

Funding that meets the Guaranteed Hours Funding Framework will be claimed through the IBT Payment Portal. Providers will be funded based on the applicable hourly wage rate for each home and community support worker<sup>3</sup> plus on-costs for visits that meet the criteria set out in section one. The rates are shown below in table 1 and include on-costs of 21.7%. Because the Ministry funds providers the full wage rate, the Ministry expects providers to pay support workers their relevant ordinary pay rate.

**Table 1 – Rates from 1 July 2017<sup>4</sup>**

Band	Hourly Wage from 1 July 2017	Total incl. on-costs (21.7%)
0	\$ 19.00	\$ 23.12
2	\$ 20.00	\$ 24.34
3	\$ 21.00	\$ 25.56
4a	\$ 22.50	\$ 27.38
4b	\$ 23.50	\$ 28.60

Non-replaced unavoidable cancelled visits will include visits during Additional Hours. Additional Hours is the non-guaranteed time agreed between the employer and the support worker above the guaranteed hour.

Payment for cancelled visits requires providers to supply the Ministry with accurate workforce data including the length of service and qualifications of the individual support worker. Initially this will be sourced by the data provided for Pay Equity. This requires providers to update the Ministry with changes in their workforce. If no data is available, the calculation will be based on band 0 rates. Providers required to use exactly the same employee ID in both the IBT claim as in the workforce (Pay Equity) data collection.

Details for updating the workforce data will be provided later.

#### 3.3.1 Funding for unavoidable cancelled visits - travel time (funded through DHB/MoH Contract)

It is recognised that there are implications for support workers in relation to scheduled travel time between clients when there are subsequent visit cancellations. Providers will be able to claim for the travel time component when there is an unavoidable visit cancellation within 48 hours or less notice.

<sup>3</sup> As determined by the Care and Support Worker (Pay Equity) Settlement Act

<sup>4</sup> For outyears the wage rates are specified in Schedule 2 of the Care and Support Worker (Pay Equity) Settlement Act.  
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In order to simplify the system changes needed, providers will be allowed to claim the banded travel component for cancelled visits, including first visits and visits that might have resulted in Exceptional Travel<sup>5</sup>. See the examples in section 4 for more details.

### 3.4 “Top up” funding for Unfilled Guaranteed Hours (paid by the Ministry)

It is recognised that providers may have costs relating to paying workers for guaranteed hours where replacement work is not available and it is agreed between the provider and the worker not to alter the guaranteed hours. An example of this is where a client has moved to another town and the provider has not been able to fill that time with another client but the provider and the support worker do not want to reduce the guaranteed hours as it is anticipated that this is a temporary shortfall in hours that will be addressed as demand picks up.

Funding of \$8.3 million is available up to 30 June 2018 for costs relating to this. Funding will be allocated proportional to providers’ IBT Part A claims for the period 1 January 2016 to 31 December 2016.

## 4 Claiming process for cancelled visits, ongoing reduction of hours and travel components.

### 4.1 General

Cancelled visits including during additional hours, ongoing reduction in hours, and travel components are claimed through the existing IBT claim portal using the same template. The details required for these claims will be included in the currently unused IBTPSO columns of the claim template in the following format:

#### **CA\_[rate-code]\_[time]\_[reason]**

Each section of this format is detailed below:

#### **To trigger a claim for a cancelled visit (CA\_[rate-code]\_[time]\_[reason]):**

- Use “CA\_” to trigger processing of cancelled visits
- Use the IBTPSO column in the existing IBT template
- Separate fields with \_ (underscore): CA\_[rate-code]\_[time]\_[reason]

#### **To set the rate (CA\_[rate-code]\_[time]\_[reason]):**

- Add 1 or 2 letter rate-code to determine the rate (A/AA, AT, AR, AN, AD, AE, AF).
  - A or AA. When an appointment is cancelled but the worker has already travelled: claim the time for the cancelled appointment only, the actual travel is claimed using the existing IBT logic, for both band travel and Exceptional Travel (ET).

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<sup>5</sup> Parties will continue to work through the exceptional travel issue. The intention is to find a fair solution that does not disadvantage workers.

- AT. When an appointment is cancelled and the travel doesn't take place: claim both the cancelled appointment and the relevant<sup>6</sup> untraveled time per hour + \$3.04 (increase from \$2.95 on 1 April 2017)).
- AR. When a visit does not take place because of the reasons mentioned in section 3.2 (ongoing reduction of hours): claim both the time for the cancelled appointment and the untraveled time. The effect is the same as AT, but is a result of a different circumstance (see NOTE below).
- AN. When an appointment is cancelled and a partial replacement is found: claim only the difference between the cancelled appointment and the partial replacement. Travel for the replacement visit only will be claimed through regular IBT.
- AD. When an appointment is cancelled, where this appointment is considered "additional" and the worker has already travelled: claim the time for the cancelled appointment only, the actual travel is claimed using the existing IBT logic, for both band travel and Exceptional Travel (ET).
- AE. When an appointment is cancelled, where this appointment is considered "additional" and the travel doesn't take place: claim both the cancelled appointment and the untraveled time per hour + \$3.04 (increase from \$2.95 on 1 April 2017)).
- AF. When an appointment is cancelled, where this appointment is considered "additional" and a partial replacement is found: claim only the difference between the cancelled appointment and the partial replacement. Travel for the replacement visit only will be claimed through regular IBT.

NOTE: codes "AT" and "AR" are treated in the same way (include planned travel time) but use different codes to capture the difference between "cancel" (<48 hrs) and "ongoing reduction of hours" (>48hrs, < 3weeks).

NOTE: codes AA, AT and AN are treated in the same way as AD, AE and AF (resp.). The different codes will be used to capture the difference between cancellations that would drop the worker under their guaranteed hours and those that are additional hours. Funders expect Providers to have best practice rostering process and where audits suggest cancellations due to poor rostering process, Funders may seek recovery of the paid cancelled hours.

**To claim the duration of the cancelled visit (CA\_[rate-code]\_[time]\_[reason]):**

- Add a number to indicate the time that was allocated to this visit (in minutes, no decimals, max 3 digits)

**To provide the reason for the cancellation (CA\_[rate-code]\_[time]\_[reason]):**

- Optional (that is, the claim will go through without the reason code) but desirable: add a 2 or 3 letter code to indicate the reason for the cancellation:
  - Client in hospital: HOS
  - Client passed away: DEA
  - Client in Respite care: RES
  - Client's choice: CC or CCC
  - Extreme Weather: EXW

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<sup>6</sup> As per table 1 in section 3.3  
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- Client moves away: CMA
- Client entitlement ceases: CES
- Client complexity changes: CCH
- Unknown: UNK (possible at a no-show at the door, should not be repeated for the same client)
- Other unavoidable reason: OTH

Valid Examples:

- CA\_AT\_60\_HOS
- CA\_AR\_120\_DEA
- CA\_A\_15\_RES
- CA\_AA\_60
- CA\_AD\_15\_CC
- CA\_AE\_30\_UNK

Invalid Examples:

- **CANCELLED**\_AT\_60\_HOS (wrong trigger, ignored)
- AR\_120\_DEA (no trigger, ignored)
- CA **120 AR** DEA (order rate code and time reversed, invalid)
- CA\_A **0.5** RES (decimal in the duration, invalid)
- CA **RT** 60\_OTH (unknown rate code, invalid)
- CA60AAHOS (no underscores, ignored)
- CA-60-AA-HOS (hyphen instead of underscores, ignored)
- **ca** 60\_aa\_hos (small letters instead of capitals, ignored)
- CA \_AR\_120\_DEA (space after CA, wrong trigger, ignored)

Ignored: treated as a normal IBT claim

Invalid: claim line invalid, can resubmit

## 4.2 Validations

- All existing logic and validations (check contract, check NHI/eligibility for FFS clients, no duplicates, etc.) stays the same. Invalid lines will also result in invalid cancelled visit claims
- IBT PSO columns not starting with CA\_ will be ignored and treated as a normal IBT claim line.
- IBT PSO columns starting with CA\_ with formatting behind it that does not follow the structure exactly will not be recognised and will be considered invalid so they can be completely resubmitted. (reason like: "*The IBTPSO field is flagged for a Cancelled appointment, but appears in the incorrect format. Please use the correct format.*")
- IBT PSO columns starting with CA\_ with coding behind it that does not follow the conventions (such as allowed rate codes) exactly will also be considered invalid so they can be completely resubmitted. (reason like: "*Invalid CA rate code [..].*")
- Impossible combinations (like code "AT" with ET column(s) populated, "A" with only ET time and no distance) will be considered invalid so they can be completely resubmitted (reason like: "*CA claim fails the validation rule, ET not allowed for this rate code*")

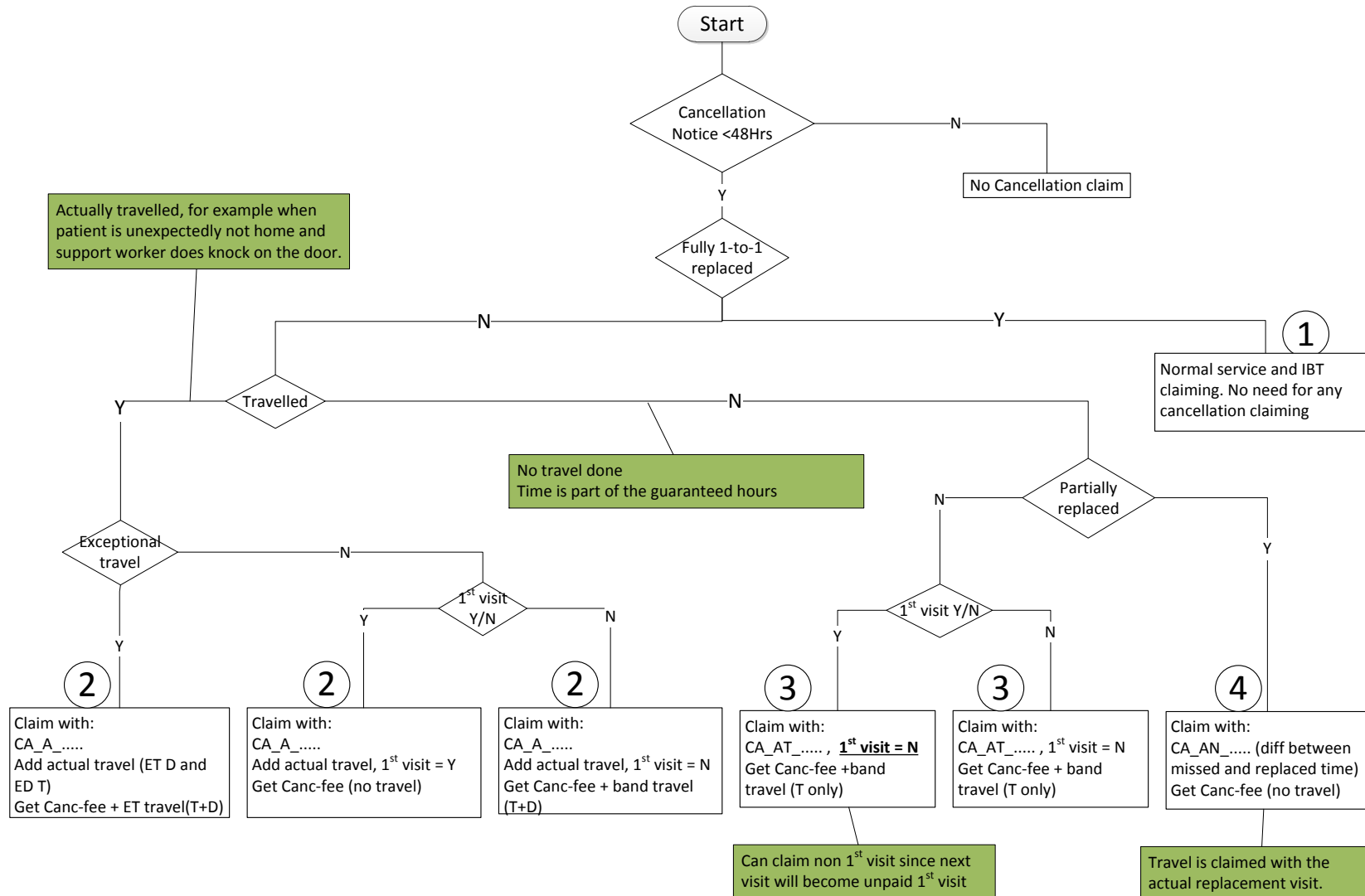
- We intend to put a maximum on the amount to prevent typos (like 10 hours) (reason like: "*CA time ... min exceeds the maximum of 600 min*")

#### 4.3 Claiming for cancellations (guaranteed hours as well as “additional hours”) and for ongoing Reduction of Hours

Although the context for is quite different, from a technical perspective, all are processed in a similar way. Therefore, in the following sections, claiming for “cancelled visits” and claiming for “ongoing Reduction of Hours” can be read interchangeably.

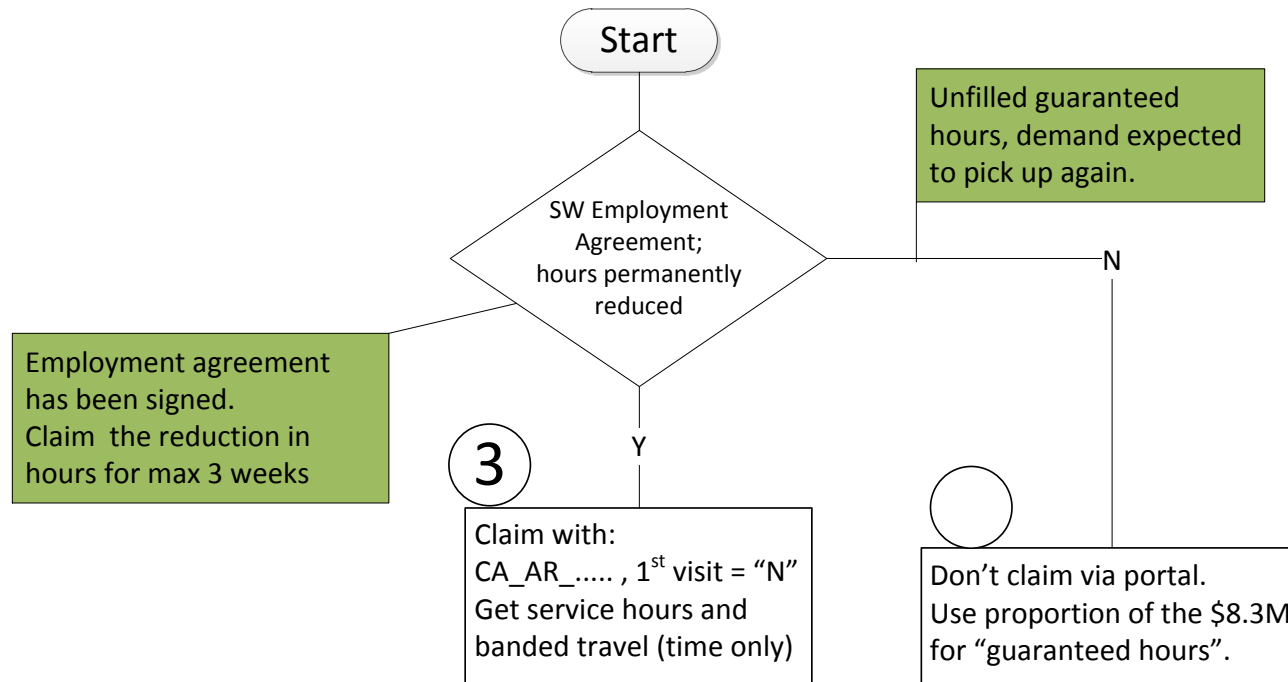
### 4.4 Decision flow “Cancellations”

The following diagram could help in determining which code to use in what situation when an appointment is cancelled.



#### 4.5 Decision flow “Ongoing “Reduction”.

The following diagram could help in determining which code to use in what situation when an employment contract is permanently reduced.



#### 4.6 Scenario 1, cancelled visit, fully (1-in-1) replaced.

In this scenario:

- There was a cancellation (last minute or otherwise) visit missed.
- The support worker did not actually travel to the client.
- The provider found a replacement visit, the support worker travelled to that other client and provided services there.



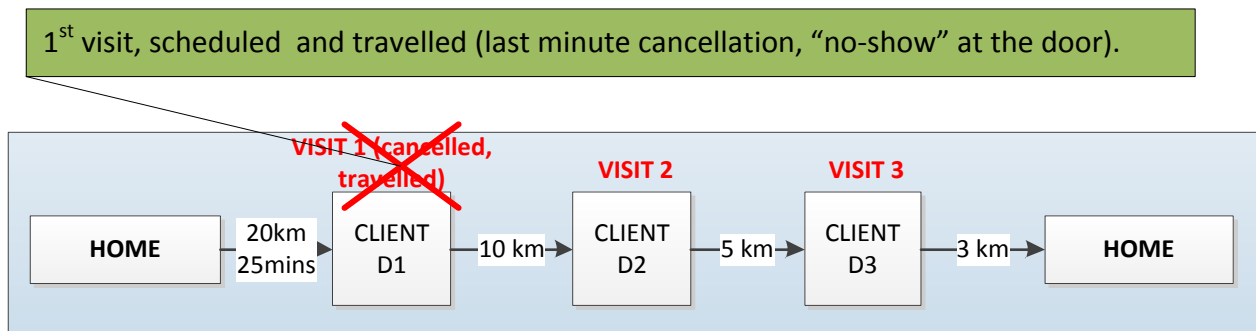
Since the worker's roster did not have any unallocated time, the provider does not have an unavoidable cancelled visit to claim. Claim the service and travel to the other client through the existing process.

#### 4.7 Scenario 2, cancelled visit, actually travelled, no replacement

In this scenario:

- There was a "last minute" cancellation or the Support Worker showed up at the client's address and there was nobody home.
- The support worker actually travelled to the client.
- The provider could (understandably in this scenario) not find any replacement work.

The provider claims for the missed service (CA\_A), adds the missed time in minutes, for example one hour (CA\_A\_60) and adds the reason for the cancellation which could be unknown at the moment (CA\_A\_60\_UNK). The actual travel (band or Exceptional, first visit or not) is claimed in the same line through the existing IBT process in the same way it is now.



Claim:

IBTPSO	EmployeeID	VisitDate	VisitTime	PostCode	FirstVisit	PersonNHI	Funder	FFS/Bulk	RecordID	AgreementNum	TeptTravelTime	TravelDistance
CA_A_60_UNK	D1	20/04/2017	8:00	4000	Y	DDD1111	MOH	FFS	1	300001	25	20
	D1	20/04/2017	10:00	4000	N	DDD1112	MOH	FFS	2	300001		
	D1	20/04/2017	11:00	4000	N	DDD1113	MOH	FFS	3	300001		

Claim report:

IBTPSO	EmployeeID	Visit Date-Time	PostCode	FirstVisit	PersonNHI	Funder	FFS/Bu	RecordID	Agreement	ceptTravelTime	TravelDistance	Cancelled Trip	Band Time	Band Distance	Excep Time	Excep Dist	Pay Amount
CA_A_60_UNK	D1	20/04/2017 8:00	4000	Y	DDD1111	MOH	FFS	1	300001	25	20	\$19.61	\$0.00	\$0.00	\$8.66	\$10.60	\$38.87
	D1	20/04/2017 10:00	4000	N	DDD1112	MOH	FFS	2	300001				\$2.95	\$1.96	\$0.00	\$0.00	\$4.91
	D1	20/04/2017 11:00	4000	N	DDD1113	MOH	FFS	3	300001				\$2.95	\$1.96	\$0.00	\$0.00	\$4.91

#### 4.8 Scenario 3, cancelled visit, no travel, no replacement

In this scenario:

- There was a cancellation but timely enough so the Support Worker did not have to travel.
- The provider could not find any replacement work.

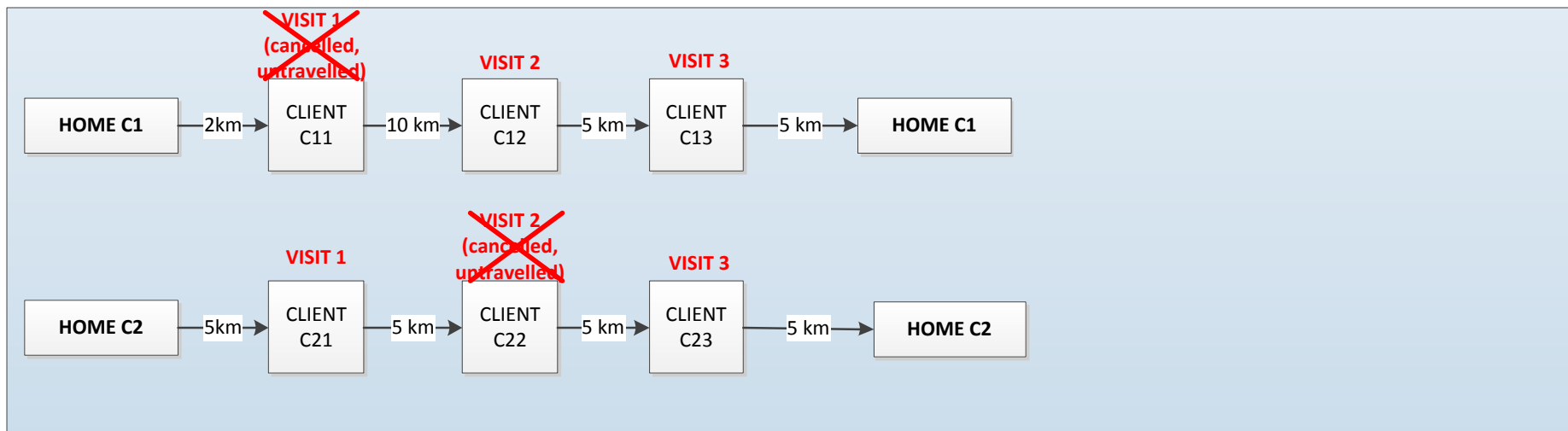
The provider claims for the missed service (CA\_AT), adds the missed time in minutes, for example one and a half hour (CA\_AT\_90) and adds the reason for the cancellation, client in hospital for example (CA\_AT\_90\_HOS). The planned (missed) time part (hence the “T” in the “AT” code) of the travel can be included in the same line. This can always be added as a banded, non 1<sup>st</sup> visit.

- In case the cancellation was a first visit, the second planned visit of the day will become the actually travelled first visit and claimed as such without payment for this first visit. This preserves the total planned travel time for the day.
- In case the cancellation was a subsequent visit, the provider also claims this as a banded visit. This will also preserve the total planned travel time for the day.

Both included in the example below.

Note: the code “A” is to be used to claim cancelled service and actually travelled time and distance. The codes AT and AR will result in a \$3.04 (increase from \$2.95 on 1 April 2017) travel time component if claimed as a non-first visit.

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Claim:

IBTPSO	EmployeeID	VisitDate	VisitTime	PostCode	FirstVisit	PersonNHI	Funder	FFS/Bulk	RecordID	AgreementNum	ceptTravelTime	TravelDistance	Notes:
CA_AT_60_HOS	C1	21/04/2017	8:00	4001	N	CCC1112	MOH	FFS	1	300001			Always claimed as banded, non 1st visit
	C1	21/04/2017	10:00	4001	Y	CCC1113	MOH	FFS	2	300001			This visit becomes actually first visit
	C1	21/04/2017	11:00	4001	N	CCC1114	MOH	FFS	3	300001			
	C2	21/04/2017	8:00	4001	Y	CCC2221	MOH	FFS	4	300001			
CA_AT_90_HOS	C2	21/04/2017	10:00	4001	N	CCC2222	MOH	FFS	5	300001			
	C2	21/04/2017	11:00	4001	N	CCC2223	MOH	FFS	6	300001			

Claim report:

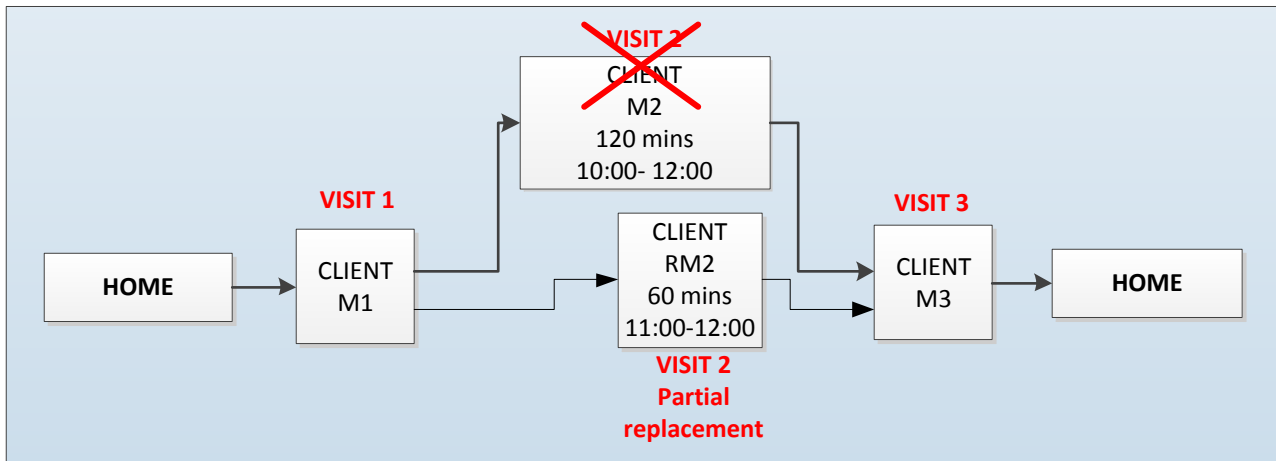
IBTPSO	EmployeeID	Visit Date-Time	PostCode	FirstVisit	PersonNHI	Funder	FFS/Bu	RecordID	Agreement	ceptTravelTime	TravelDistance	Cancelled Trip	Band Time	Band Distance	GST Ex	Excep Time	GST Ex	Excep Dist	Pay Amount
CA_AT_60_HOS	C1	21/04/2017 8:00	4001	N	CCC1112	MOH	FFS	1	300001			\$19.61	\$2.95		\$0.00	\$0.00	\$0.00	\$0.00	\$22.56
	C1	21/04/2017 10:00	4001	Y	CCC1113	MOH	FFS	2	300001				\$0.00		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	C1	21/04/2017 11:00	4001	N	CCC1114	MOH	FFS	3	300001				\$2.95		\$1.96	\$0.00	\$0.00	\$0.00	\$4.91
	C2	21/04/2017 8:00	4001	Y	CCC2221	MOH	FFS	4	300001				\$0.00		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CA_AT_90_HOS	C2	21/04/2017 10:00	4001	N	CCC2222	MOH	FFS	5	300001			\$29.42	\$2.95		\$0.00	\$0.00	\$0.00	\$0.00	\$32.37
	C2	21/04/2017 11:00	4001	N	CCC2223	MOH	FFS	6	300001				\$2.95		\$1.96	\$0.00	\$0.00	\$0.00	\$4.91

#### 4.9 Scenario 4, cancelled visit, partial replacement

In this scenario:

- There was a cancellation, for example for 2 hours service, but timely enough so the Support Worker did not have to travel.
- The provider could find a replacement visit for some of that time so the support worker travelled to the replacement client's address instead.

The provider claims for the missed, not replaced service part (CA\_AN), adds the missed time in minutes, for example one hour (CA\_AN\_60) and adds the reason for the cancellation, client in respite care for example (CA\_AN\_60\_RES). No travel is claimed (hence the "N" in the "AN" code). The actual travel to the replacement client's address (banded or exceptional) is claimed with the regular IBT claim process and expected to compensate for the missed travel time of the cancellation.



Claim:

IBTPSO	EmployeeID	VisitDate	Visit Time	PostCode	First Visit	PersonNHI	Funder	FFS/Bulk	Record ID	AgreementNumb	ExceptTravel Time	ExceptTravel Distance
	M1	30/04/2017	08:00	1000	Y	MMM1111	MOH	FFS	1	300001		
CA AN 60 RE	M1	30/04/2017	10:00	1000	N	MMM1112	MOH	FFS	2	300001		
	M1	30/04/2017	11:00	1000	N	RMM1112	MOH	FFS	3	300001		
	M1	30/04/2017	13:00	1000	N	MMM1113	MOH	FFS	4	300001		

Claim report:

IBTPSO	EmployeeID	Visit Date-Time	PostCode	First Visit	PersonNHI	Funder	FFS/Bulk	Record ID	Agreement	ExceptTravel Time	ExceptTravel Distance	Cancelled Trip	Band Time	Band Distance	Except Time G	Except Dista	Pay Amount
	M1	30/04/2017 8:00	1000	Y	MMM1111	MOH	FFS	1	300001				\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CA AN 60 RE	M1	30/04/2017 10:00	1000	N	MMM1112	MOH	FFS	2	300001			\$19.61	\$0.00	\$0.00	\$0.00	\$0.00	\$19.61
	M1	30/04/2017 11:00	1000	N	RMM1112	MOH	FFS	3	300001				\$2.95	\$1.96	\$0.00	\$0.00	\$4.91
	M1	30/04/2017 13:00	1000	N	MMM1113	MOH	FFS	4	300001				\$2.95	\$1.96	\$0.00	\$0.00	\$4.91

#### 4.10 Other scenarios

When and if needed, other scenario will be further elaborated in the near future.

## 5 Audit

The Ministry of Health's Audit and Compliance team will closely monitor and audit claims and funding for cancelled visits and claims for ongoing reduction in hours.

Funders expect that providers:

- are able to demonstrate that rostering of workers is appropriate and efficient (i.e. home and community support workers are rostered to minimise the total cost of service provision including the cost of guaranteed hours and in between travel)
- keep adequate and accurate records to support claims for guaranteed hours and claims for the ongoing reduction in hours
- will demonstrate that they manage ongoing reduction of hours. Providers will be benchmarked and information provided to Funders to manage providers that are outliers.

Funders appreciate that the new scheme may take time to settle in so some tolerance will be allowed initially. However, failure to provide adequate and accurate documentation of claims will be disputed and could lead to action to recover funding for those claims.

## 6 Contract Variations

A contract variation and Letter of Agreement will be sent to you by your Funder by mid-March 2017.

The variation will:

- add provisions for ongoing reduction of hours
- add provisions for cancelled visits and travel time
- add reporting requirements related to guaranteed hours

Your Ministry contract will also include funding for "Top up costs for unfilled guaranteed hours". If you do not hold a contract with the Ministry but do with a DHB then a provision will be made in your Letter of Agreement (see below).

The Letter of Agreement will be sent to you by the Ministry for the following costs:

- \$75 per employee for information workshops for employees
- one-off implementation costs capped at \$1 million.
- make a contribution to pilot implementation costs for providers in Auckland and Taranaki.

## 7 Treatment of Disadvantage

- Where a provider believes they are disadvantaged they should raise this with the Ministry.
- In all cases, the parties must work together in good faith and with urgency to remedy any alleged financial disadvantage.
- Providers can submit claims under the no disadvantage clause based on evidence of actual and reasonable increases in costs.

In recognition that costs to implement guaranteed hours will be funded on a combination of actuals and estimates, the arrangements will be reviewed in October 2017.

## 8 Exceptional Circumstances

- It is recognised that some regions have exceptional circumstances like being rural or having a specific client mix that makes it difficult for providers to replace cancelled visits.
- The disadvantage process will be used to address these issues

## 9 DHB Funding

Funding for guaranteed hours and ongoing reduction of hours will be devolved based on the Population Based Funding Formula (PBFF) >65. The implementation of guaranteed hours will be cost neutral to DHBs. A wash-up will occur at the same times as the wash-up for the travel time and travel costs (Part A).