
Memo

21 June 2018

To: PSAAP Group members

From: Alastair Hercus, Natasha Wilson, and Christy Harcourt, Buddle Findlay

Changes to the PHO Services Agreement for 1 July 2018

1. Set out in this memo is a summary of the key changes to the PHO Services Agreement that have been proposed to come into force on 1 July 2018. This memo does not address changes that may come into force on 1 December 2018, which we understand will be considered at a later date.

Substance addition medical examinations

2. The Substance Addiction (Compulsory Assessment and Treatment) Act 2017 provides that medical practitioners can be asked to carry out medical examinations of persons to assess whether they meet the criteria for compulsory treatment under that Act, and issue medical certificates for such persons (see in particular section 17).
3. We have been asked to amend the Agreement to provide for DHBs to make payments for medical examinations and the issuing of medical certificates.
4. We have included the relevant provisions in the Agreement as a new Schedule C4, which describes the services to be provided, and Schedule F1.4, which sets out the claiming and payment rules. (Both of the schedules are currently unused/placeholders in the Agreement). Both of the schedules are quite short (less than 1 page each), which reflects that the description of the services to be provided is set out in the Act. The payment for each medical examination and any resulting medical certificate has been updated to \$360 (GST exclusive), which had initially been proposed at \$260 (GST exclusive).
5. The new Schedules C4 and F1.4 are set out as Appendix 1 of this memo.

Payments for zoster vaccine when given with the influenza vaccine

6. The Agreement currently provides that DHBs will not pay more than the relevant fee specified in the Agreement if more than one vaccine is administered on the same occasion (clause 2(1) of Schedule F1.3).
7. It is proposed that Schedule F1.3 be amended to provide that, if the zoster vaccine is administered to an eligible person on the same occasion as the influenza vaccine is administered to that eligible person, the DHB will pay:
 - (a) the full rate for the administration of the influenza vaccine; and

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- (b) \$15.00 (GST excl) for the administration of the zoster vaccine.
8. The changes to the Agreement to give effect to that proposal are set out in Appendix 2 of this memo.
9. The proposed changes to Schedule F1.3 do not apply if the administration of both vaccines occurred before 4 June 2018.

Other changes

10. Other changes proposed to come into force from 1 July 2018 are:
- (a) changing the date on the cover page of the Agreement to 1 July 2018. As it is expected that further substantive changes will be agreed and in force on 1 December 2018, it is proposed that this 1 July 2018 variation be described as version 5.1;
 - (b) amending clauses B.14(2)(c) and B.48(6) by replacing references to the now repealed Contracts (Privity) Act 1982 with references to the Contract and Commercial Law Act 2017, which replaced the Contracts (Privity) Act;
 - (c) amending clause 8(5) of Schedule C2 to provide that the DHB and PHO will participate in a review of the GMS clause before 30 June 2019 (instead of 30 June 2018);
 - (d) amending clause F.7 (National Enrolment Service) and clause 1 of Schedule F2.2A (Rural Funding payments) to remove the reference to 1 July 2017; and
 - (e) amending clause 5(2) of Schedule F1.1 to change the maximum co-payment fee that an eligible very low cost access practice may charge to enrolled persons for a standard consultation, as follows:
 - (i) in respect of enrolled persons aged 13 to 17 years, to increase the maximum fee from \$12.00 to \$12.50; and
 - (ii) in respect of enrolled persons aged 18 years and over, to increase the maximum fee from \$18.00 to \$18.50.
11. The following changes to Part G are also proposed:
- (a) amending clause G.2 to reflect that two of the measures described in this clause have been co-developed by the Ministry and the sector, but that those measures will not be financially incentivised in the 2018/19 Financial Year as set out below:

G.2 *System Level Measures and National Health Targets*

(1) *We agree that there are six system level measures that will begin from 1 July 2016 ("System Level Measures") as follows:*

 - (a) *three measures for which milestones will be agreed by our Alliance, achievement of which will be financially incentivised as set out in this Part G, being:*
 - (i) *number of acute hospital bed days per capita;*
 - (ii) *ambulatory sensitive hospitalisations rates for 0 to 4 year olds; and*

APPENDIX 1

SCHEDULE C4 SUBSTANCE ADDICTION – MEDICAL EXAMINATIONS

1. Background

- (1) Under the Substance Addiction (Compulsory Assessment and Treatment) Act 2017, an applicant who believes that a person has a severe substance addiction may apply to have the person medically examined by a Medical Practitioner. A possible outcome of such an assessment is that the person being examined may be detained and given compulsory addiction treatment.
- (2) Under the Act, an application must (in most cases) be accompanied by a medical certificate issued by a Medical Practitioner that complies with the requirements of section 17 of the Act.
- (3) This Schedule provides for the DHB to make payments for medical examinations and the provision of medical certificates under the Act.

2. Providing substance addiction medical examination services and certificates

- (1) The PHO and its Contracted Providers must ensure that any medical examinations carried out by a Medical Practitioner under the Act are undertaken in accordance with the requirements set out in section 17 of the Act, including that a medical certificate that meets the requirements set out in the Act is issued if the circumstances outlined in that section apply.

3. Charges for medical examinations and certificates

- (1) The PHO and its Contracted Providers must not charge, and must ensure a Medical Practitioner does not charge either the subject of the examination or the applicant for carrying out a medical examination, or issuing a medical certificate, in accordance with the Act.

SCHEDULE F1.4
PAYMENT FOR SUBSTANCE ADDICTION – MEDICAL EXAMINATIONS

1. Payment for medical examinations and certificates

- (1) The DHB will pay the PHO and its Contracted Providers \$360 (GST exclusive) for each medical examination and any resulting medical certificate that may be issued in accordance with Schedule C4.
- (2) We acknowledge that funding for this Service may be increased by the Ministry with effect from 1 July each year, in which case clause F.21 will apply.

2. Fees and claiming requirements

- (1) Subject to clause 2(2) of this Schedule, the claiming and payments rules that apply to fee for service claims in Part F (including in particular the rules set out in clauses F.4 to F.13) apply in respect of payments made under this Schedule.
- (2) Despite clause F.8(2), each Claim must include the following details in respect of each patient to whom the Claim relates (and does not need to include any other details set out in clause F.8(2)):
 - (a) Health Practitioner's Practitioner Identification Number;
 - (b) Health Practitioner's name;
 - (c) the time and date of the assessment; and
 - (d) patient's NHI number.

APPENDIX 2

SCHEDULE F1.3 PAYMENT FOR IMMUNISATION SERVICES

1. Payments for Immunisation Services

- (1) The DHB will pay the PHO, in lieu of any other payment that the PHO might otherwise be entitled to under this Agreement, the payment specified in clause 2, for administering to a Service User:
 - (a) a vaccine supplied by the DHB's authorised agent, in the course of an immunisation programme approved by the DHB; and
 - (b) an influenza vaccine purchased from a supplier nominated by the Ministry in writing from time to time.

2. One payment only

- (1) Subject to subclause (2A), nothing in this Schedule entitles the PHO to receive more than the relevant fee specified in clause 2 if more than 1 vaccine is administered on the same occasion.
- (2A) From 4 June 2018, subclause (1) does not apply if the influenza vaccine and the zoster (shingles) vaccine are administered on the same occasion to a Service User who is eligible for both vaccines.
- (2) Subject to subclause 0, neither the PHO nor a Contracted Provider may demand or accept or be entitled to recover from the Service User or any other person, any fee in respect of the Immunisation Services for which a fee is payable under this Schedule.
- (3) If the PHO or a Contracted Provider provides a Service other than an Immunisation Service at the same time as the consultation for the Immunisation Service, the PHO or Contracted Provider may charge for the other Service. A simple check of fitness (without clinical indication) for immunisation is considered part of the Immunisation Service.

3. Fees

- (1) The DHB will pay the PHO \$21.00 (GST exclusive) for administering any vaccine (except the influenza vaccine and the zoster (shingles) vaccine) listed in the National Immunisation Schedule in the New Zealand Pharmaceutical Schedule issued by PHARMAC.
- (2) The DHB will pay the PHO \$21.00 (GST exclusive) plus the purchase cost (inclusive of GST) of the vaccine from the nominated supplier, for administering the influenza vaccine to eligible people as defined by the Influenza Guidelines, between the time the vaccine becomes available each year (usually March) until 31 December of the same calendar year.
- (3) The DHB will pay the PHO \$21.00 (GST exclusive) for administering the vaccine specified below to the person specified below:

- (a) a Hepatitis B vaccine to a Service User who is a household or sexual contact of a person with acute Hepatitis B or a carrier of Hepatitis B; or
 - (b) a measles, mumps, and rubella vaccine to a Service User who is a household contact of a person with measles, mumps or rubella.
- (4) From 4 June 2018, the DHB will pay the PHO the following amount for administering the zoster (shingles) vaccine to eligible persons as set out in the National Immunisation Schedule:
- (a) \$21.00 (GST exclusive) if no other vaccine is administered on the same occasion;
 - (b) \$15.00 (GST exclusive) if the zoster (shingles) vaccine and the influenza vaccine are administered on the same occasion; and
 - (c) if a vaccine other than the influenza vaccine is administered on the same occasion as the zoster (shingles) vaccine, no payment will be made in accordance with clause 2(1).

4. Conditions of payment

- (1) The DHB will pay the PHO in accordance with clause 2 only if:
- (a) the immunisation has not already been given or a reasonable effort has been made to check whether the immunisation has not been given; and
 - (b) the Claim is from a Medical Practitioner or an Authorised Vaccinator employed or contracted by the PHO or a Contracted Provider.

5. Influenza vaccines

- (1) The cost of the influenza vaccine will be advised by the Ministry from time to time, and the DHB will advise the PHO of any change to the vaccine cost as soon as practicably possible after the change.
- (2) The Influenza Guidelines, and who is eligible for an influenza vaccine, may be varied from time to time by PHARMAC, in consultation with the sector.
- (3) The Ministry will advise the PHO of the supplier from whom the vaccine is to be purchased and the price as required from time to time.