

# Archived Document

**The PHO Services Agreement between [District Health Board] and [PHO] Version 2 was replaced by Version 3 (1 July 2015) which has also been archived and replaced by Version 4 (1 July 2016)**









B.30 .... Resolving disputes.....	17
B.31 .... Termination .....	18
B.32 .... The DHB's alternatives to termination .....	20
B.33 .... Withholding payments .....	20
B.34 .... Alternative arrangements on failure to Provide Services .....	20
B.35 .... Uncontrollable Events.....	21
B.36 .... Consequences of termination .....	22
B.37 .... Insurance.....	22
B.38 .... Warranty .....	22
B.39 .... Notices.....	23
B.40 .... Miscellaneous terms .....	23
B.41 .... Construction .....	24
Schedule B1 Minimum Requirements .....	26
1..... DHB and PHO must be in an alliance .....	26
2..... Minimum requirements as to capability and capacity .....	26
3..... Minimum requirements as to activities .....	27
4..... Provide the Services .....	27
5..... General service objectives .....	27
6..... Māori health.....	27
7..... Population awareness.....	28
8..... Facilitate and co-ordinate integration of the Services .....	28
9..... Promote continuous quality improvement in the delivery of the Services .....	28
10..... Effect transformational change in models of delivery and patterns of demand .....	29
11..... Ensure accountability for the delivery of the Services .....	29
12..... Provide infrastructure, administrative and support services in respect of the Services .....	29
13..... Daily record .....	30
14..... Laboratory tests and diagnostic imaging services .....	31
15..... Supplying pharmaceuticals .....	31
16..... Prescriptions for pharmaceuticals .....	31
17..... Security and preservation of Records .....	32
18..... Public reporting .....	32
19..... Emergency planning and response.....	33
20..... Quality requirements.....	33
Schedule B2 Reporting Requirements.....	35
1..... Reporting requirements.....	35
2..... Summary of the reports required .....	35
Schedule B3 Referenced Documents .....	36
1..... Purpose .....	36
2..... Technical specifications .....	36
3..... Business rules .....	36



























































































## SCHEDULE B3 REFERENCED DOCUMENTS

### 1 Purpose

- (1) This Schedule lists or describes the Referenced Documents that form part of this Agreement.

### 2 Technical specifications

- (1) The following technical specifications are Referenced Documents:

<i>Document Name</i>	<i>Publisher</i>
HL7 Messages Standard Definition	Ministry of Health
HealthPac Electronic Claiming Specification	Ministry of Health

### 3 Business rules

- (1) The business rules documents comprise 2 categories of documents:

- (a) Register management documents; and
- (b) Claims management documents.

- (2) The following Register management documents are Referenced Documents:

<i>Document Name</i>	<i>Publisher</i>
Business Rules: Capitation-based funding	Ministry of Health
Enrolment Requirements for Providers and Primary Health Organisations	Ministry of Health
Certification of PHO Enrolment Register form	Ministry of Health

- (3) The following Claims management documents are Referenced Documents:

<i>Document Name</i>	<i>Publisher</i>
Primary Care Purchase Unit Codes	Ministry of Health

### 4 IPIF and minimum requirements Referenced Documents

- (1) Any document relating to the minimum requirements described in Schedule B1 or the IPIF that we agree from time to time in accordance with clause B.16 is a Referenced Document.

### 5 Audit Referenced Documents

- (1) Any document that is an Audit Protocol is a Referenced Document.
- (2) Any document relating to Audits that we agree from time to time in accordance with clause B.16 is a Referenced Document.













































































































































- (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 the Ministry, 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.

**SCHEDULE F1.4  
[PLACEHOLDER]**

**1 [insert]**

**SCHEDULE F1.5**  
**PAYMENT FOR SPECIAL SUPPORT SERVICES FOR FORMER SAWMILL**  
**WORKERS EXPOSED TO PCP**

**1 Payment for Special Support Services**

- (1) The DHB will pay the PHO and its Contracted Providers the following fees for Special Support Services provided in accordance with Schedule C5:
  - (a) \$220 (GST exclusive) for the first annual health check; and
  - (b) \$75 (GST exclusive) for each subsequent annual health check.
- (2) The fees specified in this clause may be varied by the Ministry with effect from 1 July of each year.

**2 Fees and Claiming requirements**

- (1) A PHO or Contracted Provider may Claim for Special Support Services only if the PHO or Contracted Provider was nominated by the Eligible Person to provide the services.
- (2) Neither the PHO nor a Contracted Provider may make a Claim for Providing Special Support Services if:
  - (a) the PHO or Contracted Provider is entitled to have the claim satisfied (whether directly or indirectly) under any other arrangement with the Ministry or a District Health Board; or
  - (b) the Services were provided by a General Practitioner in his or her capacity as an employee of a DHB.

**3 The Claiming and payment process**

- (1) The PHO or Contracted Provider may Claim for Special Support Services by completing the entitlement and claim form provided by the Ministry, and sending the form to:

Health Support Service Secretariat  
Ministry of Health  
PO Box 5013  
WELLINGTON
- (2) On receipt of an entitlement and claim form, the Ministry will send the PHO or Contracted Provider the second and subsequent annual health check entitlement and claim forms.



**SCHEDULE F1.6  
PAYMENT FOR HEALTH SUPPORT SERVICES  
FOR DIOXIN-EXPOSED PEOPLE**

**1 Payment for Health Support Services**

- (1) The DHB will pay the PHO and its Contracted Providers the following fees for Health Support Services provided in accordance with Schedule C6:
  - (a) \$220 (GST exclusive) for the first annual health check; and
  - (b) \$75 (GST exclusive) for each subsequent annual health check.
- (2) The fees specified in this clause may be varied by the Ministry with effect from 1 July of each year.

**2 Fees and Claiming requirements**

- (1) A PHO or Contracted Provider may Claim for Health Support Services only if the PHO or Contracted Provider was nominated by the Eligible Person to provide the services.
- (2) Neither the PHO nor a Contracted Provider may make a Claim for providing Health Support Services if:
  - (a) the PHO or Contracted Provider is entitled to have the claim satisfied (whether directly or indirectly) under any other arrangement with the Ministry or a District Health Board; or
  - (b) the Services were provided by a General Practitioner in his or her capacity as an employee of a DHB.

**3 The Claiming and payment process**

- (1) The PHO or Contracted Provider may Claim for Health Support Services by completing the entitlement and claim form provided by the Ministry, and sending the form to:

Health Support Service Secretariat  
Ministry of Health  
PO Box 5013  
WELLINGTON
- (2) On receipt of an entitlement and claim form, the Ministry will send the PHO or Contracted Provider the second and subsequent free annual health check entitlement and claim forms.

**SCHEDULE F2.1**  
**PAYMENTS FOR MANAGEMENT SERVICES, HEALTH PROMOTION SERVICES,**  
**SERVICES TO IMPROVE ACCESS, AND CARE PLUS SERVICES**

**1 Payments made under this Schedule before we agree to use funding to implement Alliance Recommendations**

- (1) Until we agree to use some or all of the funding that the DHB pays the PHO to Provide management services, health promotion services, services to improve access, and Care Plus Services to implement Alliance Recommendations in accordance with clause D.2(1), the DHB will pay the PHO the following payments to Provide the Services described in Schedule D1:
- (a) management service payments in accordance with clause 3;
  - (b) health promotion service payments in accordance with clause 4;
  - (c) services to improve access payments in accordance with clause 5; and
  - (d) Care Plus Service payments in accordance with clauses 6 and 7.

**2 Payments made under this Schedule after we agree to use funding to implement Alliance Recommendations**

- (1) If we have agreed to use funding to implement Alliance Recommendations in accordance with clause D.2(1), the DHB will pay the DHB an amount known as the flexible funding pool to provide:
- (a) the Alliance Services listed in Schedule D3; and
  - (b) the Services outside the scope of our Alliance listed in Schedule D5 (if any).
- (2) The flexible funding pool is made up of the amounts that the DHB is required to pay the PHO under clauses 3 to 7.

**3 Management services payments**

- (1) The annual management services fee will be calculated per Enrolled Person as set out in this Schedule, and paid to the PHO in equal monthly instalments in advance.
- (2) If the number of Enrolled Persons in the PHO is 40,000 or less, and the DHB has approved the PHO's Management Services Plan, the rate is:
- (a) \$15.5928 per person up to 20,000 persons; and
  - (b) \$0.8992 per person from 20,001 to 40,000 persons.
- (3) If the number of Enrolled Persons in the PHO is 75,000 or less, the rate is:
- (a) \$11.0960 per person up to 20,000 persons; and
  - (b) \$5.3960 per person from 20,001 to 75,000 persons.
- (4) If the number of Enrolled Persons in the PHO is 75,001 or above then the rate is \$518,700.00 plus \$6.0596 per person over 75,000 enrollees.

#### 4 Health promotion services payments

- (1) If the DHB has approved a proposal from the PHO to deliver health promotion services, the DHB will pay the PHO for health promotion services according to the numbers of Enrolled Persons in each category at the annual rate specified in the table below:

Category of Enrolled Person	Non High Use Health Card Holders	
	Māori/Pacific	Non Māori/Pacific
Dep 1-8	\$2.6228	\$2.1856
Dep 9-10	\$3.0596	\$2.6228

- (2) The health promotion services fee will be paid to the PHO in equal monthly instalments in advance.

#### 5 Services to improve access for High Need Persons payments

- (1) If the DHB approves the PHO's proposal to deliver services to improve access to High Need Persons, the DHB will pay the PHO for those services according to the numbers of Enrolled Persons in each category at the annual rate specified in the table set out below:

Services to Improve Access		Non High Use Health Card Holders			
		Māori/Pacific		Non Māori/Pacific	
Age Group	Gender	Deprivation deciles 1 - 8	Deprivation deciles 9 - 10	Deprivation deciles 1 - 8	Deprivation deciles 9 - 10
00-04	F	\$74.4764	\$148.9528	\$0.0000	\$74.4764
	M	\$78.4128	\$156.8264	\$0.0000	\$78.4128
05-14	F	\$23.5736	\$47.1480	\$0.0000	\$23.5736
	M	\$22.0660	\$44.1312	\$0.0000	\$22.0660
15-24	F	\$21.7528	\$43.5052	\$0.0000	\$21.7528
	M	\$11.9720	\$23.9444	\$0.0000	\$11.9720
25-44	F	\$19.1152	\$38.2304	\$0.0000	\$19.1152
	M	\$12.3564	\$24.7128	\$0.0000	\$12.3564
45-64	F	\$26.1812	\$52.3636	\$0.0000	\$26.1812
	M	\$19.5548	\$39.1100	\$0.0000	\$19.5548
65+	F	\$45.1188	\$90.2380	\$0.0000	\$45.1188
	M	\$38.9104	\$77.8200	\$0.0000	\$38.9104

- (2) The services to improve access for High Needs Persons fee will be paid to the PHO in equal monthly instalments in advance.

## 6 Calculating expected Care Plus population

- (1) Subject to subclause (2), in April, July, October and January in each year, the DHB will calculate and report to the PHO the number of people in each population category to whom the DHB expects the PHO to Provide Care Plus Services.
- (2) The DHB will make those calculations from the Register that the PHO submits in accordance with clause F.8 by applying the percentages shown in the table below for each age, gender, ethnicity and deprivation category to the equivalent number of Enrolled Persons in each category, summing the resulting numbers in each category, and subtracting from the resulting total the number of Enrolled Persons with High Use Health Cards:

		Māori or Pacific		Not Māori or Pacific	
Age	Gender	Deprivation <5	Deprivation 5	Deprivation <5	Deprivation 5
0-4	Female	2.3%	2.6%	1.5%	2.2%
	Male	2.0%	3.1%	1.7%	1.9%
5-14	Female	1.3%	1.4%	1.1%	1.2%
	Male	0.9%	1.6%	0.7%	0.8%
15-24	Female	3.3%	3.4%	1.4%	2.5%
	Male	1.6%	1.7%	0.5%	1.5%
25-44	Female	3.8%	4.3%	2.4%	2.6%
	Male	3.1%	3.6%	1.3%	1.6%
45-64	Female	13.8%	13.9%	4.8%	8.5%
	Male	15.9%	16.7%	6.0%	9.3%
65+	Female	29.2%	33.8%	18.4%	22.4%
	Male	37.2%	41.0%	21.2%	24.7%

## 7 Payment for Care Plus Services

- (1) Each month, as detailed in the table below, the DHB will pay the PHO for Care Plus Services depending on the total number of Care Plus Patients in the PHO's current Register compared to the number of Care Plus Patients the DHB expected the PHO to have during the previous quarter according to clause 6(1):

Level	Percentage of expected number of Care Plus Patients as calculated in clause 6(1) of this Schedule (x)	Percentage of full Care Plus Services funding in clause 7(2) of this Schedule
One	0% ≤ X < 50% of total	50%
Two	50% ≤ X < 55% of total	55%

<b>Level</b>	<b>Percentage of expected number of Care Plus Patients as calculated in clause 6(1) of this Schedule (x)</b>	<b>Percentage of full Care Plus Services funding in clause 7(2) of this Schedule</b>
Three	$55\% \leq X < 60\%$ of total	60%
Four	$60\% \leq X < 65\%$ of total	65%
Five	$65\% \leq X < 70\%$ of total	70%
Six	$70\% \leq X < 75\%$ of total	75%
Seven	$75\% \leq X < 80\%$ of total	80%
Eight	$80\% \leq X < 85\%$ of total	85%
Nine	$85\% \leq X < 90\%$ of total	90%
Ten	$90\% \leq X < 95\%$ of total	95%
Eleven	$95\% \leq X$ of total	100%

- (2) For the purposes of the table set out in subclause (1), the DHB will calculate the full Care Plus Services funding as \$244.0852 (excl GST) multiplied by the expected number of Care Plus Patients in an Access Practice and/or a non-Access Practice.
- (3) If, 9 months after the PHO began to Provide Care Plus Services and each quarter thereafter, the PHO has not reached at least 50% of the number of Care Plus Patients that the DHB expected the PHO to have according to clause 6(1) , the DHB will review and adjust the PHO's funding for Care Plus.

## SCHEDULE F2.2A PAYMENT OF RURAL FUNDING

### 1 Rural Funding paid quarterly

- (1) The DHB will pay each Rural Funding component payment quarterly, except for reasonable roster funding, which is paid annually.

### 2 Workforce retention funding

- (1) For each Enrolled Person who is a member of a Rural Community, is enrolled with a Rural Contracted Provider, and receives First Level Services from a Rural Practitioner, the DHB will pay the PHO the amount calculated by reference to the rural ranking score of the Rural Practitioner, as specified below:

Rural ranking score of Rural Practitioner	\$ per Enrolled Person GST exclusive
35-40	\$7.72
45-50	\$11.60
55-65	\$15.46
70 +	\$19.31

- (2) If the PHO was established part way through a financial year, the PHO will receive workforce retention funding on a pro-rata basis minus the amount the DHB has already expended on workforce retention strategies for the PHO's Rural Contracted Providers in that financial year.

### 3 Reasonable roster funding

- (1) The DHB will pay reasonable roster funding to the Rural Contracted Providers that we agree are experiencing onerous on-call arrangements.
- (2) The amount of reasonable roster funding paid will be the amount that we agree with each such Rural Contracted Provider.

### 4 Remote rural practice areas funding

- (1) For each remote rural practice area the DHB will pay the PHO an amount, being:  
  
the amount the PHO was entitled to be paid for the area under the special funding arrangement;  
  
minus the amount that the PHO receives as capitation payments for the members of the Enrolled Population who live in the area.
- (2) If the amount that the PHO was entitled to be paid under the special funding arrangement is less than the amount that the PHO receives as capitation payments, the DHB will make no remote rural practice area funding payments to the PHO in respect of that area.

## **5 Rural bonuses payments**

- (1) The DHB will supply the PHO with application forms for rural bonuses by 15 March each year, and the PHO will lodge applications for the rural bonus on behalf of its Rural Practitioners with the DHB by 15 April in each year (unless the DHB, at its sole discretion, extends that date).
- (2) The DHB will calculate the amount of each Rural Practitioner's rural bonus on the basis of the Rural Practitioner's rural ranking score.
- (3) The DHB will, within 1 month after the date by which applications had to be lodged, advise each eligible Rural Practitioner who applied for a rural bonus of the amount of his or her rural bonus for that financial year.
- (4) The PHO may not alter the amount of rural bonus payable to an eligible Rural Practitioner.

## **6 Rural After Hours funding payments**

- (1) The amount of rural After Hours funding paid by the DHB will be an amount determined by the Ministry.

## **7 Rural sustainability support payments**

- (1) If we have agreed that Rural Funding can be used in accordance with Alliance Recommendations and have varied Schedule D4 and Schedule F2.2B in accordance with clause D.3, the DHB will pay the PHO a rural sustainability support payment, in accordance with the relevant provisions in Schedule D4 and Schedule F2.2B.

## **8 Rural transitional payments**

- (1) The amount of the rural transitional payment paid in respect of each Contracted Provider entitled to receive such a payment will be:
  - (a) for the period from 1 July 2014 to 30 June 2015, the amount of Funding that the Contracted Provider received for the period from 1 July 2013 to 30 June 2014 in accordance with Schedules C4 and F1.4 of this Agreement that were in force during that period;
  - (b) for the period from 1 July 2015 to 30 June 2016, half of the amount referred to in paragraph (a).
- (2) The DHB will pay the PHO rural transitional payments each quarter.
- (3) This clause expires on 30 June 2016.

**SCHEDULE F2.2B**  
**[PAYMENT OF RURAL FUNDING WITHIN THE SCOPE OF OUR ALLIANCE]**

**1** [Insert]

(1) [insert]



**SCHEDULE F2.3  
PAYMENT FOR SERVICES OUTSIDE THE SCOPE OF OUR ALLIANCE**

**1** [Insert] or [not applicable]

(1) [insert]

**SCHEDULE F3.1  
[PAYMENT FOR (LOCAL SERVICES)]**

**1** [Insert] or [not applicable]

(1) [insert]

## **Part G Integrated Performance and Incentive Framework**

### **G.1 Background**

- (1) Health systems around the world are trying to address the challenges of an ever-growing and aging population with more long term conditions, in an environment of increasing technology but financial constraints. Health systems based on strong and better integrated primary care can deliver better patient outcomes and experiences more efficiently.
- (2) The IPIF aims to encourage DHBs and PHOs to drive system integration and align primary care activity with health system objectives to better deliver on Government priorities. The IPIF will provide a mechanism for assessing PHOs' readiness to undertake an increasing role in the design, delivery, and funding of services in their district. While initially the IPIF will focus on the performance relationship between DHBs and PHOs, it is intended that it will be designed so that other parts of the health sector can be added over time.
- (3) The IPIF is being co-developed by our clinicians, sector leaders, and the Ministry.
- (4) The development and implementation of the IPIF is an evolutionary process. Phased implementation over several years will see increasing detail developed that moves the IPIF from phase one (the 2014/15 financial year) to the aspirational model envisaged by the Expert Advisory Group and described in their report entitled "Integrated Performance and Incentive Framework – Expert Advisory Group Final Report – 19 February 2014". Phased implementation will be as follows:
  - (a) phase one is essentially a transition year from the current PHO Performance Programme to a more focused PHO performance programme while the IPIF is further developed;
  - (b) phase two will be the development and agreement of system level measures that will be progressively introduced into the Alliance framework in 2015/16 (or earlier if agreed by all the parties). As part of phase two development, the mechanisms by which the "system" at a locality level will be held to account will also be considered.

### **G.2 Intended structure and operation of IPIF**

- (1) We acknowledge that it is intended that the IPIF will be structured and will operate as set out in this clause.
- (2) The IPIF will be based on a 4 tiered model organised under the Triple Aim objectives, which are to:
  - (a) improve quality, safety, and experience of care;
  - (b) improve health and equity for all populations; and
  - (c) best value for public health system resources.
- (3) District and regional alliances (as appropriate) will underpin the IPIF when system level measures are developed and agreed.
- (4) After system level performance measures have been included in the IPIF, our Alliance will be placed on a tier of the IPIF that reflects our performance. Our Alliance will be able to move to

higher tiers as our Alliance's performance improves, and there will be incentives that encourage and reward our Alliance for improved performance.

- (5) We agree that:
  - (a) details about the operation of the IPIF, including each of our rights and obligations in relation to IPIF, will be set out in this Agreement and Referenced Documents; and
  - (b) any changes to the provisions of this Agreement that relate to the IPIF, including the addition of a new Referenced Document, will be made in accordance with clause B.16.

### **G.3 Ongoing development of IPIF**

- (1) We both agree to work with the Ministry to support a phased implementation of the IPIF, and that specifically:
  - (a) the PSAAP Group will nominate primary care participants for the clinically-led advisory group which the Ministry will establish to guide the ongoing development of the IPIF, including matters relating to measures and incentives; and
  - (b) we acknowledge that, as part of its role in monitoring DHBs, the National Health Board of the Ministry may be required by the Director-General of Health to include matters relating to performance monitoring and assessment of performance relating to the IPIF.
- (2) We acknowledge that until a clinically-led advisory group is established as described in paragraph (1)(a) and the National Health Board undertakes monitoring relating to the IPIF as described in paragraph (1)(b), the joint steering group appointed by the Ministry, and whose primary care participants have been nominated by the PSAAP Group, will continue the co-development of the IPIF.

### **G.4 Audits and self-assessments relating to IPIF and the minimum requirements**

- (1) We agree that:
  - (a) we will work with the Ministry to facilitate the development of standards and indicators relating to the minimum requirements set out in Schedule B1, and a protocol relating to Auditing compliance with the minimum requirements, standards, and indicators; and
  - (b) once developed and incorporated into this Agreement in accordance with clause G.2(5), it is intended that the standards, indicators, and protocol will be used to Audit the PHO's compliance with the minimum requirements.
- (2) We agree that we will both assist the Ministry in the development of the standards and indicators.
- (3) The PHO agrees that it will assist the Ministry in the development of the standards and indicators by participating in a self-assessment and peer review process through which the PHO will:
  - (a) provide evidence that shows how the PHO is complying with the minimum requirements;
  - (b) participate in a peer review process through which the evidence provided by the PHO will be discussed with and considered by the PHO's peers.

### **G.5 Assessment of PHO performance and provisional PHO placement in the IPIF**

- (1) We agree that for the 2014/15 financial year it is intended that the performance of the PHO in respect of the IPIF will be assessed by reference to:
  - (a) the PHO's achievement of its Quarterly Targets;
  - (b) the PHO's achievement of the minimum requirements, including by reference to any evidence provided by the PHO as part of the self-assessment and peer review process described in clause G.4;
  - (c) our successful use and implementation of the patient experience tools, once those tools are developed by the Health Quality and Safety Commission; and
  - (d) the percentage of the PHO's Contracted Providers who provide First Level Services who meet the Foundation Standard.
- (2) We agree that it is intended that the results of the assessments described in subclause (1) will support the provisional placement of the PHO into one of the 4 IPIF tiers by 1 December 2015, which will be done as follows:
  - (a) we will agree on a recommendation about which tier the PHO should be placed on, and our reasons for that recommendation, and will advise the National Health Board accordingly; and
  - (b) the PHO will be placed onto the tier determined by the Director-General of Health, on advice from the National Health Board that will take into account our recommendation.
- (3) We agree that it is intended that system level performance measures will be progressively introduced into the IPIF in phase two, and that the performance of our Alliance will be assessed by reference to those measures.

### **G.6 Reporting**

- (1) The PHO must provide the following reports accordance with the Referenced Document entitled "Reporting Requirements":
  - (a) Practitioner information reports;
  - (b) First Level Service utilisation reports;
  - (c) clinical performance indicator reports; and
  - (d) immunisation service reports.

### **G.7 IPIF Measures and PHO Quarterly Targets**

- (1) For the purposes of this Agreement, the IPIF Measures are:
  - (a) more heart and diabetes checks;
  - (b) better help for smokers to quit;
  - (c) increased immunisation rates for eight month olds;

- (d) increased immunisation rates for two year olds; and
  - (e) cervical screening.
- (2) Each of the IPIF Measures is described in the Reference Document entitled "Indicator Definitions for PHOs". We both agree to comply with the requirements set out in that Referenced Document.
- (3) We agree that:
- (a) in each quarter of the year commencing on 1 July 2014, the PHO will have its own targets for each of the IPIF Measures, which the DHB will notify to the PHO before 1 July 2014;
  - (b) the PHO's target for each of the IPIF Measures in each quarter will be the target determined by the Ministry according to a national methodology, and advised to the DHB before 1 July 2014 ("**Quarterly Target**"); and
  - (c) the PHO's Quarterly Target for the quarter commencing on 1 April 2015 will be the national target set out in the Referenced Document entitled "Indicator Definitions for PHOs" for the relevant IPIF Measure.
- (4) We agree that:
- (a) the PHO will use its best endeavours to meet its Quarterly Targets; and
  - (b) the DHB will support the PHO to meet its Quarterly Targets.
- (5) For each quarter of the year commencing on 1 July 2014, the DHB will provide a report to the PHO about the PHO's progress towards meeting each of the PHO's Quarterly Targets.

**G.8 Payments for meeting Quarterly Targets**

- (1) In the 2014/15 financial year, the DHB will pay the PHO in accordance with the provisions set out in this clause and any relevant Referenced Document.
- (2) Each payment will be calculated on the basis of the PHO's performance in each quarterly period during the year commencing on 1 July 2014 in relation to the PHO's Quarterly Targets.
- (3) For each quarter, there will be a quarterly pool of available funding that will be calculated as follows:
- \$5.33 (GST exclusive) or any higher amount specified by the Ministry
- ÷ 4 (to reflect the 4 quarters)
- x the number of Enrolled Persons in the quarter
- (4) For each Quarterly Target that the PHO meets in a quarter, the DHB will pay the proportion of the quarterly pool for the Quarterly Target set out below:

	<b>IPIF Measure</b>	<b>Proportion</b>
1	More heart and diabetes checks	25%

2	Better help for smokers to quit	25%
3	Increased immunisation rates for eight month olds	15%
4	Increased immunisation rates for two year olds	10%
5	Cervical screening	25%

- (5) Subject to subclause (6), the PHO will receive no payment in respect of a Quarterly Target that it does not meet in any quarter.
- (6) If the PHO does not meet a Quarterly Target in any quarter, but meets the conditions specified in clause G.9(1) in relation to the Quarterly Target, the PHO will receive a payment calculated in accordance with clause G.9(2) for the Quarterly Target.

### **G.9 Other quarterly payments**

- (1) If the PHO's Level of Achievement in any quarter in respect of an IPIF Measure is not more than 10 percentage points below the national target for the IPIF Measure that is set out in the Referenced Document entitled "Indicator Definitions for PHOs", the DHB will pay the PHO, in respect of each such IPIF Measure, the amount calculated as follows:

the amount that the PHO would have received, calculated under clauses G.8(3) and (4), if it had met the Quarterly Target

x the PHO's Level of Achievement in respect of the IPIF Measure

- (2) For the purposes of this clause "Level of Achievement" means the PHO's achievement in the relevant quarter for the IPIF Measure, calculated in accordance with the Indicator Definition for the IPIF Measure that is set out in the Referenced Document entitled "Indicator Definitions for PHOs" and expressed as a percentage.

### **G.10 Paying the PHO**

- (1) The DHB will pay the PHO any payments due under this Part G every 3 months, as follows:

<b>Quarters</b>	<b>Payment date</b>
1 July 2014 to 30 September 2014	15 December 2014
1 October 2014 to 31 December 2014	15 March 2015
1 January 2015 to 31 March 2015	15 June 2015
1 April 2015 to 30 June 2015	15 September 2015

- (2) The DHB will provide the PHO with a Buyer Created Tax Invoice for each payment that it pays under this Part G.

- (3) The DHB will, at the PHO's request, provide the PHO with information about the data used to calculate any of the PHO's Quarterly Payments.
- (4) We agree that the provisions set out in Part F apply to all payments made under this Part.

#### **G.11 Payments to Contracted Providers**

- (1) The PHO must ensure that at least 50% of any payment that it receives under this Part G is used to directly financially benefit its Contracted Providers.

#### **G.12 Transitional provisions for PHO performance programme**

- (1) The PHO must provide the DHB with:
  - (a) the reports specified in clause 13 of the Referenced Document entitled "PHO Performance Programme" for the PHO performance programme quarter that ended on 30 June 2014 ("Final PPP Quarter"), by 20 July 2014; and
  - (b) a 6 monthly narrative report for the period from 1 January 2014 to 30 June 2014, in accordance with clause 17 of the Referenced Document entitled "PHO Performance Programme", by [insert date].
- (2) The DHB's nominated agent will provide the DHB and PHO with a report on the PHO's progress towards targets for national indicators during the Final PPP Quarter by 20 August 2014, in accordance with clause 14 of the Referenced Document entitled " PHO Performance Programme ".
- (3) The DHB will pay the PHO a performance payment for the Final PPP Quarter in accordance with clauses 15 and 16 of the Referenced Document entitled "PHO Performance Programme" if:
  - (a) the PHO provided the reports specified in subclause (1) by the due dates; and
  - (b) during the Final PPP Quarter, the PHO:
    - (i) met the programme prerequisites specified in clause 22 of the Referenced Document entitled "PHO Performance Programme" and the Referenced Document entitled "Indicator Definitions for PHOs"; and
    - (ii) achieved progress towards or met its targets for national indicators.
- (4) We will both comply with our obligations in the Referenced Document entitled "PHO Performance Programme" in so far as they relate to the performance of our obligations set out in this clause.
- (5) This clause G.12 will expire on 31 December 2014.



## Part H Definitions

### H.1 Definitions

- (1) In this Agreement, unless the context requires otherwise, the following words and phrases have the following meaning:

**Act** means the New Zealand Public Health and Disability Act 2000.

**Access Practice** means a practice that is contracted to a PHO or a Contracted Provider, and is determined to be an access practice by the Ministry.

**After Hours** means any time that does not fall within Regular Hours.

**Agreement Reference Number** means the unique identification number that is printed on the cover of this Agreement.

**Alliance** means the Alliance named in clause A.1(4) that we have agreed to participate in, as described in the Alliance Agreement.

**Alliance Activities** has the meaning set out in our Alliance Agreement.

**Alliance Agreement** means the agreement between the members of our Alliance.

**Alliance Recommendation** means a recommendation made by the Alliance to the DHB relating to the Alliance Services.

**Alliance Services** means the services described in Part D that are provided within the scope of our Alliance.

**Audit** includes an inspection, monitoring, audit, investigation, review and evaluation of the PHO's or a Contracted Provider's performance and compliance with the terms of this Agreement in accordance with Part B.

**Audit Protocol** means any document that sets out protocols relating to audits, and may include the Referenced Documents entitled "Primary Health Organisation (PHO) Audit Protocol: Quality & Service Audits" and "Primary Health Organisation (PHO) Audit Protocol: Financial, claiming and referred services", any Referenced Document that replaces one of those documents, or any other relevant Referenced Document.

**Auditor** means an audit agency or an auditor appointed to carry out an Audit.

**Authorised Vaccinator** means a person who is authorised to administer vaccines by a Medical Officer of Health.

**Business Day** means a day that is not a Saturday, a Sunday, or a public holiday as that term is defined in the Holidays Act 2003.

**Care Plus Patients** means Enrolled Persons who have consented to receive Care Plus Services in accordance with clause 5 of Schedule D1 (if applicable).

**Care Plus Services** means the primary health care services described in Schedule D1 for people who have high needs for primary health care services (if applicable).

**Casual User**, in relation to a PHO, means an Eligible Person who is not enrolled with the PHO but who receives Services from the PHO and, in relation to a Contracted Provider, means an Eligible Person who is not enrolled with the Contracted Provider but who receives Services from the Contracted Provider.

**Claim** means any claim for payment submitted by the PHO or a Contracted Provider if the PHO has agreed with the DHB that the Contracted Provider may submit claims for Services directly to the DHB in accordance with clause F.4(1)).

**Commercial Information** means:

- (a) any information disclosed by the DHB to the PHO or by the PHO to the DHB, either before or during the course of this Agreement, or arising out of the operation of this Agreement, that would reasonably be considered to be confidential taking into account all the circumstances, including the manner of and circumstances in which disclosure occurred and the way in which the information is to be used; but
- (b) excludes the terms of this Agreement, unless we agree that the terms are Commercial Information.

**Community Services Card** or **CSC** has the meaning given to that term in the Health Entitlement Card Regulations 1993.

**Complaints Body** means any organisation appointed to deal with complaints relating to the Services under this Agreement:

- (a) by us both by mutual agreement;
- (b) by a Health Professional Authority; or
- (c) by law.

**Compulsory Variation** means a variation to this Agreement described in clause B.17.

**Confidential Information** means Commercial Information and Health Information.

**Contracted Provider** means a health service provider, whether an organisation, individual, or a Practitioner that the PHO subcontracts to deliver the Services, and includes the Contracted Provider's employees, agents and subcontractors.

**Crown Direction** means a direction given to the DHB by the Crown or the Minister under the Act.

**Crown Funding Agreement** has the meaning given to that term in the Act or the Crown Entities Act 2004.

**Default Interest** means the interest to be paid on late payments in accordance with clauses F.17, and F.18.

**Dep** means the New Zealand Deprivation Index used in the health sector to determine the level of deprivation and need of the population, which is measured in deciles (with decile 10 being the most deprived and decile 1 being the least deprived).

**DepQuin** means 2 Dep deciles (or a quintile) as follows:

- (a) DepQuin 0 = Dep decile not defined;
- (b) DepQuin 1 = Dep deciles 1 and 2;
- (c) DepQuin 2 = Dep deciles 3 and 4;
- (d) DepQuin 3 = Dep deciles 5 and 6;
- (e) DepQuin 4 = Dep deciles 7 and 8;
- (f) DepQuin 5 = Dep deciles 9 and 10.

**Eligible Person** means a person who is eligible for publicly funded health services in accordance with the current Health and Disability Services Eligibility Direction published in the *Gazette*.

**End Date** means the date on which this Agreement is terminated in accordance with its termination provisions, as specified in clause B.1.

**Enrolled Nurse** means a person who is employed or contracted by the PHO or a Contracted Provider to deliver the Services, registered with the Nursing Council of New Zealand in the enrolled nurse scope of practice, and holds a current annual practising certificate.

**Enrolled Person** means an Eligible Person who is enrolled with the PHO and a Contracted Provider in accordance with the Referenced Document entitled "Enrolment Requirements for Providers and Primary Health Organisations".

**Enrolled Population** means the Eligible Persons enrolled with a PHO and a Contracted Provider in accordance with the Referenced Document entitled "Enrolment Requirements for Providers and Primary Health Organisations".

**First Level Services** means the full range of primary health care services described in clause 1 of Schedule C1.

**First Level Service Consultation** is the provision of clinical health services described in clauses 1(1)(a)(ii), 1(1)(b), 1(1)(c) and 1(1)(d)(i) of Schedule C1 to an Enrolled Person by a member of a General Practice Team.

**Foundation Standard** means the standards issued by the Royal New Zealand College of General Practitioners, and updated by them from time to time.

**General Medical Services** means the services described in clause 10 of Schedule C2.

**General Practice Team** means a multidisciplinary team whose members have the complementary knowledge and skills of Medical Practitioners and Nurses, who may include other Practitioners, and who work together to provide primary health care to improve the health of the Enrolled Population.

**General Practitioner** means a Medical Practitioner who is employed or contracted by the PHO or a Contracted Provider to Provide the Services.

**GST** means the tax imposed under the Goods and Services Tax Act 1985.

**Health Information** has the meaning given to that term in the Health Information Privacy Code 1994.

**Health Practitioner** means a person who:

- (a) is registered under the Health Practitioner Competence Assurance Act 2003 with the relevant authority under that Act;
- (b) holds an annual practising certificate;
- (c) is working within his or her scope of practice; and
- (d) is employed or contracted by the PHO or a Contracted Provider as part of a General Practice Team to Provide the Services.

**Health Professional Authority** means any authority or body that is empowered by a statute or the rules of a body or organisation, to exercise disciplinary powers in respect of any person who is involved in providing health and disability services.

**High Needs Persons** means persons who are Māori, Pacific or persons residing in New Zealand Deprivation Index decile 9 and 10 areas.

**High Use Health Card** has the meaning given to that term in the Health Entitlement Card Regulations 1993.

**Immunisation Services** means the services described in Schedule C3.

**Immunisation Handbook** means the publication produced and amended by the Ministry from time to time, and includes any revised edition that replaces or succeeds that publication.

**Influenza Guidelines** means the guidelines for publicly funded influenza immunisation set out in the Immunisation Handbook.

**Insolvency Event** means that either of us:

- (a) is placed into receivership or has a receiver or manager (including a statutory manager) appointed in respect of all or any of our business or property;
- (b) is unable to pay its debts as they fall due;
- (c) has entered into an assignment for the benefit of, or entered into or made an arrangement or composition with, its creditors;
- (d) is subject to a resolution or any proceeding for liquidation other than for a bona fide reconstruction; or
- (e) is subject to an event that is analogous to those listed in paragraphs (a) to (d).

**IPIF means the integrated performance and incentives framework described in Part G.**

**IPIF Measures** means the 5 measures set out in clause G.7(1).

**Local Services** means the services described in Part E.

**Locum** means a Practitioner with a current practising certificate who provides Services in place of another Practitioner.

**Medical Officer of Health** has the meaning given to that term in the Health Act 1956.

**Medical Practitioner** means a person employed or contracted by the PHO or a Contracted Provider to deliver the Services, who is registered with the Medical Council of New Zealand as a practitioner of the profession of medicine, and who holds a current annual practising certificate.

**Minister** means the Minister of Health.

**Ministry** means the Ministry of Health.

**National Immunisation Register** means the information system that holds the immunisation records of children, and that is maintained by the Ministry.

**National Voluntary Variation** means a variation to this Agreement described in clause B.16(1)(b).

**Nationally Consistent Services** means the services described in Part C.

**NHI** means National Health Index.

**Not for Profit**, in relation to a PHO, means a body:

- (a) that is carried on other than for the purposes of profit or gain to any proprietor, member, shareholder or person who has the ability to control the body or any associated person of a proprietor, member, shareholder or person who has the ability to control the body;
- (b) that is, by the terms of its constitution, rules, or other document constituting or governing the activities of that body, prohibited from making any distribution whether by way of money, property, or otherwise howsoever, to any such proprietor, member, shareholder or person who has the ability to control the body or any associated person of a proprietor, member, shareholder or person who has the ability to control the body; and
- (c) includes a PHO that is registered as a charitable entity under the Charities Act 2005

and for the purposes of this definition:

- (a) persons are associated if they are associated under the Income Tax Act 2007;
- (b) a body is controlled by another person in the circumstances set out in section CW 42(5) of the Income Tax Act 2007; and
- (c) distribution does not include:

- (i) any fair and reasonable payment for services performed by a person referred to in paragraph (b) or by any firm or entity of which he or she is a member, employee, or associate;
- (ii) the reimbursement of expenses properly incurred on behalf of a body by a person referred to in paragraph (b) or by a firm or entity of which he or she is a member, employee or associate;
- (iii) any payment by way of interest, at not more than current commercial rates, on money loaned to the body by a person referred to in paragraph (b) charged at the normal amount for such services or by a firm or entity of which he or she is a member, employee or associate,

provided that in each case, the amount paid will be relative to that which would be paid in an arm's length transaction.

**Nurse** means a Nurse Practitioner, a Registered Nurse, or an Enrolled Nurse.

**Nurse Practitioner** means a person who is employed or contracted by the PHO or a Contracted Provider to deliver the Services, who is registered with the Nursing Council of New Zealand as a practitioner of the profession of nursing, whose scope of practice permits the performance of nurse practitioner functions, and who holds a current annual practising certificate.

**Payment Agent** means an agent engaged by the DHB to receive Claims and make payment to the PHO on the DHB's behalf, and unless advised otherwise by the DHB is Sector Services.

**Payment Day** means those days on which the Payment Agent routinely pays Claims, being the Tuesday of every week (or next Business Day if that day is not a Business Day) or such other day as is advised from time to time.

**Population-based Health Services** means the services described in clauses 1(1)(a) and (b) of Schedule C1.

**Practitioner** means a person who has an appropriate professional qualification who is employed or contracted by the PHO or a Contracted Provider to provide the Services and includes a Health Practitioner.

**Practitioner Identification Number** mean a Medical Council of New Zealand number, Nursing Council number, cervical smear taker identification number, or other Practitioner identification number.

**Premise** means the location from where the PHO or a Contracted Provider Provides the Services or where anything relating to the Services occurs or is kept, including the location of any Records.

**Primary Maternity Services** has the meaning given to that term in the advice notice for maternity services made under section 88 of the Act.

**Provide** includes purchasing the Services.

**PSAAP Group** means the group established in accordance with the PSAAP Protocol to consider and make decisions and recommendations on proposals to vary the PHO Services Agreement.

**PSAAP Protocol** means the Referenced Document entitled "PHO Service Agreement Amendment Protocol".

**Purchase Unit Code** means the purchase unit code for each service delivered by a PHO that is specified in the Referenced Document entitled "Primary Care Purchase Unit Codes".

**Quarterly Targets** means has the meaning set out in clause G.7(3)(b).

**Record** means any record or information held by the PHO, a Contracted Provider, the PHO's or Contracted Provider's Staff, or on the PHO's or a Contracted Provider's behalf, in whatever form, including written and electronic forms, which are relevant to the provision of the Services, including Service User records and financial accounts.

**Referenced Document** means a document specified in Schedule B3.

**Referred Services** means pharmaceutical services, laboratory services, and diagnostic imaging services, and any other services that can be referred by a Practitioner to other Practitioners as agreed in writing with the DHB.

**Register** means the PHO's register of Enrolled Persons maintained in accordance with the Referenced Document entitled "Business Rules: Capitation-based funding".

**Registered Nurse** means a person who is employed or contracted by the PHO or a Contracted Provider to deliver the Services, who is registered with the Nursing Council of New Zealand as a practitioner of the profession of nursing whose scope of practice permits the performance of general nursing functions, and who holds a current annual practising certificate.

**Regular Hours** means the hours between 8:00am and 5:00pm on a Business Day.

**Rural Community** means:

- (a) a community that:
  - (i) is a rural, a minor urban, or a secondary urban area as defined by Statistics New Zealand; and
  - (ii) is at least 30 kilometres or at least 30 minutes journey time as calculated by AA Maps from a hospital that is a level 3 base hospital; and
  - (iii) has a population of 15,000 people or less; or
- (b) a community that the DHB (or our Alliance, if we have agreed that Rural Funding will be used in accordance with Alliance Recommendations) determines is a rural community for the purposes of this Agreement.

**Rural Contracted Provider** means a Contracted Provider who is a Rural Practitioner, or who employs or contracts one or more Rural Practitioners.

**Rural Funding** means the funding paid to PHOs, Rural Contracted Providers, Rural Practitioners, and Contracted Providers, in accordance with Schedules D2 and F2.2A, or Schedules D4 and F2.2B (as the case may be).

**Rural Practitioner** means:

- (a) a General Practitioner:
  - (i) whose practice is located in and provides Services to the members of a Rural Community; and
  - (ii) who scores at least 35 points on the rural ranking scale; or
- (b) a General Practitioner or a Nurse that the DHB or our Alliance determines is a Rural Practitioner for the purposes of some or all of the provisions of this Agreement.

**Section 88 Advice Notice** means the notice entitled "Advice Notice to General Practitioners Concerning Patient Benefits and other Subsidies" issued under section 88 of the Act.

**Sector Services** means the business unit of the Ministry responsible for payments, agreements, and compliance.

**Service User** means an Eligible Person who uses any Services, and includes a Casual User.

**Services** means all of the services specified in this Agreement.

**Staff** includes the PHO's and its Contracted Providers' employees, sub-contractors, contractors, agents and other personnel connected with the delivery of the Services.

**Start Date** means the date this Agreement commences, as set out in clause B.1 of this Agreement.

**Treaty of Waitangi Principles** means the following principles:

- (a) **partnership**: working together with iwi, hapū, whānau and Māori communities to develop strategies for Māori health gain and appropriate health and disability services;
- (b) **participation**: involving Māori at all levels of the sector, in decision-making, planning, development and delivery of health and disability services; and
- (c) **protection**: working to ensure Māori have at least the same level of health as non-Māori, and safeguarding Māori cultural concepts, values and practices.

**Uncontrollable Event** means an event that is beyond the reasonable control of the party immediately affected by the event, but does not include an event that the party could have prevented or overcome by taking reasonable care.

**Urgent Care Services** means the primary health care services described in clause 2 of Schedule C1.

**Usual Place of Practice** means a location at which the PHO or a Contracted Provider provides Services, and in respect of which a Practitioner has been assigned a health practitioner index number.



**Well Child Services** means services provided in accordance with the Well Child/Tamariki Ora National Schedule published by the Ministry, which describes the screening, surveillance, education and support services offered to all New Zealand children from birth to 5 years and their family or whānau.

**Whānau ora** means Māori families supported to achieve their maximum health and well-being.