

COMMUNITY PHARMACY CONTRACTING POLICY

PURPOSE

The purpose of this document is to enable Northland DHB to make decisions relating to new community pharmacy contracts which are:

- consistent with its legal obligations,
- align with its Strategic Vision for Community Pharmacies and Pharmacists in Northland 2019-2026, and
- support achievement of the objectives of the Pharmacy Action Plan 2016-2020.

Northland District Health Board (DHB) is committed to funding services that provide high quality care to patients to improve the population’s health outcomes. This policy gives effect to Northland DHB’s statutory functions and objectives under the New Zealand Public Health and Disability Act 2000 including “to seek the optimum arrangement for the most effective and efficient delivery of health services in order to meet...local needs (section 22(1)(ba)), and clause 3.19.1 of the Operational Policy Framework (OPF) states that “DHBs should purchase services that best meet the needs of their population.”

CONTEXT

In 2018, all community pharmacies in Northland signed the Integrated Community Pharmacy Services Agreement (ICPSA). The contract placed emphasis on clinical services and enabled local DHBs to purchase locally focused and targeted services. For Northland DHB, this enabled the opportunity to configure and shape our community pharmacy services to ensure greater emphasis on targeting inequities and better health outcomes for our communities.

Northland DHB adopted the Strategic Vision for Community Pharmacies and Pharmacists in Northland 2019-2026, effective from 1 July 2019. This document outlines the vision Northland DHB has for community pharmacy services: “that Northlanders achieve better and more equitable health and wellbeing, supported by trusted and enabled community pharmacists and pharmacies.” It also includes the intention to implement a community pharmacy contracting policy from 1 July 2019.

A DHB is not required to enter into an agreement with every pharmacy licence holder that make an application for an agreement. Northland DHB now intends to take a more selective approach when making community pharmacy contracting decisions, as is set out in this policy.

POLICY STATEMENT

Northland DHB seeks to direct funding for community pharmacy services towards health services that best meet local communities’ needs, improve equity of health outcomes, are cost effective, sustainable, and are of appropriate quality. Providers should be capable not only of complying with the requirements of the Integrated Community Pharmacy Services Agreement (ICPSA), but also supporting the Pharmacy Action Plan and the Strategic Vision for Community Pharmacies and Pharmacists in Northland 2019-2026.

Northland DHB will purchase community pharmacy services which support its vision for community pharmacy and pharmacists. The DHB’s approach to this is the implementation of a Pharmacy Services Quality Framework (Appendix A).

NORTHLAND DISTRICT HEALTH BOARD			
TITLE: Community Pharmacy Contracting			Page 1 of 9
Date of first Issue: July 2019	Current Issue: July 2019	Revision Date: July 2020	ISSUE NO: 1
Authored by: Contracts Assurance Manager, Primary Care		Reviewed by: Relationship & Funding Manager, Primary Care	
AUTHORISED BY: Chief Executive			

SCOPE

This policy applies to all requests received by Northland DHB for a new Integrated Community Pharmacy Services Agreement (ICPSA).

This policy does not to apply to transfer of ownership, relocation, or changes to service schedules of existing community pharmacies which hold an ICPSA with Northland DHB.

PROCESS

Northland DHB encourages anyone who may wish to apply for an ICPSA for a new community pharmacy to notify the DHB of that intention as soon as possible.

Application forms will be made available on the Northland DHB and/or Northern Regional Alliance (NRA) website. Applicants must ensure they submit their application as per the instructions on the application form, and include all relevant information. Receipt of the application will be acknowledged by email by within 5 working days. Northland DHB is not responsible for applications that are not received.

Northland DHB will convene its Assessment Panel to consider the information provided in the application.

During the application process, the Assessment Panel may require further information from an applicant additional to that contained in the application. If the applicant fails to supply the information within 30 days of the date of the request (or within any additional time allowed by the Assessment Panel) the application will lapse. This requires the applicant to submit a new application.

In line with Northland DHB purchasing processes, we may seek additional information or advice from other persons within, and external to Northland DHB as required.

Criteria for decision making will be based on applicant's ability to demonstrate the following:

Criteria	Information required
<p>The applicant has demonstrated that the proposed services are consistent with relevant national and local strategic priorities for pharmacy services.</p> <p>The applicant will contribute to providing best practice advice and services so that the people of Northland achieve better and more equitable health outcomes.</p>	<p>Describe the organisation's philosophy with regard to community pharmacy services.</p> <p>Explain how the proposed services will meet the relevant national and local strategic priorities for pharmacy services.</p> <p>Provide details about how the applicant will contribute to providing best practice advice and services so that the people of Northland achieve better and more equitable health outcomes.</p>
<p>The applicant has demonstrated it has suitable systems and processes in place for continuous quality improvement, with the ability to meet the Pharmacy Standards: NZS 8134.7:2010, and the Community Pharmacy Quality Standards.</p>	<p>Provide evidence of systems and processes for continuous quality improvement (including its Quality Improvement Plan, and how it will bring the perspective of Māori to its provision of services).</p> <p>Provide information about how the applicant will meet the Pharmacy Standards Pharmacy Standards: NZS 8134.7:2010.</p> <p>Provide information about how the applicant will meet the Community Pharmacy Quality Standards.</p>

NORTHLAND DISTRICT HEALTH BOARD			
TITLE: Community Pharmacy Contracting		Page 2 of 9	
Date of first Issue: July 2019	Current Issue: July 2019	Revision Date: July 2020	ISSUE NO: 1
Authored by: Contracts Assurance Manager, Primary Care		Reviewed by: Relationship & Funding Manager, Primary Care	
AUTHORISED BY: Chief Executive			

Criteria	Information required
<p>The applicant has demonstrated that it understands the location it intend to operate in, and the population it intends to service, and will provide services that meet the needs that population.</p> <p>The applicant has considered and will act to achieve the aspirations of Māori.</p>	<p>Location; proposed services, opening hours, and start date.</p> <p>Information about other pharmacy services in the location.</p> <p>Explanation of what the population needs are of the proposed pharmacy location, how are they currently being met, and how the services provided by the applicant are expected to meet the unmet population health needs.</p> <p>Provide information about how the applicant will consider the aspirations of Māori, and meet the needs of Māori in relation to the delivery of services.</p> <p>Confirmation that the applicant will provide all PHARMAC Schedule non-section H medications to patients if requested and required; including high cost medications (exemptions may apply as directed by Northland DHB or PHARMAC).</p>
<p>The applicant has demonstrated its preparedness and ability to operate an effective and efficient community pharmacy, which will be available in the longer term.</p>	<p>Provide information about the governance and management structure of the organization, including the relevant qualifications and experience of the members.</p> <p>Provide details of the organization’s experience in delivering community pharmacy services in New Zealand.</p> <p>Provide a business case that demonstrates that due diligence has been completed, and the proposed new pharmacy is expected to effective, efficient, and sustainable. This assessment is expected to include staffing ratios and qualifications, and consideration of the financial viability of the proposed service.</p>
<p>The applicant has demonstrated it is of good character and there are no unresolved issues concerning the pharmacist/s current or past Annual Practicing Certificate/s (APC) or Ministry of Health licence/s or conditions.</p>	<p>Provide the following applicant information:</p> <p>APC (including any conditions), police check and good character information.</p> <p>Details of any conditions imposed on an APC</p> <p>Details if an APC has ever been cancelled.</p> <p>If the applicant has been a pharmacy owner previously, provide details if a Ministry of Health licence has had conditions applied or cancelled.</p>
<p>The applicant has demonstrated that it will work in an integrated manner with primary and other healthcare providers to ensure continuity of care to patients resulting in better health outcomes.</p>	<p>Information about existing primary and community healthcare providers, and Age Related Residential Care (ARRC) providers in the location, and an explanation of how the applicant will work with these providers to support better health outcomes.</p> <p>Demonstrable evidence of support from primary health care providers in the proposed location.</p>

NORTHLAND DISTRICT HEALTH BOARD			
TITLE: Community Pharmacy Contracting		Page 3 of 9	
Date of first Issue: July 2019	Current Issue: July 2019	Revision Date: July 2020	ISSUE NO: 1
Authored by: Contracts Assurance Manager, Primary Care		Reviewed by: Relationship & Funding Manager, Primary Care	
AUTHORISED BY: Chief Executive			

Criteria	Information required
<p>The applicant will demonstrate how it will increase the impact of co-located and nearby services and facilities with positive health outcomes; and how it will minimize and mitigate the impact of those with negative health outcomes.</p>	<p>Information on where the proposed pharmacy will be located, including information on co-located and nearby services and facilities relating to:</p> <p>better population health outcomes, such as healthy eating, healthy exercise, social inclusion, etc.</p> <p>alcohol, tobacco sales gambling facilities, or other services that oppose better population health outcomes.</p> <p>Information on how the applicant will, in the context of co-located and nearby services, increase positive health outcomes; and minimize and mitigate negative health outcomes.</p>

DECISION

The Assessment Panel will make a recommendation on whether an ICPSA should be granted, and then a decision will be made as per usual DHB procurement processes. The applicant will be advised of the outcome of the application within three months of making the application.

If an application is declined, the applicant may request that the DHB review its decision.

IMPLEMENTATION

Applications that are granted will be subject to the pharmacy subsequently obtaining and maintaining a pharmacy licence through the Ministry of Health.

In order to receive an ICPSA, the applicant must submit an Application for Pharmacy Agreement & Payee (Claimant) Number to Northland DHB's sector agents, the Northern Regional Alliance (NRA).

If the applicant fails to begin providing the service within 180 days of approval by Northland DHB, the approval will be deemed to be revoked and a new application will be required, unless otherwise agreed with the DHB.

POLICY REVIEW

This policy will be reviewed, and may be updated, from time to time. Any changes to this policy will be made available on Northland DHB's website.

REFERENCES

This policy acknowledges its responsibilities under the following legislation:

- Public Health and Disability Act 2000
- Commerce Act 1986
- Employment Relations Act 2000
- Fair Trading Act 1986
- Health and Safety at Work Act 2015
- Human Rights Act 1993
- Medicines Act 1981 and related Regulations

NORTHLAND DISTRICT HEALTH BOARD			
TITLE: Community Pharmacy Contracting		Page 4 of 9	
Date of first Issue: July 2019	Current Issue: July 2019	Revision Date: July 2020	ISSUE NO: 1
Authored by: Contracts Assurance Manager, Primary Care		Reviewed by: Relationship & Funding Manager, Primary Care	
AUTHORISED BY: Chief Executive			

- Official Information Act 1982
- Privacy Act 1993
- Sale of Goods Act 1908 as amended by the Contractual Remedies Act 1979
- Treaty of Waitangi Act 1975
- Resource Management Act 1991
- Ministry of Health, Health and Disability Services, Pharmacy Service Standards 2010.

This policy considers DHBs responsibilities according to:

- Pharmacy Action Plan 2016 – 2020
- NZ Health Strategy 2016
- Healthy Ageing Strategy
- NZ Disability Strategy
- Integrated Community Pharmacy Services Agreement (ICPSA)
- Health and Disability Services - Pharmacy Services Standard NZ 8134.7.2010
- Operational Policy Framework
- Strategic Vision for Community Pharmacies and Pharmacists in Northland 2019-2026.

NORTHLAND DISTRICT HEALTH BOARD			
TITLE: Community Pharmacy Contracting			Page 5 of 9
Date of first Issue: July 2019	Current Issue: July 2019	Revision Date: July 2020	ISSUE NO: 1
Authored by: Contracts Assurance Manager, Primary Care		Reviewed by: Relationship & Funding Manager, Primary Care	
AUTHORISED BY: Chief Executive			

APPENDIX A: COMMUNITY PHARMACY QUALITY STANDARDS

People powered

As a user I want...	Key Performance Indicators	Rationale
Access to the right services in the right place at the right time	Offers extended opening hours and/or other opportunities for improving access	To provide patient with opportunities to obtain medicines, services and seek advice outside of standard business operating hours
	Supports health promotion plans/activities. Is not co-located with services that directly oppose better population health outcomes	To support prevention and early intervention
	Increased integration/collaboration with local GPs and/or other healthcare providers	To provide a multi-disciplinary service
	Offers culturally appropriate care and support	Sympathetic to cultural and spiritual needs of the community in relation to health care
	A focus on the patient and their experience	People have access to advocates, interpreters and other support when required
	Maintains patients' medication profiles and documentation of pharmacist interventions	To ensure continuity of care
	The footprint is adequate to support future growth and required services e.g. collection of pharmaceutical, compliance packaging	To support an increased scope of pharmacy services
Services that target addressing inequities	Supports addressing inequities through the design and implementation of services	To reduce inequitable health outcomes for the population through targeted services
An environment that is inviting with good access regardless of my level of mobility, or cognitive or other abilities	An appropriately place and adequately fitted out private consulting area is available for interview and counselling	To provide a suitable consulting environment
	Wheelchair access is available to the pharmacy and consulting room(s)	To enable equity of access for all patients
	Locality-based services	To enable targeted services to meet community need

NORTHLAND DISTRICT HEALTH BOARD			
TITLE: Community Pharmacy Contracting		Page 6 of 9	
Date of first Issue: July 2019	Current Issue: July 2019	Revision Date: July 2020	ISSUE NO: 1
Authored by: Contracts Assurance Manager, Primary Care		Reviewed by: Relationship & Funding Manager, Primary Care	
AUTHORISED BY: Chief Executive			

Closer to home

As a user I want...	Key Performance Indicators	Rationale
To have a pharmacy close to home where I have a good relationship and where all my medicines and pharmacy-related needs can be met	Has focus on reducing inequities and improving outcomes for high needs groups	To build long-term relationships with community and an understanding of health need
	A range of pharmaceutical services are offered	To ensure patients have choices and can access the pharmacy services they need
	Provides all PHARMAC Schedule non-section H medications when required	To ensure patients have access to medications when they need them regardless of cost or complexity of compounding
Access to pharmacy services regardless of where I live	Number of pharmacies in locality appropriate to population	To enable access regardless of location
	Location of pharmacy, distance to and between pharmacies	Pharmacy services are close to home
	Procedures and/or stocks medicines as required or facilitate user obtaining the service from another provider	To facilitate access to a full range of medicines
	Offers home visits to those that need it	To provide home-bound patients with advice, education and other pharmacy services
	Offers full range of medicines provision and medication management services	To enable people centric care
	Offers assessment and screening services e.g. blood glucose testing, pregnancy testing	To support self –management and/or recommend referral to another health care provider when needed
	Offers diagnostic tests e.g. blood pressure monitoring, peak flow monitoring	To encourage early diagnosis and appropriate early intervention

NORTHLAND DISTRICT HEALTH BOARD			
TITLE: Community Pharmacy Contracting		Page 7 of 9	
Date of first Issue: July 2019	Current Issue: July 2019	Revision Date: July 2020	ISSUE NO: 1
Authored by: Contracts Assurance Manager, Primary Care		Reviewed by: Relationship & Funding Manager, Primary Care	
AUTHORISED BY: Chief Executive			



Value and high performance

As a user I want...	Key Performance Indicators	Rationale
A pharmacy that provides expertise and leadership in medicines/pharmacy related services	Pharmacies have a good understanding of the health needs of their community	To contribute to the achievement of local goals, health targets and service priorities
	Participates in new service initiatives where identified for population	To respond to the health needs to the community
	Staffing mix is adequate based on anticipated volumes to enable direct pharmacist interaction with clients	Pharmacists have time to spend with people when the need it
	Has a process in place for recording and investigating adverse and near miss events	To ensure that the service delivered is informed by learning from adverse and near miss events
	The pharmacy has a business continuity plan in place (implementable major incident and emergency plan)	To ensure provision of essential pharmacy services
	Customer surveys are completed annually	To seek commitment and provider feedback that contributes to on-going improvement of pharmacy services
	Pharmacies comply with the 'Consumer Rights' Standards and have a clearly displayed complaints process in place	To ensure the community has a mechanism for raising concerns and having these appropriately managed
To know that I am getting current, evidence based expert advice on pharmacy and medicine related services	Pharmacist(s) and technicians have qualifications/competency and sufficient experience to establish good patient relationships and to positively influence patient behaviours	To provide care based on current best practice
	Information about services offered is readily available	The community has easy access to information about medication, eligibility, costs and services offered
	The responsible pharmacist has suitable experience and professional knowledge	To ensure high standards of care are maintained
	Pharmacies have a quality improvement system/plan in place which includes audit/evaluation of services	Pharmacy has a commitment to continuous improvement
	Staff are supported to remain current in pharmacy best practice and are appropriately qualified to deliver specialist pharmacy care	The community has confidence that they are getting the care they need

NORTHLAND DISTRICT HEALTH BOARD			
TITLE: Community Pharmacy Contracting		Page 8 of 9	
Date of first Issue: July 2019	Current Issue: July 2019	Revision Date: July 2020	ISSUE NO: 1
Authored by: Contracts Assurance Manager, Primary Care		Reviewed by: Relationship & Funding Manager, Primary Care	
AUTHORISED BY: Chief Executive			

One team

As a user I want...	Key Performance Indicators	Rationale
To receive a high quality professional service as part of a multidisciplinary programme of care	Works collaboratively with local GPs and other providers to improve health outcomes	Patients receive holistic care in shared care/integrated health care system
	Provides community education	To develop relationships with the community focusing on high risk/high needs groups
	Engages with the community to support particular health and wellness campaigns	Targeted education and support is provided to those that need it

Smart systems

As a user I want...	Key Performance Indicators	Rationale
Access to my medication list online that is current	Technology, including on-line services, is used to support service delivery where/when available	To facilitate shared/integrated care and remove barriers to access to appropriate care
A safe and efficient system for prescriptions and dispensing	Technology to ensure integration with patient management systems (PMS), NZePS, and medication management programmes	Increased safety in prescribing and ensures efficiencies for both the prescribers and the pharmacists
	The pharmacy has the IT capability and will implement electronic medicines management as it develops	To promote shared/integrated care and connected services.

NORTHLAND DISTRICT HEALTH BOARD			
TITLE: Community Pharmacy Contracting		Page 9 of 9	
Date of first Issue: July 2019	Current Issue: July 2019	Revision Date: July 2020	ISSUE NO: 1
Authored by: Contracts Assurance Manager, Primary Care		Reviewed by: Relationship & Funding Manager, Primary Care	
AUTHORISED BY: Chief Executive			