

**VARIATION AGREEMENT  
between**

**«DHB\_NAME» DHB**

Address

Ph:  
Fax:

**Contact: «CONTRACTDEPUTY\_NAME»**

**and**

**«PROVIDER\_NAME»**

**«CONTRACT\_DESCRIPTION»**

«PROVIDER\_ADDRESS»  
«PROVIDER\_ADDRESS2»  
«PROVIDER\_CITY»

Ph: «PROVIDER\_PHONE»  
Fax: «PROVIDER\_FAX»

**Contact: «PRVDRCONTACT\_NAME»**

# CONTENTS OF THIS AGREEMENT

<b>A: SUMMARY</b> .....	<b>4</b>
1 DEFINITIONS .....	4
2 THE AGREEMENT .....	4
3 PREVIOUS VARIATIONS .....	4
4 NUMBER AND COMMENCEMENT OF THIS VARIATION.....	4
5 DETAILS OF THIS VARIATION .....	4
6 SECTION B .....	5
7 REMAINDER OF AGREEMENT.....	5
8 SIGNATURES .....	5
<b>B: CONTRACTOR SPECIFIC TERMS AND CONDITIONS</b> .....	<b>6</b>
1 IT IS AGREED THAT THE FOLLOWING DETAILS APPLY TO THIS VARIATION .....	6
2 REFERENCED DOCUMENTS .....	6
3 CHANGES TO FUNDING RATES IN SCHEDULE F1 .....	7
4 CHANGES TO IMMUNISATION FUNDING RATES IN SCHEDULE F2.....	9
5 REPLACING SCHEDULE F4 – FEES FRAMEWORK .....	9
6 CHANGES TO CARE PLUS FUNDING RATES IN SCHEDULE F7 .....	10
7 CHANGES TO RURAL PREMIUMS IN SCHEDULE J3 .....	10
8 ADDITION OF SCHEDULE J10 .....	10
<b>APPENDIX ONE</b> .....	<b>11</b>
<b>SCHEDULE F4 FEES LEVEL POLICY AND CHARGES TO SERVICE USERS PART A</b> .....	<b>11</b>
1. APPLICATION OF PART A OF SCHEDULE F4 .....	11
2. ABILITY TO CHARGE SERVICE USERS .....	11
3. FEES FRAMEWORK .....	11
4. SERVICES FOR PERSONS WHO ARE NOT ELIGIBLE PERSONS .....	14
5. NO CO-PAYMENTS FOR IMMUNISATION SERVICES .....	15
6. CHILDREN UNDER 6 YEARS .....	15
7. NOTIFICATION OF FEES .....	15
8. HOLDERS OF COMMUNITY SERVICES CARDS AND HIGH USE HEALTH CARDS .....	15
9. COMMUNITY SERVICES CARD HOLDERS .....	15
10. REVIEW.....	15
<b>SCHEDULE F4 FEES LEVEL POLICY AND CHARGES TO SERVICE USERS PART B</b> .....	<b>16</b>
1. APPLICATION OF PART B OF SCHEDULE F4 .....	16

2.	ABILITY TO CHARGE SERVICE USERS .....	16
3.	FEE FRAMEWORK .....	16
4.	ARRANGEMENTS FOR INTERIM PRACTICES RECEIVING ACCESS FUNDING FOR PARTICULAR GROUPS .	17
5.	SERVICES FOR PERSONS WHO ARE NOT ELIGIBLE PERSONS .....	17
6.	NO CO-PAYMENTS FOR IMMUNISATION SERVICES .....	17
7.	CHILDREN UNDER 6 YEARS .....	17
8.	NOTIFICATION OF FEES .....	17
9.	HOLDERS OF COMMUNITY SERVICES CARDS AND HIGH USE HEALTH CARDS .....	17
10.	COMMUNITY SERVICES CARD HOLDERS .....	18
<b>APPENDIX TWO</b> .....		19
<b>SCHEDULE J10 FEES TRANSPARENCY REQUIREMENTS</b> .....		19
1.	PUBLICATION OF FEES TO ELIGIBLE PERSONS (FEES TRANSPARENCY REQUIREMENTS).....	19

## A: SUMMARY

### 1 Definitions

1.1 Words and expressions used in this Variation Agreement with initial capital letters have the defined meanings set out in Part B of the Agreement (as defined below).

1.2 References to the parties:

**We, us, our** means [*locality*] District Health Board;

**You, your** means [*insert legal name of PHO*];

**We both, us both** means both you and we;

**Either of us** means either you or we;

**Neither of us** means neither you nor we.

### 2 The Agreement

In «CONTRACT\_ORIGYEAR» both of us entered into a Primary Health Organisation Agreement (version 17) (the Agreement). The Agreement commenced on «CONTRACT\_ORIGSTARTDATE» and ends on «CONTRACT\_ORIGENDDATE» and is numbered («PROVIDER\_NUMBER» / «CONTRACT\_ORIGCONTRACTID»/«CONTRACT\_ORIGVERSION»).

### 3 Previous Variations

In «CONTRACT\_YEAR» both of us entered into the «CONTRACT\_VERSION» variation to the Agreement. The variation commenced on «CONTRACT\_STARTDATE» and is numbered («PROVIDER\_NUMBER» / «CONTRACT\_CONTRACTID»/«CONTRACT\_VERSION»). [\[as required\]](#)

### 4 Number and Commencement of this Variation

This is the «CONTRACT\_VERSION» variation to the Agreement and it commences on «CONTRACT\_STARTDATE».

### 5 Details of this Variation

#### Price

This variation to the Agreement changes the Agreement price.

**Modify Service**

This variation to the Agreement amends the terms of the Agreement.

**6 Section B**

The attached Section B includes all of the amendments to the Agreement as a result of this variation.

**7 Remainder of Agreement**

The remaining terms and conditions of the Agreement are confirmed in all respects except for the amendments as set out in this variation.

**8 Signatures**

Please confirm your acceptance of this variation to the Agreement by signing where indicated below.

By signing below the signatory to this Variation Agreement warrants that he or she has authority to sign this Variation Agreement on your behalf.

For [ ] **District Health Board:**

For «**PROVIDER\_NAME**»:

(signature)

(signature)

\_\_\_\_\_  
Name .....

\_\_\_\_\_  
Name .....

\_\_\_\_\_  
Position .....

\_\_\_\_\_  
Position .....

\_\_\_\_\_  
Date .....

\_\_\_\_\_  
Date .....

## B: CONTRACTOR SPECIFIC TERMS AND CONDITIONS

**1 It is agreed that the following details apply to this Variation**

<b>Legal Entity Name</b>	«PROVIDER_NAME»
<b>Legal Entity Number</b>	«PROVIDER_NUMBER»
<b>Contract Number</b>	«CONTRACT_CONTRACTID» / «CONTRACT_VERSION»
<b>Variation Commencement Date</b>	«CONTRACT_STARTDATE»
<b>Variation End Date</b>	«CONTRACT_ENDDATE»

**2 Referenced Documents**

2.1 The following row is added to the table set out in clause 4.1 of Schedule A.1 to the Agreement:

<i>Document Name</i>	<i>Version</i>	<i>Publisher</i>
Fees Review Process	Version 1	PHO Service Agreement Amendment Protocol Group

2.2 The following row is added to the table set out in clause 4.1(b) of Schedule A.1 to the Agreement:

<i>Document Name</i>	<i>Purpose</i>
Fees Review Process	This document describes the process for the establishment and operation of Fees Review Committees.

**3 Changes to Funding Rates in Schedule F1**

3.1 Clause 1.2(a) of Schedule F1 to the Agreement is deleted and replaced with the following new clause 1.2(a):

**“Capitation Payments for non-Access Practices”**

“1.2(a) Subject to clause 1.2(b) of this Schedule F1, we will Pay you for First Level Services and other associated services described in Part H (but not including health promotion services and services to improve access for High Need Groups) delivered by non-Access Practices according to the numbers of Enrolled Persons in each category at the annual rate specified in the table in this clause 1.2(a).

Interim First Level Services			HUHC	
Age Group	Gender	CSC	N	Y
00-04	F	N/A	327.2312	501.2352
	M	N/A	348.2192	501.2352
05-14	F	N/A	84.2488	321.3804
	M	N/A	79.8472	321.3804
15-24	F	N/A	97.9380	309.5864
	M	N/A	53.9024	309.5864
25-44	F	Y	77.1092	309.5864
		N	7.7728	309.5864
	M	Y	45.8404	309.5864
		N	6.2800	309.5864
45-64	F	Y	94.2423	339.0712
		N	12.9838	339.0712
	M	Y	72.1709	339.0712
		N	10.1578	339.0712
65	F	N/A	203.1384	363.6416
	M	N/A	175.1840	363.6416

3.2 Clause 1.2(b) of Schedule F1 to the Agreement is deleted and replaced with the following new clause 1.2(b):

“(b) We will Pay you in accordance with the table in this clause 1.2(b) for each Contracted Provider to which Part A of Schedule F4 applies, in accordance with clause 1.1 of Part A of Schedule F4.”

Interim First Level Services			HUHC	
Age Group	Gender	CSC	N	Y
00-04	F	N/A	327.2312	501.2352
	M	N/A	348.2192	501.2352
05-14	F	N/A	84.2488	321.3804
	M	N/A	79.8472	321.3804
15-24	F	N/A	97.9380	309.5864
	M	N/A	53.9024	309.5864
25-44	F	Y	77.1092	309.5864
		N	7.7728	309.5864

Interim First Level Services			HUHC	
Age Group	Gender	CSC	N	Y
	M	Y	45.8404	309.5864
		N	6.2800	309.5864
45-64	F	N/A	117.8780	339.0712
	M	N/A	88.0420	339.0712
65	F	N/A	203.1384	363.6416
	M	N/A	175.1840	363.6416

3.3 Clause 1.3 of Schedule F1 to the Agreement is amended by deleting the table of payments in that clause and replacing it with the following table of payments:

Access First Contact		HUHC	
Age Group	Gender	N	Y
00-04	F	335.3148	501.2352
	M	353.0392	501.2352
05-14	F	106.1380	321.3804
	M	99.3648	321.3804
15-24	F	97.9380	309.5864
	M	53.9024	309.5864
25-44	F	86.0620	309.5864
	M	55.6320	309.5864
45-64	F	117.8780	339.0712
	M	88.0420	339.0712
65+	F	203.1384	363.6416
	M	175.1840	363.6416

3.4 Clause 2.1 of Schedule F1 to the Agreement is deleted and replaced with the following new clause 2.1:

“2.1 The annual management services fee will be calculated per Enrolled Person as follows:

- (a) If the number of Enrolled Persons in the PHO is 40,000 or below and we have approved your Management Services Plan then the rate will be \$14.3368 per person up to 20,000 and \$0.8268 per person from 20,001 to 40,000.
- (b) Otherwise, if the number of Enrolled Persons in the PHO is 75,000 or below the rate will be \$10.2024 per person up to 20,000 and \$4.9612 per person from 20,001 to 75,000.
- (c) If the number of Enrolled Persons in the PHO is 75,001 or above then the rate will be \$476,914.00 plus \$5.5716 per person over 75,000 enrollees.”

3.5 Clause 3.1 of Schedule F1 to the Agreement is amended by deleting the table of payments in that clause and replacing it with the following table of payments:

Health Promotion	Maori/Pacific	Non Maori/Pacific
Dep decile 1-8	2.3616	1.9680
Dep decile 9 & 10	2.7552	2.3616

3.6 Clause 3.2 of Schedule F1 to the Agreement is amended by deleting the table of payments in that clause and replacing it with the following table of payments:

Services to Improve Access		Maori/Pacific		Non Maori/Pacific	
Age Group	Gender	Dep decile 1-8	Dep decile 9 & 10	Dep decile 1-8	Dep decile 9 & 10
00-04	F	67.0632	134.1260	0.0000	67.0632
	M	70.6076	141.2160	0.0000	70.6076
05-14	F	21.2272	42.4548	0.0000	21.2272
	M	19.8696	39.7384	0.0000	19.8696
15-24	F	19.5876	39.1748	0.0000	19.5876
	M	10.7804	21.5608	0.0000	10.7804
25-44	F	17.2124	34.4252	0.0000	17.2124
	M	11.1264	22.2528	0.0000	11.1264
45-64	F	23.5752	47.1512	0.0000	23.5752
	M	17.6084	35.2168	0.0000	17.6084
65+	F	40.6276	81.2556	0.0000	40.6276
	M	35.0372	70.0736	0.0000	35.0372

#### 4 Changes to Immunisation Funding Rates in Schedule F2

4.1 Clauses 4.1 to 4.3 of Schedule F2 to the Agreement are deleted and replaced with the following new clauses 4.1 to 4.3:

- “4.1 We will Pay you \$16.99 (GST exclusive) for administering a Vaccine Episode on the childhood immunisation schedule as detailed in the Immunisation Handbook, other than the influenza vaccine.
- 4.2 We will Pay you \$16.99 (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 February or March) until 30 June of that same calendar year.
- 4.3 We will Pay you \$16.99 (GST exclusive) for administering a MeNZB Vaccine Episode.”

#### 5 Replacing Schedule F4 – Fees Framework

5.1 Schedule F4 to the Agreement is deleted and replaced with the new Schedule F4 (Parts A and B) set out in Appendix One to this Variation.

**6 Changes to Care Plus Funding Rates in Schedule F7**

6.1 Clause 2.2 of Schedule F7 to the Agreement is deleted and replaced with the following new clause 2.2:

- “2.2 For the above table we will calculate the full Care Plus Services funding as follows:
- (a) \$215.7648 (GST excl) multiplied by the expected number of Care Plus Patients in an Access Practice; and/or
  - (b) \$229.9068 (GST excl) multiplied by the expected number of Care Plus Patients in an Interim Practice.”

**7 Changes to Rural Premiums in Schedule J3**

7.1 Clause 1.1 of Schedule J3 to the Agreement is amended by deleting the table in that clause and replacing it with the following table:

<b>Rural ranking score</b>	<b>Rate per capita<sup>2</sup> (GST inclusive)</b>
35-40	\$8.00
45-50	\$12.00
55-65	\$16.00
70+	\$19.99

**8 Addition of Schedule J10**

8.1 A new Schedule J10 is added to Part J of the Agreement, as attached in Appendix Two to this Variation.

## APPENDIX ONE

### SCHEDULE F4

#### FEES LEVEL POLICY AND CHARGES TO SERVICE USERS PART A

##### **1. Application of Part A of Schedule F4**

---

- 1.1 This Part A of Schedule F4 applies to those Contracted Providers who:
- (a) demonstrate how increased funding will translate into reduced fees for specified patients;
  - (b) agree to publication, as agreed between both of, us of full fee information by named practice for those age bands where the funding set by Government is intended to subsidise low or reduced cost access to First Level Health Services; and
  - (c) comply with this Part A of Schedule F4.

##### **2. Ability to charge Service Users**

---

- 2.1 You are entitled to charge Eligible Persons for health services including those funded in part by us except where expressly agreed otherwise in this Agreement.

##### **3. Fees Framework**

---

###### ***Definitions***

- 3.1 For the purposes of this Part A of Schedule F4:
- (a) a “standard General Practitioner consultation fee” for First Level Health services within a normal Business Day shall:
    - (i) include any normal tests or examinations carried out as part of that consultation; and
    - (ii) be the fee that the patient would pay if he or she paid on the date on which the consultation occurred before discounts or surcharges.
  - (b) “Fees Review Committees” are regional committees of that name established pursuant to the Fees Review Process Referenced Document.

###### ***Purpose of the fees framework***

- 3.2 The purpose of this clause 3 of this Part A of Schedule F4 is to set out the framework that will apply to the patient fees charged by health providers where the funding set by Government is intended to subsidise low or reduced cost access to First Level Health services (previously referred to as Access funding).
- 3.3 The principles and agreements upon which the fees framework is based are as follows:
- (a) We support the right of your Contracted Providers or you to set the fees that they or you charge Eligible Persons.
  - (b) We expect that your Enrolled Patients will have access to low or reduced cost primary health services from you or your Contracted Providers.

- (c) You recognise our requirement to have certainty that the increased payments to health providers that are made under any services agreement, which subsidise a patient's fees, will be reflected in low or reduced costs to patients.
  - (d) You will ensure that those increased subsidy payments will result in low or reduced fees charged by your Contracted Providers to Enrolled Patients and that those fees are fair to the providers and reasonable for the patients.
  - (e) It is the Government's intention to regularly adjust PHO funding to maintain its value.
- 3.4 Before subsidy payments for an age group are introduced or increased to the rates intended to subsidise low or reduced cost access for that age group you:
- (a) consulted with us in relation to the level of standard General Practitioner consultation fees to be charged by you and your Contracted Providers for that age group; and
  - (b) advised us of the standard General Practitioner consultation fees that are intended to be charged by each of your Contracted Providers; and
  - (c) provided us with supporting documentation demonstrating how the standard General Practitioner consultation fees have been informed by the currently known level of fees in the region, and how increased subsidy payments translate into low or reduced costs to patients, being both fair and reasonable to patients and providers.

***Flow through of funding increases***

- 3.5 We both acknowledge that the Ministry of Health instructs us in relation to the requirements for PHOs (and their Contracted Providers) to ensure that increased subsidy payments translate into low or reduced costs to patients.

***Notifying fees and fee increases***

- 3.6 When you or one of your Contracted Providers decides to increase the level of standard General Practitioner consultation fees where the funding set by Government is intended to subsidise low or reduced cost access to First Level Services at any time during the term of this Agreement, you will, as soon as is reasonably practicable after the decision to increase the fees is made, preferably before the increase takes effect or at the time of increase and in any event within two weeks after the increase takes effect, notify us of:
- (a) the fee increases (stating previous and new standard General Practitioner consultation fees for each age group);
  - (b) the name of the Contracted Provider that increased its fees or the identifier for the provider which is the same identifier as you used when consulting with us according to clause 3.4 of this Part A of Schedule F4; and
  - (c) when the fees were last increased.

- 3.7 For the purposes of this Agreement, the requirement in this clause to notify standard General Practitioner consultation fee increases is a reporting requirement.

***Statements of Fee Increase Levels***

- 3.8 We will annually, or more frequently, notify you of the levels of standard General Practitioner consultation fees increases we consider reasonable. Fee increases that are higher than the levels notified are not necessarily unreasonable.
- 3.9 We will use a suitable independent body to determine these levels. We will instruct the independent body to engage with the sector in this process and to refer to the Fees Review Process Referenced Document.

- 3.10 A Contracted Provider already charging low standard General Practitioner consultation fees will be exempt from the Fees Review Committee process so long as its increased fees are at or below the level of standard General Practitioner consultation fees identified in the most recent statement notified under clause 3.8 as being the ceiling for automatic qualification as being 'low'.

***Referring Fee Increases to a Fees Review Committee***

- 3.11 If the fee increase notified under clause 3.6(a) of this Part A of Schedule F4 is less than or equal to the levels of reasonable fee increases notified pursuant to clause 3.8 we will not refer the increase to the Fees Review Committee.
- 3.12 If the fee increase notified under clause 3.6(a) of this Part A of Schedule F4 is greater than the levels of reasonable fee increases notified pursuant to clause 3.8, we may refer the matter to the Fees Review Committee.
- 3.13 If we intend to refer the matter to the Fees Review Committee under clause 3.12 of this Part A of Schedule F4, we may discuss with you the reasons for the fees increase, consider any information you wish to present to support the fees increase, and then determine if the fees increase will be formally referred to the Fees Review Committee. In such circumstances, we must:
- (a) complete our consideration of the matter within one month of the fees increase being notified under clause 3.6(a) of this Part A of Schedule F4, and
  - (b) notify you of our decision to refer the fees increase to a Fees Review Committee at the same time the referral is made.

In the event our consideration of the matter and referral (if any) to the Fees Review Committee is not completed within one month, the fees increase is deemed to be reasonable.

- 3.14 We both agree to participate in the Fees Review Committee process as set out in clauses 3.15 to 3.27 of this Part A of Schedule F4.

***Regional Fees Review Committees***

- 3.15 Regional Fees Review Committees will be established and operate in accordance with this clause 3 and the Fees Review Process Referenced Document. A Fees Review Committee is not an Advisory Committee for the purposes of clause D.15 of Part D of this Agreement or a Complaints Body.
- 3.16 The objectives of the fees review process are to:
- (a) ensure the sustainability and viability of first level General Practice and other primary health care services with providers retaining the right to set their own fees; and
  - (b) allow DHBs certainty that the increased funding continues to be reflected in low or reduced costs that are fair and reasonable to patients and providers.
- 3.17 The fees review process will operate in accordance with the following principles so that it is, and is seen to be:
- (a) Objective, so that all parties can see that recommendations are based on clear, explicit and straightforward procedural rules and terms of reference;
  - (b) Consistent, with the procedural rules and terms of reference applied in the same way in all parts of the country and over time; and
  - (c) Timely, so that PHOs and their Contracted Providers are able to manage changing costs to ensure sustainability of services.

- 3.18 All reviews are to be completed by the issue of a recommendation within one month of the PHO having produced its evidence to the Fees Review Committee. If a review is not completed by the issue of a recommendation within a month of the PHO providing evidence to the committee, the fees increase is deemed to be reasonable.

#### ***Fees Review Committees***

- 3.19 Regional Fees Review Committees will be established pursuant to the Fees Review Process Referenced Document and will comprise three people independent of DHBs, PHOs and providers who will be selected for their expertise in the business of general practice and accounting/business management.
- 3.20 The role of each Fees Review Committee shall be to make a recommendation as to whether increases to standard General Practitioner consultations fees that are formally referred to it under clause 3.12 are fair and reasonable to patients and providers. In formulating its recommendation, the Fees Review Committee shall take into account the fees charged by Contracted Providers and other PHOs, the need to ensure the viability and sustainability of the health provider that is the subject of the fee review, and any other evidence provided by either of us to support the fee levels.
- 3.21 The recommendation of the Fees Review Committee will be made by consensus wherever possible and shall include the Committee's comments on the information taken into account and its reasons for the recommendation. If such consensus is unable to be reached, both the majority's recommendation and the minority's view will be notified to us both.
- 3.22 Any information provided to the Committee by you or your Contracted Provider will be treated as Confidential Information. Such information will not be disclosed to any person other than members of the relevant Fees Review Committee without the prior written consent of you and the Contracted Provider to which the information relates.
- 3.23 If the recommendation of the Fees Review Committee is not acceptable to either of us, then:
- (a) Either party may within five Business Days escalate the matter to the combined chairs of the regional Fees Review Committees (or other Committee member nominated for that purpose) to facilitate a resolution acceptable to the parties; and
  - (b) If an acceptable resolution has not been achieved within a further ten Business Days, the matter is to be managed in accordance with clause D.16.
- 3.24 While processes under clause D.16 continue, we acknowledge you and your Contracted Provider are not obliged to alter any increased fees. We acknowledge that the charging of increased fees does not give rise to a disputed payment by us to you for the purposes of clause D.16.4.
- 3.25 For avoiding doubt, all remedies under the Agreement are reinstated on resolution of the processes under clause D.16.
- 3.26 For avoiding doubt, the provisions of this Part A of Schedule F4 prevail in the event of any conflict between this Part A of Schedule F4 and the Fees Review Process Referenced Document.
- 3.27 All parties involved in any fees review process are bound by clause D.7 of this Agreement.

#### **4. Services for persons who are not Eligible Persons**

---

- 4.1 Where you provide the Services to persons whom you know are not Eligible Persons you may charge and recover from those persons the cost to you of providing those Services.

## **5. No co-payments for Immunisation Services**

---

- 5.1 You will not charge a co-payment for Immunisation Services for which you are receiving Payment under this Agreement.

## **6. Children under 6 years**

---

- 6.1 We expect that neither you nor any Contracted Provider will charge a co-payment in most situations to children under 6 years between the hours of 8am and 8pm, seven (7) days a week. We believe this will result in near universal access to free medical care for children under 6 years of age.

## **7. Notification of fees**

---

- 7.1 Eligible Persons in the local community need readily accessible information about the fees that are charged by you or your Contracted Providers.
- 7.2 You must display and ensure that Contracted Providers display a list of your (or their) charges to Service Users in a place where Service Users can readily see the charges.
- 7.3 In addition, we will agree with you on a mechanism for each Contracted Provider to provide Eligible Persons in the local community with ready access to full fee information as agreed in Schedule J10 of Part J to this Agreement.

## **8. Holders of Community Services Cards and High Use Health Cards**

---

- 8.1 You (and your Contracted Providers) will charge a lower fee for Services provided to Enrolled Persons who:
- (a) are not included in the groups specified in clause 3 of this Part A of Schedule F4; and
  - (b) hold Community Services Cards or High Use Health Cards,
- and those lower fees will be in accordance with the subsidy rates set out for Casual Users in clause 3.5 of Schedule F3.

## **9. Community Services Card Holders**

---

- 9.1 You will ensure that for your Enrolled Population fees established under clause 3 of this Part A of Schedule F4 are set irrespective of whether the patients or their families have a Community Services Card.

## **10. Review**

---

- 10.1 We agree that a review of this Part A of Schedule F4, the relevant Fees Review Process Referenced Document, any other relevant Referenced Documents, Schedule J10 and the mechanisms agreed under clause 7.3 of this Part A of Schedule F4, in accordance with clause D.13 of the Agreement, should not be necessary in conjunction with the proposed funding increase for patients in the 25-44 age group or otherwise sooner than 30 June 2008.

## SCHEDULE F4

### FEES LEVEL POLICY AND CHARGES TO SERVICE USERS PART B

#### **1. Application of Part B of Schedule F4**

---

- 1.1 This Part B of Schedule F4 applies to those Contracted Providers who have not agreed to the terms contained Part A of Schedule F4 and who are not entitled to the payments rates specified in clause 1.2(b) of Schedule F1, and who are instead paid at the lower rates specified in clause 1.2(a) of Schedule F1.

#### **2. Ability to charge Service Users**

---

- 2.1 You are entitled to charge Eligible Persons for health services including those funded in part by us except where expressly agreed otherwise in this Agreement.

#### **3. Fees Framework**

---

- 3.1 The purpose of this Part B of Schedule F4 is to set out the framework that will apply to the patient fees charged by health providers funded in accordance with Access funding.
- 3.2 We expect that your Enrolled Patients will have access to low or reduced cost primary health services from you or your Contracted Providers. You recognise our requirement to have certainty that the increased payments to health providers that are made under any services agreement, which subsidise a patient's fees, will be reflected in low or reduced costs to patients.
- 3.3 You will ensure that those increased subsidy payments will result in low or reduced fees charged by your Contracted Providers to Enrolled Patients and that those fees are fair to the providers and reasonable for the patients.
- 3.4 Before entering into this Agreement, you consulted with us in relation to the level of patient fees to be charged for standard consultations by you and your Contracted Providers. You advised us of the fees that are intended to be charged by each of your Contracted Providers for a standard consultation. You provided us with supporting documentation demonstrating how the fees have been informed by the currently known level of fees in the region, and how increased subsidy payments translate into low or reduced costs to patients, being both fair and reasonable to patients and providers.
- 3.5 The level of fees to be charged for a standard consultation are identified in Schedule J2 of this Agreement. If it is necessary to increase the level of fees at any time during the term of this Agreement, you will advise us of those increases and the reasons for those increases.
- 3.6 We both acknowledge that it is the Government's intention to regularly adjust PHO funding to maintain its value.
- 3.7 If after the Commencement Date, we consider that the level of fees being charged by you or your Contracted Providers for a standard consultation is unreasonable, we may give notice to you that we wish to refer the matter to a fee review committee. Such fee review committee will be established and comprised of four people: two members nominated by us, a member nominated by you and a member nominated by you to represent the relevant health providers.
- 3.8 The role of the fee review committee shall be to make a recommendation as to whether the fees for standard consultations are fair and reasonable to patients and providers. In formulating its recommendation, the fee review committee shall take into account the fees charged by contracted health providers and other PHOs that are funded under the Access funding formula, the need to ensure the viability and sustainability of the health providers that

are the subject of the fee review, and any other evidence provided by either of us to support the fee levels.

- 3.9 The recommendation of the fee review committee will be made by consensus. If such consensus is unable to be reached, the individual views of each member will be notified to us both.
- 3.10 If the recommendation of the fee review committee is not acceptable to either of us, then the matter is to be managed in accordance with clause D.16 (resolving disputes).

#### **4. Arrangements for interim practices receiving access funding for particular groups**

---

- 4.1 The principles outlined in clauses 3.1 to 3.10 of Part B of this Schedule F4 apply to fees charged for specific patient groups by you or your Contracted Providers that are funded in accordance with the Interim funding formula at such time as you receive Access level funding for these specific groups of your Enrolled Population.

#### **5. Services for persons who are not Eligible Persons**

---

- 5.1 Where you provide the Services to persons whom you know are not Eligible Persons you may charge and recover from those persons the cost to you of providing those Services.

#### **6. No co-payments for Immunisation Services**

---

- 6.1 You will not charge a co-payment for Immunisation Services for which you are receiving Payment under this Agreement.

#### **7. Children under 6 years**

---

- 7.1 We expect that neither you nor any Contracted Provider will charge a co-payment in most situations to children under 6 years between the hours of 8am and 8pm, seven (7) days a week. We believe this will result in near universal access to free medical care for children under 6 years of age.

#### **8. Notification of fees**

---

- 8.1 You must display and ensure that Contracted Providers display a list of your (or their) charges to Service Users in a place where Service Users can readily see the charges.

#### **9. Holders of Community Services Cards and High Use Health Cards**

---

- 9.1 You (and your Contracted Providers) will charge a lower fee for Services provided to Enrolled Persons who:

- (a) are not included in the groups specified in clause 3 and 4 of Part B of this Schedule F4; and
- (b) hold Community Services Cards or High Use Health Cards,

and those lower fees will be in accordance with the subsidy rates set out for Casual Users in clause 3.5 of Schedule F3.

**10. Community Services Card Holders**

---

- 10.1 You will ensure that for your Enrolled Population fees established under clause 3 of Part B of this Schedule F4 are set irrespective of whether the patients or their families have a Community Services Card.

## APPENDIX TWO SCHEDULE J10

### FEES TRANSPARENCY REQUIREMENTS

#### 1. **Publication of fees to Eligible Persons (fees transparency requirements)**

---

- 1.1 Pursuant to clause 7 of Part A of Schedule F4, both of us have agreed to the mechanisms set out in clause 2 for each Contracted Provider to provide Eligible Persons in the local community with ready access to full fee information.
- 1.2 The mechanism or mechanisms:
- (a) shall best suit the local population;
  - (b) shall include, in addition to the relevant fee information:
    - (i) Practice trading name;
    - (ii) PHO name;
    - (iii) DHB name; and
  - (c) may include, but are not limited to:
    - (i) notices in the local free newspaper;
    - (ii) notices in the main district newspaper;
    - (iii) notices at churches or marae;
    - (iv) a display in hospital ED &/or main public areas;
    - (v) PHO website.

We both agree that information available on request is not sufficient.

- 1.3 The following fees information will be published for the following age groups:

<b>Age band</b>	<b>Fees information to be published</b>
Under 6 years	All
6-17 years	All
18-24 years	All
25-44 years	Inclusion of fees information for the 25-44 age group, while not mandatory for interim practices, is encouraged and should show the fees for those with and without CSCs and HUHCs
45-64 years	All
65+ years	All

- 1.4 Where fees are published via a website, the website shall:
- (a) include a clear statement on the home page of the website how to easily access the fees information (i.e. to minimise the number of 'clicks' before the fees page is shown);
  - (b) enable fees information to be viewed online, printed and/or downloaded by Eligible Persons;

- (c) permit 24 hour, 7 day a week access to fees information (with the exception of minor outages for website maintenance and updating);
  - (d) provide both our and your contact information to aid enquiries;
  - (e) display fees currently charged, with any changes updated as promptly as is reasonably practicable.
- 1.5 You may add other information to help explain the fees and their context. This may explain, for example, when variations may apply, any unusual services offered by a practice, or give charges for a wider range of services (e.g. nursing consultations, charges for repeat prescriptions etc).
- 1.6 You agree that any changes to fees information will be notified to the public (including changed on websites) as promptly as practical and at latest by four weeks or as otherwise agreed (acknowledging that some publishing mechanisms may have longer publication cycles) after the increase takes effect.
- 1.7 Both of us will also agree to a process to allow the local average fees charged within the DHB local community to be identified and made public.

## **2. Agreed Mechanisms**

- 2.1 The agreed mechanisms are...