

16 December 2024

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Tēnā koe Rodney

Thank you for your email of 28 November 2024 regarding pharmacy funding. You asked how pharmacies are funded by Te Whatu Ora, how we determine whether one pharmacy should be funded and not another, and what practices Te Whatu Ora undertakes to determine that the process of funding pharmacies is not subject to commercial conflicts of interest.

Health New Zealand | Te Whatu Ora (Health NZ) contracts with more than 1,000 community pharmacies throughout New Zealand. Pharmacies must have a contract called an Integrated Community Pharmacy Services Agreement (ICPSA) to provide funded community pharmacy services. This ensures that quality services are provided in a consistent manner and in a way that is fit for all New Zealanders.

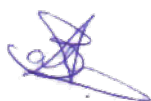
The ICPSA outlines the level of funding for each pharmacy service that the pharmacy is requested to provide. Pharmacies apply to Health NZ for an ICPSA, and the decision to enter into an agreement is made locally by Health NZ based on local needs, policies and Health NZ obligations under the Pae Ora (Healthy Futures) Act. The ICPSA also provides Health NZ with the ability to monitor the delivery of services by the pharmacy provider.

Applicants are advised not to make any commitments prior to the application being approved by the local Health NZ office as approval is not guaranteed. The application follows a rigorous process. Each contracting organisation is required to have effective policies and procedures for full disclosure of conflicts of interest in the contracting process and in contract renewals as interests and conflicts change over time. Applicants must also seek a license from Medicines Control to operate a pharmacy.

Before 1 July each year, the National Annual Agreement Review (NAAR) provides for a review of the nationally consistent parts and service schedules of the ICPSA Agreement. The review considers reasonable cost pressure adjustments, and any other matters identified as important by Health NZ or pharmacies.

Thank you again for taking the time to write. I hope this information is useful, and I wish you well.

Nāku noa, nā



**Astuti Balram**

Group Manager

Primary Care – Living Well, Commissioning Group

