

133 Molesworth Street
PO Box 5013
Wellington 6140
New Zealand
T+64 4 496 2000

5 May 2022

s 9(2)(a)

By email: s 9(2)(a)
Ref: H202205389

Tēnā koe s 9(2)(a)

Response to your request for official information

Thank you for your request under the Official Information Act 1982 (the Act) on 15 March 2022 for a copy of the document: *Proposed changes to the funding model for Rapid Antigen Tests (RATs) in community pharmacies*.

As you are aware, this is a memorandum prepared for the Director-General of Health, Dr Ashley Bloomfield in March 2022. Please note that the Director-General's comments in relation to recommendation 2 relates to the funding set for the primary care (general practice) sector rather than the pharmacy sector. A copy of this document is attached to this letter and is released to you in full.

Please accept our apologies for the delay in communicating a decision on your request.

Under section 28(3) of the Act, you have the right to ask the Ombudsman to review any decisions made under this request. The Ombudsman may be contacted by email at: info@ombudsman.parliament.nz or by calling 0800 802 602.

Please note that this response, with your personal details removed, may be published on the Ministry website at: www.health.govt.nz/about-ministry/information-releases

Nāku noa, nā



Clare Perry
Deputy Director-General
Health System Improvement and Innovation

DG Memorandum

Proposed changes to the funding model for Rapid Antigen Tests (RATs) in community pharmacies

Date: 9 March 2022

To: Dr Ashley Bloomfield, Te Tumu Whakarae mō te Hauora, Director-General of Health

Copy to: Adeline Cumings, Acting Group Manager, Primary Health Care System Improvement and Innovation
Andi Shirtcliffe, Chief Clinical Advisor, Pharmacy
Jo Pugh, Acting Group Manager Testing and Supply

From: Clare Perry, Deputy Director-General, Health System Improvement and Innovation
Bridget White, Deputy Chief Executive COVID-19 Health System Response

For your: Decision

Purpose of report

1. This memo provides updated advice on funding for supervised Rapid Antigen Tests (RATs) in community pharmacies.
2. The memo seeks your approval:
 - to provide supervised RATs in community pharmacies as an opt-in service for those who are symptomatic and meet the eligibility criteria outlined in this memo.
 - on the funding rate for supervised RATs in community pharmacy to cover clinical care provided by pharmacists for symptomatic people who meet the eligibility criteria.

Background and context

3. Earlier this year, a funding model for supervised RATs in community pharmacy, general practice (GP), and community provider settings was agreed. The amount agreed was \$45 (excl GST) for each supervised RAT, plus a \$750 (excl GST) one-off set-up fee.
4. Subsequently, feedback from the GP sector indicated that an additional payment was needed to cover clinical assessments undertaken by GPs.

5. It was agreed that GPs will be funded \$120 (excl GST) to undertake a combined clinical assessment and provide a RAT or PCR test (where clinically indicated). In Phase Three, the test will predominantly be a RAT (PCR only when clinically indicated). The RAT can either be undertaken at the practice or self-administered by the patient at home. This funding will be reviewed at the end of March 2022.
6. Recently, supervised RAT provision by pharmacies has been contractually renewed to 30 June 2022 – at the price of \$45 (excl GST) per test for asymptomatic people only for the purposes of domestic travel and court attendance.*
7. Community pharmacies are currently bearing a large part of the brunt of public anxiety over access to RATs, with the expectation that they will distribute free tests or perform supervised testing to anyone who requests it. Also, community pharmacies are often the first port of call for people who do not want to visit a GP.
8. Pharmacy sector representatives have been in discussion with the Ministry on broadening the provision of supervised RATs due to high public demand to include both symptomatic and asymptomatic people on an opt-in basis.
9. Sector representatives expect that the price paid for providing RATs to symptomatic people should be at the same rate as for general practice at \$120 (excl GST), and consistent across all service provider types.
10. As the general practice testing rate has now been increased (as a result of adding clinical assessment of symptomatic patients), the pharmacy sector seeks payments for clinical advice, triage and care provided for those who are symptomatic as part of their supervised RAT.

Potential impacts of adjusting funding only for general practice: accessibility and equity factors

11. Original funding for supervised and unsupervised RATs set out consistent rates - to achieve broad geographical and demographic accessibility to a supervised RAT for eligible people, and equity between service providers.
12. The COVID-19 vaccination data shows that many priority and vulnerable population groups prefer accessing health services from community providers or pharmacies.
13. Community pharmacists can provide clinical care and advice on the management of COVID-19 as part of the provision of supervised RATs. Noting, that this is not the same diagnostic clinical care or assessment that a GP is able to offer to symptomatic people.
14. The key differences between the RAT services provided by GPs and community pharmacists are:
 - a. **GPs:** provide an upfront clinical diagnostic assessment for symptomatic patients who may or may not have COVID-19 (undifferentiated). The GP may provide a PCR test (where clinically indicated), a supervised RAT, or provide RATs for the person to self-administer at home.
 - b. **Community pharmacies:** who have opted into the service currently provide a supervised RAT to asymptomatic unvaccinated people only for the purposes of domestic travel or meeting the Ministry of Justice requirements (\$45 excl GST per test and a one-off set-up payment of \$750 excl GST). Recently, demand for this

service has been high, with increased pressure from non-eligible population groups. The additional service requested through this memo is for community pharmacists to provide additional immediate clinical advice and support for symptomatic people who may be COVID-19 positive.

Engagement with DHB representatives

15. DHB GM Planning and Funding pharmacy representatives have expressed concerns about paying community pharmacies the same rate as general practices, given the difference in clinical care and management delivered between the two settings and professions.
16. They have requested set criteria for those who could receive a supervised RAT in a community pharmacy setting. In their view, the need to focus on priority populations is paramount, coupled with messaging that the vast majority of RATs should be self-administered outside of community pharmacy and general practice settings.
17. The funding plan presented below takes their feedback into account.

Criteria for supervised RATs in community pharmacies

18. The proposed criteria for access to supervised RATs for symptomatic people seeking a test from a community pharmacist is:
 - Priority and vulnerable population groups (Māori, Pacific, disabled person), and
 - Unable to self-administer or interpret a self-administered RAT, and
 - Symptomatic with possible COVID-19.
19. For the community pharmacies that opt in to provide the service, the intention is that the implementation of the criteria will be based on a high trust model.

Funding for clinical care as part of supervised RATs for symptomatic people

20. It is expected that community pharmacies that opt in to provide supervised RATs for symptomatic people will be providing clinical care alongside the test. This clinical care includes a triage level clinical assessment with either referral or self-management clinical support and advice.
21. It is proposed that the funding for this clinical care component be at a rate of \$45 (excl GST). This would be in addition to the \$45 (excl GST) provided to community pharmacy for performing a supervised RAT. The payment will be a combined \$90 (excl GST) which covers the clinical care provision and a supervised RAT. To ensure alignment, this funding will be reviewed at a similar time to the review of payment for general practice.
22. Any community pharmacy that had not already opted into supervised testing under the original settings would also be provided with a one-off set-up payment of \$750 (excl GST).
23. The funding acknowledges the clinical work that will be undertaken by community pharmacists, whilst being cognisant that the clinical component is not the same as that provided by GPs.

24. The benefits of this funding proposal include:
- potentially acceptable proposition to the pharmacy sector who will provide clinical care as part of supervised RATs for people that meet the criteria outlined in this memo
 - increases accessible service and advice coverage to a larger symptomatic and/or COVID-19 positive population with high needs
 - recognises that for the public, community pharmacy is a preferred provider for many priority and vulnerable population groups (including Māori and rural communities)
 - recognises the community pharmacy workforce as a key component of the health workforce in supporting the COVID-19 response.
25. Community pharmacies will individually assess their business risks and decide whether to opt in to provide the service.
26. The funding would be made available through the Cabinet approved 'Funding the Health System Response to COVID-19, Financial Years 2021-2022 and 2022-2033'. This funding is held by the COVID-19 Health System Response directorate.

Next steps

27. On approval of this memo, communications to the community pharmacy sector and contractual arrangements will be put in place.
28. The COVID-19 Health System Response directorate will continue to monitor the financial expenditure against the approved funding for testing. The Ministry finance team have been briefed on this memo.

Recommendations

29. It is recommended that you:

1	note that pharmacy sector representatives requested broadening the provision of supervised RATs due to high public demand – to include both symptomatic and asymptomatic people on an opt-in basis.	✓
2	note that as the general practice testing rate has increased (as a result of adding clinical assessment of symptomatic patients), the pharmacy sector seeks payments for clinical care provided to people who are symptomatic as part of their supervised RAT.	
3	agree that the provision of supervised RATs for symptomatic people be opened up to community pharmacies as an opt-in service. The criteria for accessing this service are listed below, noting these would be implemented in a high trust manner:	Yes / No
	<ul style="list-style-type: none"> • priority and vulnerable population groups (Māori, Pacific, disabled people), and • unable to self-administer or interpret a self-administered RAT, and • symptomatic with possible COVID-19. 	

This is not actually what happened. It actually happened from \$250 per clinical assessment & there's been a big drop in GP fees as a result of (combined PCR + supervised RATs).

I agree to evidence this as proposed.

- 4 **agree** that a \$90 (excl GST) payment be provided to community pharmacies to undertake a **combined** supervised RAT and provide clinical care for symptomatic people who meet the eligibility criteria for the service. Clinical care includes a triage level clinical assessment with either referral or self-management clinical support and advice.

Yes/No

OR

agree no additional payment be provided to community pharmacies, and that they may opt in to be paid \$45 (excl GST) per supervised RAT for symptomatic people. *(and those in the expanded criteria list)*

Yes/No

- 5 **note** that the community pharmacy sector will continue to provide supervised RAT for the purposes of domestic travel and court attendance for asymptomatic and unvaccinated people.

- 6 **note** the payment of \$90 (excl GST) to community pharmacies will be reviewed at the end of March 2022 to align with the review of payment for general practice.

- 7 **note** the one-off set-up payment of \$750 (excl GST) will continue to be offered to the community pharmacies who opt-in to provide supervised testing services. This will only be available to those pharmacies who have not already received the funding.

✓ Noted

- 8 **note** that the COVID-19 Health System Response directorate will track the expenditure for RATs.

✓ Noted

Dr Ashley Bloomfield
Director-General of Health
Te Tumu Whakarae mō te Hauora

