

Aide-Mémoire

Meeting with the Pharmacy Guild

Date due to MO:	10 November 2025	Meeting:	13 November 2025
Security level:	IN CONFIDENCE	Reference:	H2025074753
To:	Hon Simeon Brown, Minister of Health		
Consulted:	Health New Zealand: ☒		
Proactive release:	This title is proposed by the Ministry of Health for proactive release: ☒		

Contact for telephone discussion

Name	Position	Telephone
Allison Bennett	Group Manager, Health System Settings, Strategy & Policy	s 9(2)(a)
Billy Allan	Clinical Chief Advisor, Medicines, Strategy & Policy	

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About the Meeting

Purpose of Meeting

The Pharmacy Guild have requested to meet with you to discuss a mitigation strategy for the future impacts of the change to allow 12-month prescriptions on community pharmacies and Health NZ's strategy on a sustainable community pharmacy funding model in 2026/27.

Details of Meeting

Date: 13 November 2025
Time: 10:50am-11:10am
Venue: EW6/6

Attendees

- Kesh Naidoo-Rauf, Pharmacy Guild President
- Glenn Mills, Pharmacy Guild Board member/expert advisor
- Andrew Gaudin, Pharmacy Guild Chief executive

Organisation

The Pharmacy Guild of New Zealand (the Guild) represents community pharmacy owners, providing sector leadership on issues.

Official representatives

Hamiora Bowkett - Crown Observer
Billy Allan, Clinical Chief Advisor, Medicines – Ministry of Health

Summary:

This briefing provides background information on community pharmacy and the Guild, attendee information, and advice on topics for discussion:

- Mitigating adverse impacts of the 12-month prescription policy on community pharmacies.
- Development and implementation of a sustainable community pharmacy funding model in 2026/27.

Context

Community Pharmacy and the Pharmacy Guild

1. The community pharmacy sector is part of both primary and community healthcare. It was the employer of 3,158 practising pharmacists in 2024, representing 76% of all practising pharmacists.
2. The Pharmacy Guild of New Zealand (the Guild) is the largest national organisation representing community pharmacy owners.
3. You met with the Guild earlier this year (15 May) and discussed how community pharmacy can help deliver improved health outcomes.

Implementing 12-month prescriptions

The Guild's view on longer prescriptions

4. From early 2026, the maximum prescription duration will extend from 3 months to 12 months. The Pharmacy Guild provided a submission on the 12-month prescribing policy, which was not supportive due to a number of concerns, in particular:
 - a. the financial impact on pharmacies due to lower fees for repeat prescriptions,
 - b. higher workloads as they may need to monitor patients on long term prescriptions.
5. However, the submission acknowledged that patients may experience lower costs for medicines which can lead to greater adherence.

Health NZ has confirmed their position on managing the financial impact

6. Health NZ has agreed to fully mitigate the policy's material price reduction impact on pharmacies. This will see pharmacies are not disadvantaged financially by this policy change and are able to continue to provide essential medicine services.
7. HNZ has also agreed that any additional dispensing resulting from this policy will also be managed by overall volume uplift funding.
8. Health NZ is working with a 12-month Prescription Implementation Advisory Group (which includes representatives from the Guild) to further understand the likely impacts of the initiative on revenue for pharmacies, and to propose options about what can be done to mitigate any adverse consequences.
9. Funding will be from Health New Zealand's budgets and allocated in line with criteria developed in collaboration with the 12-month Prescription Implementation Advisory Group.
10. We understand the allocated funding to be up to \$2 million for 25/26 and up to \$12 million for 26/27. This should be adequate as uptake of 12-month prescriptions is expected to be slow in first year. If impacts of the policy exceed funding allocations, Health NZ will consider this along with other cost pressures in 26/27.

Sustainable community pharmacy funding

11. The Integrated Community Pharmacy Services Agreement (ICPSA) is the national contract between Health New Zealand and over 1,000 community pharmacies. These negotiations are part of the annual National Annual Agreement Review.
12. Health NZ has offered a 3 per cent increase to manage cost pressures. The Guild considers the 3% increase offered not sufficient and continues to engage with Health NZ.
13. At the last meeting of the National Annual Agreement Review (NAAR), participants agreed that it was not possible to reach a consensus on a voluntary variation related to the offer.
14. On 31 October, the Chief Executive of Health NZ confirmed his decision to NAAR members, including the 3% uplift and mitigation related to the 12 month prescription policy. The next NAAR meeting is on 12 November.

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Allison Bennett
Group Manager, Health System Settings,
Strategy & Policy

Appendix 1: Attendee list and biographies



Keshree (Kesh) Naidoo-Rauf

President

Kesh co-owns pharmacies in Cambridge and Hamilton. She joined the Guild Board in 2021 and became President in 2024. Kesh is also a board member of the World Pharmacy Council (representing the Pacific region) and the Australasian College of Pharmacy.



Glenn Mills

Pharmacy Guild Board member/expert advisor

Glenn has been on the Board since 2019. As an early career pharmacist, Glenn owned and operated two pharmacies in Auckland. His career then turned to commercial health management, where he held various leadership roles.



Andrew Gaudin

Guild Chief Executive

Andrew has been Chief Executive of the Pharmacy Guild since 2016. Prior to this Andrew spent over 20 years in leadership and advisory roles in the health sector, including five years as a Strategic Advisor in the Director General of Health's office.