

Variation to Agreement

Between

«DHB_NAME» DHB

And

«PROVIDER_NAME»

**Funding for Guaranteed Hours
under Part B of the Settlement Agreement**

Effective Date 1 April 2017

**«PROVIDER_ADDRESS»
«PROVIDER_ADDRESS2»
«PROVIDER_CITY»**

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A: SUMMARY

Section A

A1 Definitions

Act means the Home and Community Support (Payment for Travel Between Clients) Settlement Act 2016 (**Act**)¹

DHBs means all 20 District Health Boards as listed in Schedule 1 of the New Zealand Public Health and Disability Act 2000

Guaranteed Hours means a support worker's guaranteed hours of work per work period. Support workers with guaranteed hours are considered permanent employees and have certainty in regards to their regular work and wages. The Settlement Agreement Variation requires Providers to make an initial offer of Guaranteed Hours to all support workers (except those who are genuine casual employees) based on the following formula:

- a) For HCS employees employed at 1 April 2017, the greater of either:
 - i. 80% of an HCS employee's average hours over the 3 months 1 September 2016 to 30 November 2016;² or
 - ii. the regular client hours as agreed between the Provider and an HCS employee.

HCS employee means a support worker employed by an HCS employer

HCS employer means a service provider listed in Schedule 3 of the Act

Ministry means the Ministry of Health acting as a funder for Disability Support Services

Providers means all HCS employers listed in Schedule 3 of the Act

Regular clients means those who are assessed for home and community-based support services on an ongoing (open ended) basis or a period of 6 weeks or more

Settlement Agreement means the agreement reached between the sector parties in August 2014.

Settlement Agreement Variation means the second variation to the Settlement Agreement agreed on 20 October 2016.

Travel time means qualifying travel time in clause 3(1) of Schedule 4 of the Act

¹ <http://www.legislation.govt.nz/act/public/2016/0002/latest/DLM6600910.html>

² If the HCS employee was employed after 1 September 2016, any period of 3 consecutive months ending on 31 March 2017

A2 Background

A2.1. The DHBs, Ministry, Unions and Providers entered into a Settlement Agreement concerning the payment of travel time and travel costs incurred by non-salaried employees of Providers providing home and community-based support services (“the Settlement Agreement”) in 2014.³

A2.2. The Settlement Agreement was in 2 Parts – Part A has expired and is included in the Act; Part B is ongoing and relates to an overarching review of the HCSS sector, one aspect of which is the regularisation of the home and community support workforce.

The Settlement Agreement includes a commitment to regularise the HCSS workforce, including the entitlement to guaranteed hours from September 2016;

The Settlement Agreement was varied on 20 October 2016 to change the date for implementation of the regularisation of the HCSS workforce and to confirm arrangements for the funding of related costs in relation to regularisation (“Settlement Agreement Variation”). Accordingly, the implementation of guaranteed hours for HCS employees commences on 1 April 2017.

A2.3. The second Settlement Agreement Variation dated 20 October 2016 confirms that no party should be financially disadvantaged as a result of the implementation and ongoing management of this sector change. It provides a mechanism for any party to make claims where they can show they have been financially disadvantaged.

A2.4. The Settlement Agreement Parties have committed to a review to be completed in relation to this sector change in October 2017 in order to review actual and reasonable associated costs and to ascertain the level of funding required on an ongoing basis.

A3 Variations

A3.1 The Agreement may be varied any time on written notice:

- (a) if it is necessary to comply with a change in law; or
- (b) if it is necessary to comply with a Crown direction; or
- (c) if the Crown funding agreement between the parties is varied or amended and the effect of any such variation or amendment is that a variation is needed so the parties can comply with obligations under the Crown funding arrangements

A3.2 Any variation must be in writing and must be signed by all parties.

A3.3 The procedure in this clause may be utilised only once in respect of each minimum wage increase.

³ <http://www.health.govt.nz/new-zealand-health-system/claims-provider-payments-and-entitlements/home-and-community-based-support-services/between-travel-update-december-2014>

A4 Commencement Date

This variation commences on 1 April 2017.

A5 Section B

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

A6 Remainder of Agreement

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

A7 Signatures

For «DHB_NAME» DHB:

For «PROVIDER_NAME»:

_____ (signature)

_____ (signature)

Name

Name

Position

Position

Date

Date

B: VARIATION TO FUNDING ARRANGEMENTS

B1. Funding by the DHBs

The DHBs and Ministry shall pay the Providers funding for the Providers to meet their obligations under the Settlement Agreement variation in relation to guaranteed hours for support workers, excluding genuine casuals and those on short term contracts from 1 April 2017.

B2. It is agreed that the following details apply to this Variation

Provider Name	«PROVIDER_NAME»
Provider Number	«PROVIDER_NUMBER»
Contract Number	«CONTRACT_CONTRACTID» - «CONTRACT_VERSION»
Variation Commencement Date	1 April 2017
Variation End Date	«CONTRACT_ENDDATE»

B3. Details of all purchase units which apply to this Variation

Eligible cancelled visits and ongoing reduction of hours are defined in the Ministry of Health's operation policy; IBT Part B - Information for Providers, Employees, and Funders;

<http://www.health.govt.nz/new-zealand-health-system/claims-provider-payments-and-entitlements/between-travel-settlement>

Purchase Unit (PU ID)	Unit Price excl. GST (per PU)	GST Rate (%)	Payment Type
Cancelled Shifts	\$19.61 per hour	15	IBT Portal
IBT- Cancelled Travel Time Band Rate	* ⁴	15	IBT Portal
IBT – Cancelled Travel Time Exceptional Travel Time	* ⁴	15	IBT Portal
Ongoing Reduction of Hours	\$19.61 per hour	15	IBT Portal

⁴ The IBT Band Rate and Exceptional Travel rates are based on weighted averages and calculated in accordance with Schedule 3 of the Act. Agreed increases (to the base rates) for the band rate and exceptional travel rates are published on the Ministry of Health website.

B4. Reporting and Monitoring

Quarterly Reporting

Number of;

- Rostered visits
- Rostered visits cancelled,
- number of cancelled hours that were replaced

B5. Payment Details – Guaranteed Hours & Ongoing Reduction of Hours

B5.1 Payment for services will be made within seven working days after the Ministry receives a claim through the provider IBT portal in the format prescribed in the Ministry's IBT Guaranteed Hours Funding Framework

B5.2 If the Ministry does not receive an invoice from you by the dates set out in the Payment Schedule of your Home and Community agreement, then we will pay you within 14 days after we receive the invoice. Send all invoices to:

Agreement Administration,

Ministry of Health,

Private Bag 1942,

Dunedin.

B5.3 Providers are responsible for all taxation liabilities and all other costs and expenses arising in relation to the Services and the payments.

B5.4 The Ministry and DHBs will consult with providers 3 months prior to the proposed implementation of any proposed changes to the claiming process.