



Procedure

Community Pharmacy Services Commissioning Procedure	
Applicable to: Community Pharmacy Services Providers	Issued by: General Manager, Strategy, Commissioning & Population Health
	Contact: Community Pharmacy Portfolio Manager

1. PURPOSE

The purpose of this procedure is to outline process and criteria for evaluation of Community Pharmacy Services contract applications to deliver an equitable and quality approach where we will commission Community Pharmacy Services that achieve our statutory objectives and achieve the national vision in a way that best meets the needs of the Whanganui District Health Board (WDHB) community.

This procedure is to guide WDHB to make Community Pharmacy commissioning decisions to ensure population access to Community Pharmacy services. This will advance the objectives of the Pharmacy Action Plan 2016 – 2020, WDHB's Annual Plan, and give effect to WDHB's statutory functions and objectives under the New Zealand Public Health and Disability Act 2000. This includes: *"to seek the optimum arrangement for the most effective and efficient delivery of health services in order to meet local...needs"* (Section 22(1)(ba))

Commissioning is a continual and iterative cycle involving the development and implementation of services based on strategic planning, procurement, monitoring/reporting and evaluation. Commissioning describes a broad set of linked activities, including service overviews, priority setting, procurement and purchase through contracts, monitoring of service delivery and review and evaluation.

2. PROCESS

The process for making and assessing applications for a Community Pharmacy Services contract with the WDHB will be as follows:

- a) Applicants should complete the application form and send it to:
Community Pharmacy Portfolio Manager
Whanganui District Health Board
Private Bag 3003
Whanganui 4540

or email contractadmin@wdhb.org.nz

- b) An email acknowledging your application will be issued within ten (10) working days of receipt.
- c) The WDHB will convene the Funding Management Group (FMG) to consider the information provided in the application form using the relevant assessment criteria set out in this procedure (See Section 3 below).
- d) The FMG will make a recommendation to the General Manager, Strategy, Commissioning & Population Health.

Applications for new Pharmacy Contract

The applicant will be advised of the outcome of the application within sixty (60) days of receipt of the application.

Where the application is for a new contract for a pharmacy, applications that are granted will be subject to the pharmacy subsequently obtaining and maintaining a pharmacy licence through the Ministry of Health.

Applications for assignment of transfer of Pharmacy Contracts (eg, due to Amalgamations or Sale and Purchase of Existing Pharmacies)

The applicant will be advised of the outcome of the application within 30 days of receipt of the application.

Applications for new Pharmacy Services within existing Pharmacy Contracts

The applicant will be advised of the outcome of the application within 30 days of receipt of the application.

Note that some services are subject to budget or volume caps. Providers are therefore not guaranteed inclusion of these services in their contract.

Applications to provide Services from additional premises or to change location

The applicant will be advised of the outcome of the application within 30 days of receipt of the application.

Requests for additional information

During the application process, the Portfolio Manager or FMG may require further information from an applicant additional to that contained in the application, for example in regard to:

- Determining the nature of the interest held by any person in the pharmacy
- The requirement for a person to be a 'fit and proper' person or a body corporate to be of 'good repute'
- The ownership structure of the pharmacy

If the applicant does not supply the information within 30 days of the date of the request (or within any additional time given by the FMG) the application will lapse. This requires the applicant to submit a new application.

If an application is approved

Applications for new Pharmacy Contracts and assignment or transfer of Pharmacy Contracts (eg, due to Amalgamations or Sale and Purchase of existing pharmacies)

If an application is approved, the applicant will have ninety (90) days to begin the process of purchasing/leasing the pharmacy building and submit the application for a Ministry of Health Medicines Licence.

If the applicant does not begin the process within 90 days, the approval will be deemed to be revoked and a new application will be required.

Applications for new Pharmacy Services within existing Pharmacy Contracts

If an application is approved, the applicant will have ninety (90) days to begin the provision of service through a new pharmacy or existing pharmacy. If the applicant fails to begin providing the service within 90 days, the approval will be deemed to be revoked and a new application will be required.

Applications to provide Services from additional premises or to change location

If an application is approved the applicant will have ninety (90) days to (if required) begin the process of purchasing/leasing the pharmacy building and submit the application for a Ministry of Health Medicines Licence. If the applicant does not begin the process within 90 days, the approval will be deemed to be revoked and a new application will be required.

If an application to the Ministry of Health Medicines Licence is not required, the applicant will have ninety (90) days to begin the provision of service through a new pharmacy or existing pharmacy. If the applicant fails to begin providing the service within 90 days, the approval will be deemed to be revoked and a new application will be required.

If an application is declined

If an application is declined, the applicant will have a single right of appeal to the General Manager, Strategy, Commissioning & Population Health within 30 days by providing additional information to support the original application. The decision of the General Manager, Strategy, Commissioning & Population Health will be final.

3. APPLICATION CRITERIA AND DECISION-MAKING PRINCIPLES

The criteria that will be applied by the FMG when considering applications are set out in this procedure.

For applications for a new Pharmacy Contract, changes to services, or changes to location or premises, the FMG will in particular take into account the applicant's ability to meet the requirements in the Pharmacy Contract, and demonstrate that the service will be provided in accordance with WDHB's strategic direction and meets the needs of the WDHB population. This will include the following:

- a) Provision of accessible services to a population in need of pharmacist services
- b) Delivery of high quality, best practice services
- c) A focus on providing integrated patient care
- d) Sustainability and efficiency of the services

How each application will be assessed is explained in more detail below, along with the corresponding information requirements.

New Pharmacy Contracts

Applications for new Pharmacy Contracts will be assessed against the criteria in Table 1.

New Pharmacy Services within existing Pharmacy Contracts

Applications for new pharmacy services within existing pharmacy contracts will be assessed against a reduced set of criteria (identified in the green shaded boxes).

Table 1:

1. Provision of accessible services to a population in need of pharmacist services	
Criteria	Information requirement
The applicant has determined need for pharmacist services in the proposed community	<ul style="list-style-type: none"> Explanation of what the needs are for the population being served, how these are currently being met and how the services provided by the applicant will meet the unmet population health needs
The applicant has identified a location from which it wants to provide services	<ul style="list-style-type: none"> Proposed location of services
The applicant has identified the opening days/hours of the services	<ul style="list-style-type: none"> Proposed opening days and hours, including afterhours services
The applicant has identified the range of services to be provided	<ul style="list-style-type: none"> Details the proposed services Confirmation that the applicant will provide all PHARMAC Schedule non-section H medications to patients if requested and required; including high cost medications (exemptions may apply as directed by WDHB or PHARMAC)
The applicant has identified the current community pharmacy services serving this population, and the gap in the market	<ul style="list-style-type: none"> Provides information about existing pharmacy services in the proposed location - what services, the different services that will be supplied above the existing services, distance to nearest pharmacy(s)
2. Delivery of high quality, best practice services	
Criteria	Information requirement
The applicant has demonstrated it is of good character and there are no unresolved issues concerning the pharmacist/s current or past Annual Practising Certificate/s (APC) or Ministry of Health licence/s or conditions	<ul style="list-style-type: none"> Provide the following information – APC (including any conditions), Police check, evidence of ID Details of any conditions imposed on an APC Details if an APC has ever been cancelled If the applicant has been a pharmacy owner previously, provide details if a Ministry of Health licence has had conditions applied or cancelled
The applicant has demonstrated it has suitable systems and processes in place to meet the Pharmacy Action Plan.	<ul style="list-style-type: none"> Provide evidence of systems and processes relevant to meeting the Pharmacy Action Plan

The applicant has demonstrated, especially for new services, how they will resolve identified unmet need in our community and work towards achieving equitable outcomes in the community.	<ul style="list-style-type: none"> ▪ Provide evidence of systems, processes and philosophy relevant to improving health equity, particularly for Māori
The applicant has demonstrated that it has sufficient staff with relevant qualifications and accreditations to deliver the proposed services	<ul style="list-style-type: none"> ▪ Information on staffing FTE and their qualifications
3. A focus on providing integrated patient care	
Criteria	Information requirement
The applicant has demonstrated that it will work with other health providers in an integrated manner to ensure continuity of care to patients resulting in better health outcomes	<ul style="list-style-type: none"> ▪ Explanation of how the applicant will work with other health care providers to support better health outcomes ▪ Demonstrable evidence of support from other health care providers (e.g. primary care) in the proposed community
The applicant has demonstrated how it will increase the impact of co-located and nearby services to achieve positive health outcomes for the community	<ul style="list-style-type: none"> ▪ Information on where the proposed pharmacy will be located, including information on co-located and nearby services and facilities relating to better population health outcomes, such as healthy eating, healthy exercise, social inclusion, etc.
4. Sustainability and efficiency of the services	
Criteria	Information requirement
The applicant has identified their business structure, business plan and other businesses and other range of services to be provided	<ul style="list-style-type: none"> • Provides detail of business structure • Provides a copy of the business plan • Outlines any other businesses currently owned • Presents sufficient financial information to determine likely sustainability of the business

4. WDHB FUNDING MANAGEMENT GROUP (FMG)

The FMG may seek additional information or advice, including from third parties, and/or co-opt additional members as required to consider applications. The FMG will make recommendations on applications to the General Manager, Strategy, Commissioning & Population Health, or anyone else with the necessary Procurement Authority/Delegation.

5. PROCEDURE REVIEW

This procedure will be reviewed as and when required and may be updated by WDHB at any time.

6. DEFINITIONS

APC or Annual Practising Certificate

The principal purpose of the Health Practitioners Competence Assurance (HPCA) Act 2003 is to protect the health and safety of members of the public by providing for mechanisms to ensure that pharmacists are competent and fit to practise. It requires pharmacists to be registered and hold a current Annual Practising Certificate (APC) to be able to practise, even if practising under supervision.

Contract

An agreement between two or more persons or legal entities, which is intended to be enforceable. Both parties must have capacity to contract. The essential elements of a contract are:

- agreement between the parties as to the essential terms of their bargain;
- an intention by the parties to create a legally binding relationship; and
- the existence of consideration, which means that each party gives the other something and each party, gets something in return.

External Personnel

Means:

- authorised paid individuals or individuals from paid companies or other entities (non-employees) working within WDHB to meet staffing/service/project needs, e.g. external agency staff, locums, consultants and contractors; and
- authorised unpaid individuals or groups to observe (including clinical observers), gain experience, teach or provide support within agreed boundaries.

FTE

An FTE is the hours worked by one employee on a full-time basis – full time equivalent. Full time is considered as 40 hours per week.

Major Incident and Emergency Plan

A major incident and emergency plan is a plan that is appropriate to the Services being agreed and provided under the ICPSA. This is to ensure essential health services are able to continue to be delivered in times of Civil Defence events or other major incidents.

PHARMAC

The Pharmaceutical Management Agency (PHARMAC) is the New Zealand Crown agency that decides, on behalf of District Health Boards, which medicines and related products are subsidised for use. More recently, PHARMAC has been appointed by Cabinet to be the future national shared procurement service for Medical Devices and will gradually begin to work on national contracts. The national contracts are optional for DHBs to use, but may offer significant benefits to the DHBs and where appropriate should be applied.

Priority Populations	Māori, Pasifika, LTC, Mental Health, ARC, people living in the most deprived neighbourhoods, and any other populations identified by WDHB as priority populations from time to time.
Procurement Authority/Delegation	Refers to those persons given the authority to commit WDHB to procure an item/service of supply within a specified financial limit. Refer to the Delegations of Authority policy.
Procurement and Purchasing Procedures and Templates	Various subordinate documents to this procedure. Procedures prescribe various operational processes and specific functional roles in accordance with this procedure. Templates are procurement-related documents with an approved format and content that must be used in DHB procurement.
Procurement	All of the business processes associated with acquisition of goods and services, spanning the whole cycle from the identification of needs to the end of a service contract or the end of the useful life and subsequent disposal of an asset.
Purchase	A transaction in which goods or services are acquired in exchange for payment.
Staff	Means generally all people employed or engaged by WDHB to whom this procedure applies and who are involved in some capacity during a procurement process; and also means the person nominated to directly manage and be accountable for a particular procurement. Responsibilities include: <ul style="list-style-type: none">• planning and documenting the procurement activity adequately;• engaging key stakeholders (including Procurement Services, Contract Services, Infection Control, Local and Regional Information Services, Health and Safety Services, where necessary);• development of requirements and specifications;• obtaining necessary approvals and authorisation;• providing originals of signed contracts to Contract Services; and• complying with regulatory requirements and relevant WDHB policies.