8th March 2021

[redacted]

Email: [redacted]

Dear [redacted]

Official Information Act Request for – Emergency Department & Primary Healthcare

I write in response to your Official Information Act request received by us 22nd December 2020, you requested the following information:

1. **A copy of all board reports regarding overnight primary health care which have gone to the Counties Manukau DHB over the past 5 years.**
2. **How many people every month present to the A&E department at Middlemore, each month for the past 5 years?**
3. **How many people every month present to the A&E department at Middlemore between 11pm and 7am, each month for the past 5 years?**
4. **What is the average wait time to be seen at the A& E department at Middlemore, each month for the past 5 years?**
5. **What is the average wait time to be seen at the A&E department at Middlemore between 11pm and 7am, each month for the past 5 years?**
6. **A copy of all correspondence between East Care and Counties Manukau DHB regarding the funding of overnight primary health care at East Care over the past 5 years.**

On 11th February 2021, we notified you that an extension to the timeframe was necessary and that we would provide this response to you by 24th February 2021.

Counties Manukau Health Response:
For context, the Emergency Department at Middlemore Hospital provides emergency medical, trauma and accident-related health care services for the entire Counties Manukau district. This population is approximately 601,490 people, along with visitors and those requiring out specialist regional Burns and Spinal care services.

We see over 110,000 presentations at the Middlemore Hospital Emergency Department. The Emergency Care service is one of two major trauma centres for the Auckland region, and the service provides Emergency and Urgent care, as well as provision of Hospital Short Stay Units (typically for care up to 28 hours).

1. **A copy of all board reports regarding overnight primary health care which have gone to the Counties Manukau DHB over the past 5 years.**
   Please find attached as appendix 1, Board reports regarding overnight primary health care from the last five years along with the associated minutes as appendix 2.

   As you will note from the reports, a procurement process was initially commenced in 2015 to find the best suited providers to deliver after hours and overnight services in the Auckland Metro DHB catchment area. This process was terminated due to DHB concerns about the process from a Commerce Act perspective. As indicated in the reports, these concerns were subsequently reviewed and considered by the Commerce Commission.

   In 2017, a new procurement process was commenced. The procurement process again sought to find the best suited providers to deliver after hours and overnight services in the Auckland Metro DHB catchment area but on the basis that each DHB would ultimately engage service providers within each of their respective catchment areas directly. In September 2017, the CM Health Board was advised of a multi-million dollar gap between current CM Health budgets and the proposals received through the procurement process. After considering a range of options, the Board resolved to proceed with the after-hours component of the procurement process but reduce the 'overnight' requirement to 'extended hours' (that is, 8pm – 11pm rather than 8pm – 8am).

   A legal report to the Audit Risk & Finance Committee has been withheld on the basis that withholding is necessary to maintain legal professional privilege (section 9(2)(h)). A small amount of redactions occur in appendix 1. CM Health considers that public interest would not be served by the disclosure of the commercially sensitive information that we have decided to withhold under section 9(2)(b)(ii).

2. **How many people every month present to the A&E department at Middlemore, each month for the past 5 years?**
   Table 1 below reflects Emergency Department Volumes from 1st January 2015 to 31st December 2020.

Emergency Department Volumes						
	2015	**2016**	**2017**	**2018**	**2019**	**2020**
Jan	9156	9322	9080	10133	9708	9367
Feb	8358	9473	8558	9139	8851	8956
Mar	9373	9774	9577	10143	10147	8458
Apr	8656	9019	9281	9352	9498	5969
May	9034	9513	9601	9678	10406	7567
Jun	9195	9404	10334	9703	10120	8440
Jul	10244	9866	10293	10539	10157	8864
Aug	10669	9926	10285	10877	10006	8118
Sep	9773	9685	9507	9773	9379	7893
Oct	9095	9442	9679	9672	9609	9361
Nov	9142	9270	9509	9421	9280	9649
Dec	9285	9473	10081	9585	9535	10323
Total	**111,980**	**114,167**	**115,785**	**118,015**	**116,696**	**102,965**

Table 1: Source Health Intelligence & Informatics 18/01/2021

3. **How many people every month present to the A&E department at Middlemore between 11pm and 7am, each month for the past 5 years?**
   Table 2 below reflects presentations to the Emergency Department between 2300 hours to 0659 hours from 1st January 2015 to 31st December 2020.

Presentations to Emergency Department 2300 hours to 0659 hours						
	2015	2016	2017	2018	2019	2020
Jan	1720	1813	1762	2054	1902	1895
Feb	1484	1729	1607	1725	1683	1698
Mar	1707	1747	1696	1904	2021	1673
Apr	1573	1611	1719	1647	1837	948
May	1586	1663	1645	1631	1902	1227
Jun	1684	1782	1857	1745	1963	1424
Jul	1946	1918	1988	2036	1882	1590
Aug	1984	1706	1880	2011	1895	1385
Sep	1808	1733	1705	1771	1746	1216
Oct	1657	1735	1809	1844	1876	1684
Nov	1696	1642	1721	1744	1698	1794
Dec	1797	1935	2063	1900	1904	2207
Total	**20,642**	**21,014**	**21,452**	**22,012**	**22,309**	**18,741**

Table 2: Source Health Intelligence & Informatics 18/01/2021

4. **What is the average wait time to be seen at the A& E department at Middlemore, each month for the past 5 years?**

Table 3 below reflects the average wait time to be seen in the Emergency Department by month from 1st January 2015 to 31st December 2020. This data includes all Emergency Department presentations, including self-discharges.

Emergency Department Average Triage to Seen by in Minutes						
	2015	2016	2017	2018	2019	2020
Jan	99.12	97.38	104.14	120.14	109.67	116.46
Feb	104.43	108.51	109.20	116.02	109.76	109.91
Mar	95.90	93.94	108.53	105.72	125.85	100.40
Apr	88.59	95.39	113.85	102.34	122.51	51.14
May	88.92	92.83	111.81	97.91	124.81	68.97
Jun	97.96	97.99	119.20	106.37	143.07	92.58
Jul	108.20	100.04	115.23	123.33	153.20	88.18
Aug	115.03	104.52	111.34	125.61	138.78	76.94
Sep	116.94	100.40	103.24	127.29	136.27	89.09
Oct	101.06	88.47	112.43	112.79	128.54	106.13
Nov	106.44	110.06	121.28	116.80	131.24	117.05
Dec	102.58	103.07	115.50	111.41	114.24	117.04

Table 3: Source Health Intelligence & Informatics 18/01/2021

5. **What is the average wait time to be seen at the A&E department at Middlemore between 11pm and 7am, each month for the past 5 years?**

Table 4 below reflects the average wait time to be seen in the Emergency Department between 2300 hours and 0659 hours by month from 1st January 2015 to 31st December 2020. This data includes all Emergency Department presentations, including self-discharges.

Emergency Department Average Triage to Seen by in Minutes (2300hr-0659hr)						
	2015	2016	2017	2018	2019	2020
Jan	147.51	144.72	147.60	187.58	153.17	159.23
Feb	150.19	165.98	156.98	187.57	161.47	162.96
Mar	129.91	129.40	160.49	161.41	173.87	140.49
Apr	111.17	113.83	157.21	134.99	174.42	53.87
May	121.72	121.57	156.24	142.98	173.84	83.63

Jun	137.10	131.32	168.05	144.80	191.98	128.05
Jul	150.90	132.05	164.63	183.94	202.40	106.78
Aug	155.94	139.28	166.89	175.69	192.65	72.98
Sep	167.12	138.39	147.62	187.43	181.24	86.36
Oct	147.26	120.61	164.00	164.22	170.31	126.69
Nov	161.01	144.44	175.61	171.22	171.52	153.60
Dec	162.23	152.58	186.44	171.84	166.74	161.27

Table 4: Source Health Intelligence & Informatics 18/01/2021

This is the average wait time across all triage categories and reflects the time of arrival to the time first seen (the time to first be seen by Doctor or Nurse, after triage). In all cases, in the first instance a patient will be 'triage' assessed by a senior Nurse to determine their clinical priority to be seen (on a scale 1-5, with 1 being most critical). We do this as soon as possible.

6. **A copy of all correspondence between East Care and Counties Manukau DHB regarding the funding of overnight primary health care at East Care over the past 5 years.**
   Attached as appendix 3 is correspondence we believe to be in scope of your request between East Care and CM Health regarding overnight primary health care at East Care over the past five years.

   Please note, we have redacted a small amount of personal identifying information such as direct dial contact phone numbers, email addresses for both CM Health and non-CM Health staff to protect the privacy of the natural persons (s.9(2)(a)).

I trust this information answers your request. You are entitled to seek a review of the response by the Ombudsman under section 28(3) of the Official Information Act. Information about how to make a complaint is available at www.ombudsman.parliament.nz or Freephone 0800 802 602.

Please note that this response or an edited version of this may be published on the Counties Manukau Health website. If you consider there are good reasons why this response should not be made publicly available, we will be happy to consider this.

Yours sincerely

Fepulea'i Margie Apa
Chief Executive Officer
Counties Manukau Health

Appendix 1 **Board Reports regarding overnight primary health care**
Appendix 2 **Summary of Minutes**
Appendix 3 **Correspondence between CM Health & East Care**

CONFIDENTIAL
COUNTIES MANUKAU DISTRICT HEALTH BOARD
Regional After Hours Services

Recommendation

It is recommended that the Board:

a. **Note** the changes to the Auckland Regional After Hours Services procurement process arising from the legal advice regarding clauses in the service specification that were found to be in breach of the Commerce Act
b. **Note** the Auckland Metro DHBs' decision to proceed with development of two potential options for future after hours services provision: a PHO procurement model and a DHB model to purchase services from individual providers of after hours services
c. **Note** that the potential Commerce Act breach and the After Hours service coverage risks have been added to the risk register
d. **Note** the intention to provide further advice to the Board on the recommended model for After Hours Services in March 2016
e. **Agree** to vary the existing After Hours agreements to remove the clauses that are in breach of the Commerce Act and extend the end date to December 2016
f. **Authorise** the Chief Executive Officer to sign the amended service agreements referred to in recommendation (e) once the interim contractual arrangements have been agreed with After Hours providers.

Prepared by: Louise McCarthy for Benedict Hefford

Executive Summary

In mid-June 2015 the Auckland Regional After Hours Procurement Panel met to initiate the Request for Proposal (RFP) phase of the After Hours procurement process. At this meeting, concerns were raised about clauses in the service specification that were considered to be in breach of the Commerce Act. External legal advice from Chapman Tripp confirmed this and the procurement process was halted. Similar clauses are also contained in the current After Hours Agreements and the DHBs have advised Primary Health Organisations (PHOs) that the clauses need to be removed from the contracts. In December 2015 the DHBs agreed on two preferred options for progressing with development of the model for After Hours service in the region: (a) to work with the PHOs to develop a revised After Hours model and (b) to make After Hours contracts available to all service providers. There was agreement to develop both models simultaneously. PHOs have been asked to come back to the DHBs with a proposal in late February 2016 with the expectation that a recommended After Hours services model will be prepared for the boards in March 2016.

The DHBs will be meeting with PHOs in early February to discuss removal of the relevant clauses from the current After Hours Agreements along with extension of the Agreements to allow time for the new model to be developed and contractual arrangements to be finalised. It is recommended that the Boards agree to remove the clauses from the current Agreements that are in breach of the Commerce Act.

Procurement Progress

A Registration of Interest (ROI) process was initiated on 24 March 2015 for the provision of After Hours and Overnight Services for the Auckland Metro region. Organisations were asked to submit proposals for After Hours services, Overnight services or both. A total of 12 proposals were received and evaluated by the procurement panel. A shortlist was identified and respondents were notified of the outcome of the ROI on 1 June 2015.

In mid-June 2015 the procurement panel met to discuss the Request for Proposal (RFP) documentation. At this meeting concerns were raised about clauses in the service specification that were considered to be in breach of the Commerce Act. These related to setting co-payments and non- enrolment (supporting the patient's medical home by not enrolling the patient). External legal advice from Chapman Tripp concluded that both clauses were in breach of the Commerce Act and that the clauses should be removed from the service specification. The DHBs consulted with the Ministry of Health to obtain Health legal advice on this issue. This legal advice was received by DHB legal counsel on 12th November 2015. The advice received concurs with the opinion of Chapman Tripp in that the clauses related to enrolment restrictions and directing providers on how they should set their co-payments are in breach of the Commerce Act and need to be removed. The probity advice on the procurement process was that the significant change in the After Hours service specification represented a fundamental change in the overall service being procured. It was therefore advised that the ROI process be considered null and void and the procurement process be restarted. On the 30th September 2015 the change to the process and the requirements in relation to the Commerce Act were communicated to all of the Auckland metro PHOs and released via GETs to all respondents. Panel members and the Auckland Regional After Hours Network (ARAHN) partners were also notified.

The DHBs have spent some time discussing the various options to progress the After Hours services model. A paper was prepared for the Regional Funding Forum (RFF) in November and was used in discussions with the Board Chairs. Three options were identified for consideration:

1. Work with the PHOs to develop a revised After Hours model
2. Make After Hours contracts available to all service providers
3. Re-run a procurement process for a network of providers.

The DHBs agreed to develop the modelling for options 1 and 2 simultaneously. Initiating another RFP process as outlined in option 3 was seen as being a lengthy and resource intensive process. In addition DHBs felt that the situation provided an opportunity to re-evaluate the value and effectiveness of the current model and to reconsider service design.

The option to make after hours contracts available to all potential providers would involve dissolution of a select network of providers model. This would mean that any urgent care clinic and general practice wanting to provide after hours care could do so according to a service specification with a set of minimum requirements developed by the DHBs. With this option some rules around contract eligibility for clinics and the development of an appropriate funding model would be required. The overnight service would need to be secured via a fair and transparent procurement process. DHBs have acknowledged that affordability is the key risk with this model. Considerable financial modelling will be undertaken by the DHBs to ensure financial risk is mitigated. Service coverage would also need to be carefully considered to ensure accessibility, particularly for high needs populations. Notwithstanding the challenges with this option, the approach none the less represents a value based contracting approach that could improve coverage and outcomes for our residents.

PHOs were provided with a copy of the RFF paper and have been asked to develop a proposal that meets all of the DHBs' requirements. These include:

a) Coverage – the service model must be responsive and available to the entire populations in the three DHBs (Counties Manukau, Auckland, and Waitemata) irrespective of enrolment status.
b) Coverage – the service model must be available to 95% of patients within 60 minutes travel time.
c) Coverage – the service model must provide after-hours coverage from 5pm to 10pm Monday to Friday and on weekends and public holidays.
d) Coverage – The service model must provide an appropriate level of overnight services from 10pm to 8am 7 days a week to service the Auckland metro region.
e) Coverage - an appropriate level of geographical coverage by ensuring there is at least one clinic providing after hours care in each identified locality to service the needs of that population.
f) Cost – the service model must be free for all under 13s utilising the service.
g) Cost – the service model must have consistent pricing within a provider for both PHO enrolled and non-enrolled patients using the service.
h) Cost – the service model must provide a subsidised cost for Maori, Pacific, and Quintile 5 populations plus; high User Health Card holders, and Community Service Card holders.
i) Cost – The service model should consider a subsidised cost for the over 75 years of age population.
j) Cost – Pricing must be set in a manner consistent to the requirements of the Commerce Act.
k) After Hours Alliance – All PHOs and providers must agree to be a member of an After Hours Alliance that will also include the three DHBs.
l) Quality, Safety, and Performance – all providers must agree to provide the appropriate data to ensure that the Quality, safety and performance of the after-hours services can be measured and managed.
m) Financial Transparency – All PHOs and providers must agree to full transparency of the use of the funding.
n) Affordability – affordable within available funding over the duration of the agreement.
o) Process- A Fair and contestable process must be employed when selecting After Hours Providers.

PHOs have been asked to provide a response by the end of February 2016. The DHBs and PHOs will then consider each other's models with a view to submitting a collectively agreed model to the boards in March 2016. The PHOs' proposal development process is currently underway and includes consultation with each of the CM Health Locality Leadership Groups. Proposals will need to demonstrate how service delivery models will be responsive to the needs of each locality within the Counties Manukau region.

Current After Hours Agreements

Some of the clauses that were considered to be in breach of the Commerce Act are also included in the current After Hours Provider Consortium and Auckland Regional After Hours Network Agreements (the Agreements). These agreements have been extended in draft until the end of February 2016. It has been recommended to PHOs that this date is extended to either June or later in 2016 (October, November or December) to allow sufficient time for an alternative model for future service provision to be developed. The DHBs will be recommending the later extension timeframe is agreed. The current agreements will need to be amended to comply with the Commerce Act. There are two options being considered regarding management of the current contracts:

a) Remove the clauses from the existing contract and create a variation to extend the agreement out to a preferred date (June/December 2016)
b) If consortium providers do not agree with an extension in this manner, DHBs will need to enter into individual agreements with individual providers until a revised model is in place.

The clauses that need to be removed from the Agreements are outlined in Table 1 below:

Table 1 Summary of Proposed Amendments

Where the amendment applies:

1. After Hours Provider Consortium Agreement
2. Auckland Regional After Hours Network Services Agreement (Appendix 3 of the Agreement)

Rationale for Amendment:
The Service Specification for the Regional Primary Care After Hours Services is to be amended to remove clauses which are not consistent with the New Zealand Commerce Act. Providers must be free to compete with one another in terms of co-payments and for patient enrolments.

1. After Hours Provider Consortium Agreement	
Current text	***Amendment***
F 3.1 (g) Ensure a locality based co-payment and non-enrolment model for Eligible Patients that reflects the General Practice co-payments in the locality where the After Hours Clinic is based.	It is proposed that this clause is deleted.
F 3.2 (e) Supports the patient's medical home by not enrolling the patient and not "holding on" to the patient consistent with agreed protocols.	It is proposed that this clause is deleted.
Appendix 3 of the Service Specification	It is proposed that columns 4,5,6 and 8 are deleted as well as the text "New Calc 80th or Manual Adjustments".

The options outlined above are currently being discussed with PHOs and ARAHN. It is hoped that a decision regarding the current contracts can be made by February 2016.

CONFIDENTIAL
Counties Manukau District Health Board
After Hours Services Procurement

Recommendation

It is recommended that the Board:

Note that current after-hours provision involves metro Auckland PHOs and DHBs contributing funding to a multi-provider consortium contract and this very complex arrangement has resulted in a series of procurement delays due to conflicts of interest; poor utilisation, evaluation and cost data; and non-compliance with commerce law.

Agree that, to ensure momentum and timely closure on new contracts, CM Health withdraws from the regional negotiations and moves at pace to procure after hours services for the Counties area directly, without PHO involvement in the procurement process.

Note that the above approach has been endorsed by the Audit, Risk, and Finance Committee as it reduces the complexity of current regional multi-party arrangements and addresses the Commerce Act, conflict of interest, and data issues which have repeatably delayed re-procurement of after hours services on a regional basis.

Indicate any preference for either of the two procurement approaches considered: (1) an open market model where any provider that meets accreditation criteria would be offered a contract with open ended subsidised visits for priority patient cohorts; and (2) a locality-market model where providers are selected via a locality based procurement exercise and funded on a base rate plus utilisation.

Note that the open market approach entails significant financial risk for CM Health and may not achieve even service coverage, so further modelling is being completed to project volumes, access levels and costs, which will give better information on the likely impact of the open market model.

Agree that, regardless of the procurement model selected, CM Health works with Auckland and Waitemata DHBs to maintain regionally consistent minimum service requirements, including common maximum co-payment levels and requiring contracted providers to be ACC-accredited.

Note that due to the complexities of unpicking the complicated current arrangements, interim contracts with current providers will be needed through to June 2017 to allow for service continuity across all DHBs, with transition to the new service arrangements to begin early in 2017 in Counties.

Note that such an interim contracting arrangement complies with the Government Rules of Sourcing as this service is exempted under Rule 13. 3(k) of the Rules.

Delegate to the Chief Executive Officer, in liaison with the Audit, Risk and Finance Committee Chair, authority to sign the interim and final service agreements which will run to 30 June 2020 at the current budget of $2.732 million per annum plus annual CCP increases.

Prepared and submitted by: Benedict Hefford, Director Primary, Community & Integrated Care

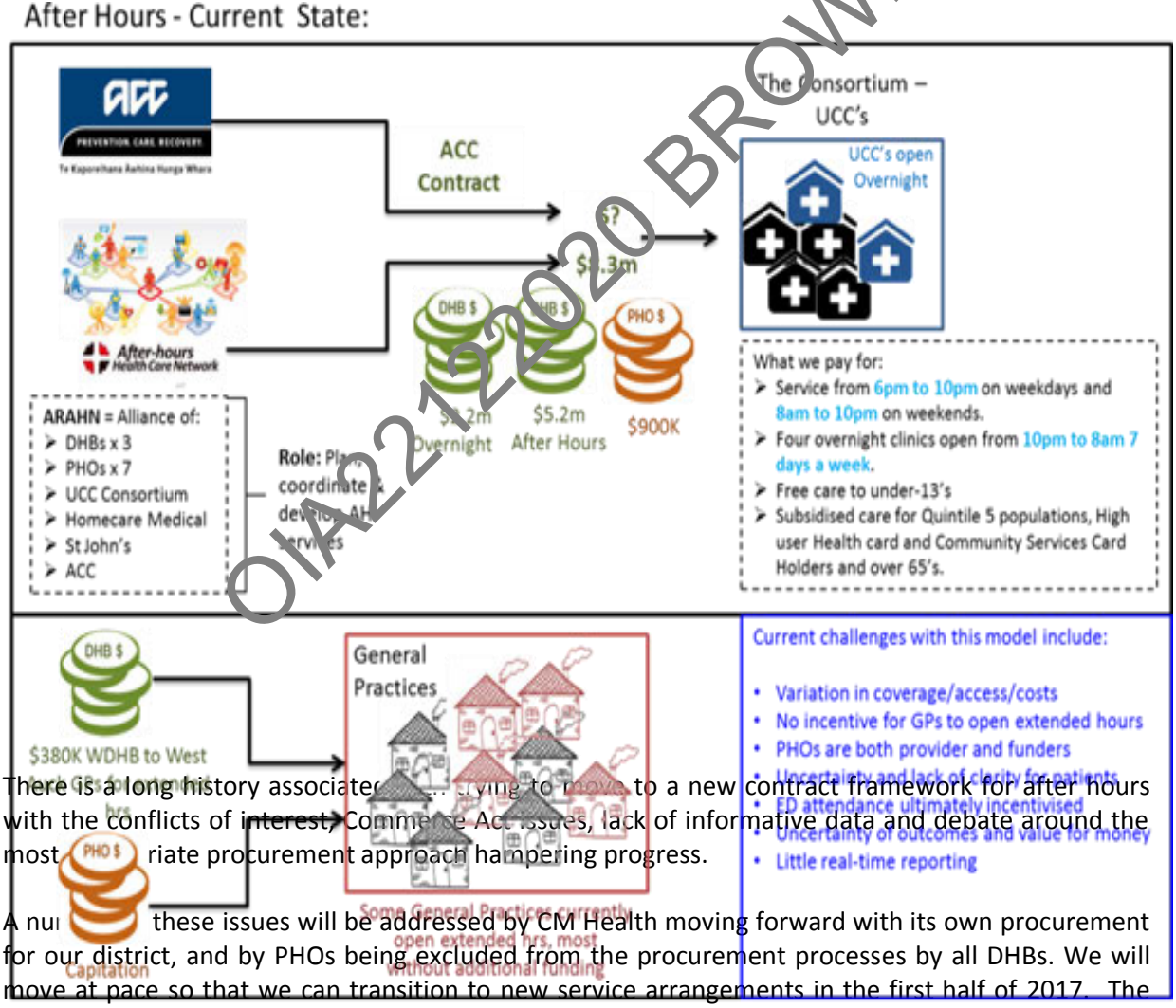
Glossary

ACC	Accident Compensation Corporation
ARAHN	Auckland Region After-Hours Network
CCP	Contribution to cost pressures
CM Health	Counties Manukau Health
MoH	Ministry of Health
PHO	Primary Health Organisation
RFP	Request for Proposal

Executive Summary

CM Health is one of several parties to the Auckland Region After Hours arrangements. This arrangement is very complex with funding coming from DHBs and PHOs and being directed to providers via a consortium. There are inherent conflicts of interest in this model, with variations in coverage and access. There is also uncertainty about outcomes and value for money. The current state is outlined in Figure 1 below.

FIGURE 1



There is a long history associated with trying to move to a new contract framework for after hours with the conflicts of interest, Commerce Act issues, lack of informative data and debate around the most appropriate procurement approach hampering progress.

A number of these issues will be addressed by CM Health moving forward with its own procurement for our district, and by PHOs being excluded from the procurement processes by all DHBs. We will move at pace so that we can transition to new service arrangements in the first half of 2017. The other metro Auckland DHBs have also agreed to initiate their procurement process before the end of this calendar year so that any extension of current after hours service arrangements will be finished no later than June 2017. The complexities of existing contractual arrangements means that any

'unpicking' of after hours agreements will be very difficult unless all three DHBs transition to new arrangements in a similar timeframe.

Although CM Health will move to procure new arrangements directly for our district immediately following Board approval, we will continue to work collaboratively with Auckland and Waitemata DHBs to ensure consistency of service requirements and maximum co-payments across the region wherever possible. There will continue to be a regional quality improvement and outcomes alliancing arrangement amongst key stakeholders (including St John's Ambulance, ACC, and ED clinicians) following introduction of the new arrangements.

Purpose

This report outlines the proposed way forward for procurement of after hours services in Counites Manukau.

Background

The regional procurement process for after hours services was initiated in March 2015 and terminated in November 2015 due to clauses within the specification conflicting with the Commerce Act. The procurement process was initially undertaken to allow for service improvements and better consistency of coverage as well as to align more transparently with the Government Rules of Sourcing, rather than to address any major deficiencies. There is currently reasonable service coverage for the Counties Manukau population and utilisation data shows that after hours access for high needs groups in our district is increasing year on year.

Over the last six months a number of after-hours service configuration and procurement options have been considered, and Homecare Medical Ltd was selected as the preferred provider for the Auckland Regional After Hours Telephone Triage service. However, negotiations recently fell through with Homecare Medical due to PHOs advising that they did not believe the proposed service is cost effective.

Metro Auckland DHBs recently commissioned Sapere Research Ltd to complete analysis and financial modeling for after hours services in the region which provides useful information on utilisation trends and affordability. We are now completing further analysis on current utilisation data and after hours fees information to accurately model a maximum copayment and subsidy level for the target populations (children under 13 years, Quintile 5 and those aged 65 and over).

Proposal

The proposal is for CM Health to procure after-hours and overnight services directly with providers across the localities within Counties Manukau. PHOs will be excluded from the procurement process to emlinate conflict of interest. PHOs have been asked to apply their current funding contribution to after hours services to either extended hours in general practice or to alternative solutions for telephone triage/care services.

We will collaborate with Auckland and Waitemata DHBs on common service requirements and extending interim contracts so that there is as much regional consistency as possible and continuity of service is maintained, however, we will move at pace to start the transition to the new arrangements in early 2017 in Counties.

Two procurement approaches have been considered: (1) an open market model where any provider that meets accreditation criteria would be offered a contract with open ended subsidised

visits for priority patient cohorts; and (2) a locality-market model where providers are selected via a locality based procurement (RFP) exercise and funded on a base rate plus utilisation.

The first model has the benefit of setting identical affordability levels for patients of the same need, however, it may result in variations in service coverage/access and the open ended nature of the approach does present a significant financial risk to CM Health. We will shortly complete financial modelling using current data to determine projected volumes and possible maximum copayment and subsidy levels for our district, which will give better information on the likely impact of the open market model. Regardless of the procurement approach taken, the service specification will include the following minmum requirements which we anticipate agreeing regionally:

I. Agreed target populations for reduced copays (free visits for children under 13 years, reduced co-payments for Quintile 5 and those aged 65+). The specification will reference in-hours General Practice co-payment levels in the immediate locality as guiding acceptable maximum co-payments for the after hours services.

II. The requirement for providers to be ACC-accredited/contracted and meet the Accident and Medical Clinic Standard NZS:8151

III. Minimum opening hours of 5pm to 8pm for after hours clinics, and from 8pm to 8am for overnight services.

IV. Locality based geographical coverage to ensure access to after-hours services for patients within each Counties Manuau locality, and (if possible within the funding available) overnight services in either the Manukau or Mangere localities.

V. Collection and reporting to CMH of information about clinic utilisation, performance, quality, co-payment levels, and accessibility of the after hours services.

VI. Participation of after hours providers with other key stakeholders such as St Johns and DHB Emergency Departments, in a regional quality improvement alliance. The alliance will focus on a quality improvement and an outcomes framework which is currently in the final stages of development through the Auckland Regional After Hours Network.

Discussion

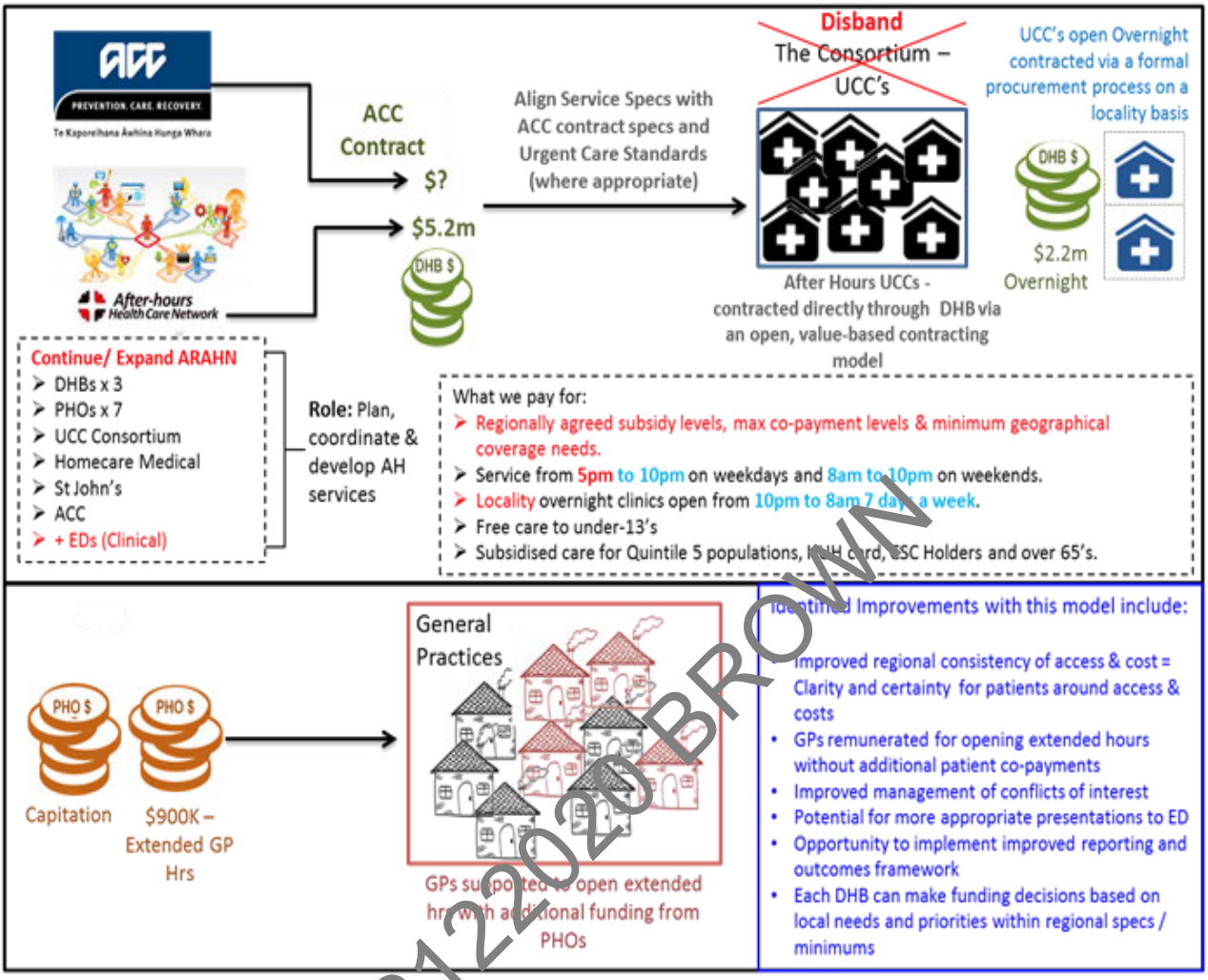
The proposed approach provides a clear implementation pathway for an after hours solution for CM Health. The benefits of the proposed approach are:

a) Greater local control over determining the right mix and level of service provision in each locality for our population while achieving regional consistency from a patient perspective
b) Improved access to after hours services for the target populations, particularly where there are gaps in coverage at a locality level
c) Improved financial transparency and netter value for money.
d) Commitment to continuous quality improvement and improved data collection and service reporting at a regional and local level

In addition, the process will ensure service providers are selected and appointed in accordance with the Government Rules of Sourcing.

Figure 2

After Hours – Proposed Model:



We will issue an initial notice to market of our intention to procure after hours services immediately following Board acceptance of the recommendations in this report. Variations to the existing after hours contracts will be in place by 1 November, so that the 11 members of the After Hours Consortium have confirmation of interim funding (and therefore service continuity) during the procurement of the new arrangements. The procurement process will run until February (given the Christmas / New Year period in the middle) and contracts are expected to be finalised by May 2017. Given the complexity of negotiating both the interim and long term arrangements, delegation of contractual signing authority to the CEO is requested so that the various stages of the contracting process can be managed within acceptable turnaround times.

CONFIDENTIAL
Counties Manukau District Health Board
Urgent Care Services

Recommendation

It is recommended that the Board:

Note that this briefing has been endorsed by the ARF Committee for Board approval.

Note correspondence from ProCare, Waitemata PHO, and Royal New Zealand College of General Practitioners with respect to:

a. Restrictive nature of the RFP, specifically requirement to be an Urgent Care Clinic (UCC) that meets the associated standards.
b. Potential impact on general practice through having low cost care via UCCs.
c. Potential impact on patient outcomes.
d. Potential negative impacts on emergency departments.
e. Noting that a complaint maybe taken to the Commerce Commission.

Note the Commerce Commission communication of 19th May 2017 that there is not a matter to investigate.

Authorise the Acting CEO to sign contract extensions to 31st October 2017

Endorse additional contract extensions, of up to 9 months, if an affordable agreement cannot be reached with preferred providers.

Prepared and submitted by Matt Hannah, GM Funding and Service Development
Endorsed by Benedict Hefford, Director of Primary, Community & Integrated Care

Glossary

ARAHN	Auckland Region After-Hours Network
GETS	Government Electronic Tender Services
RNZCGPs	Royal New Zealand College of General Practitioners
RFP	Request for Proposal
UCC	Urgent Care Clinic

1. Purpose

The purpose of this briefing is to update the Boards of the three metropolitan Auckland DHBs on the current urgent care after-hours and over-night services environment. In addition an update is included on progress with respect to the procurement process.

Further advice is given on the status of and actions required for the existing agreement for Urgent Care Clinics (UCC).

2. Introduction

The after-hours and over-night services have been managed through the Auckland Region After-Hours Network (the Network). In essence these services are for urgent care and not for routine primary care. Membership on the Network has had representation of; (i) providers, (ii) PHOs, (iii) Homecare Medical, (iv) St John, (v) ACC and (vi) DHBs. The Network has been able to progress the development of a Quality and Performance Framework. The Framework enables all stakeholders to exam the performance of the after-hours service and to assess impact of any service changes.

A Request for Proposal was released via GETS on 6th April 2017 for after-hours and over-night urgent care services. The closing date for responses was 17th May 2017. The evaluation panel is has been reviewing and evaluating the responses to the RFP. The evaluation report with preferred providers will be available 21st June 2017. Negotiations with the preferred providers are set to start 1st July 2017, with a proposed service start date of 1st November 2017. The Board will be fully briefed on the outcome of the procurement process and the proposed terms and conditions of a contract with providers.

The existing agreement expires on 30th June 2017. Consequently the agreement will require an extension. While the contract value for the extension falls within Chief Executives delegated authority the Board is asked to endorse a contract extension considering the history of this area.

Some PHOs and the Royal New Zealand College of General Practitioners have written to the DHBs, including the Chair, contesting that the proposed service model is inappropriate. The DHBs have not responded specifically to each of the concerns raised due to being in the middle of a procurement process. However, the DHBs in planning for the RFP had considered each of the concerns raised and believe that the proposed service is a reasonable balance between patient access and general practices remaining the primary provider of primary care.

3. Auckland Regional After-Hours Network

The Auckland Region After-Hours Network (the Network) was formed more than 5 years ago. In that time it has introduced free care for under 6s and subsequently free care for under 13s. One of the more significant developments is a Quality and Performance Framework. A separate presentation on the framework can be presented to the Boards.

The Framework consists of the following elements that are presented via an interactive dashboard:

1. **System Volume Measures**
    a. Comparison across services - This view allows you to explore the change over time in the volumes of patients that are seen at EDs, UCCs and St John Ambulance. There are also a number of filters that allow you to drill down and explore the volumes for given populations.
    b. Comparison across localities - This view allows you to explore the change over time in the proportion of patients that are seen at UCCs vs EDs for each locality. There are also a number of filters that allow you to drill down and explore the volumes for given populations.

2. **Quality and Outcome Measure**s - ARAHN has three stakeholders (Urgent Care Clinics, Emergency Departments, and St John) in the Network which contribute data, and five areas which quality is assessed under. They align with the HQSI NZ Indicators and Measures, and a 6th area, Equity is included across all measures. The measures are:
    a. Urgent Care Clinic Access - Patients seen per clinic, per year
    b. Urgent Care Clinic Access - Yearly growth rate of afterhours medical patients presenting to clinics
    c. Urgent Care Clinic Safety - Patients admitted without an acute referral
    d. Urgent Care Clinic Safety - Patients admitted after an acute referral
    e. Urgent Care Clinic Effectiveness - Non referred patients kept out of hospital for at least 7 days
    f. Urgent Care Clinic Effectiveness - Referral Rate to hospital
    g. Urgent Care Clinic Experience - Patient satisfaction
    h. Urgent Care Clinic Efficiency- Time for 75% of the patients to complete care at UCC
    i. ED Safety – Patients seen within time for Triage 1 or 2
    j. ED Access - Patients on average seen at Metro Auckland EDs in 2015
    k. ED Access - Yearly growth rate of afterhours medical patients presenting to EDs
    l. ED Experience - Patient satisfaction

m. ED Effectiveness - 7-day representation rate to ED
n. ED Efficiency - average total time spent in the ED
o. Ambulance Experience - Patient satisfaction
p. Ambulance Efficiency - Average time at scene
q. Ambulance Effectiveness - 24 Hour representation rate to St John

Ambulance measures for safety and access are under development.

The Framework has six years of data and is a useful tool to assess the performance of the after-hours services. The Network intends to use the framework to identify opportunities to improve service performance including quality and safety aspects.

4. The Request for Proposal

The three metropolitan Auckland DHBs developed and released a single Request for Proposal (RFP) for after-hours (5pm – 8pm) and over-night (8pm – 8am) Urgent Care Clinic services. Note Accident and Medical Clinics (A&Ms) are now known as Urgent Care Clinics (UCC). The RFP seeks responses from providers that are either certified to the Royal New Zealand College of Urgent Care Standard 2015 or accredited against the Accident and Medical Clinical Standard NZS8151:2004.

Responses have been requested for the following coverage:

- Auckland – 3 after-hours providers (Eastern, Inner and Western) and 1 over-night provider (centrally located).
- Counties Manukau – 8 after-hours providers (3 Manukau, 1 Franklin, 1 Mangere, 2 Otara and 1 East) and 2 over-night providers (1 Manukau and 1 in Franklin, East or Mangere/Otara).
- Waitemata – 3 after-hours providers (West, North and North East) and 2 over-night providers (West and North).

Further respondents have been asked to provide pricing proposals based on having a set maximum co-payment for key population groups:

- Under 13s – Free
- Quintile five, High User Health Card Holders, Community Service Card Holders, and those over the age of 65 – maximum co-payment level of, $39, $35, or $30 per attendance.

Andrew Howie, Manager, Commercial Pool, New Zealand Government Procurement, Market Services, Ministry of Business, Innovation & Employment is the independent Chair.

PWC have been engaged to independently assess the financial health of the respondents and are also evaluating the financial components of the responses.

The evaluation panel includes people with the following areas of knowledge and expertise: (i) Funding, (ii) Emergency Department, (iii) St John, (iv) urgent care, and (v) financial.

Bill Inglis, Principal, McHale Group is providing probity throughout the process.

The following Table summarises the timeline.

Steps in RFP Process	**Date**
RFP published	Thursday 6th April 2017
Deadline for proposals	Wednesday 17th May 2017
Evaluation completed	Friday 9th June 2017
Negotiation period	1st July to 18th August 2017
Contract Start date(proposed)	1st November 2017

A report of the RFP with recommendations will be available late June 2017 for consideration.

At the time of writing this report it appears that generally the coverage of the responses meet most of the DHBs needs. However, there were two areas, Franklin and Hibiscus Coast, where coverage and/or RFP requirements may not be met.

The responses require further analysis to confirm if they are affordable or not. Initial analysis indicates affordability maybe an issue.

5. Challenges to Request for Proposal

Two PHOs, ProCare and Waitemata PHO, have written to the Deputy Director Funding, Auckland and Waitemata DHBs and subsequently to the DHB CEOs questioning the service model requested by the RFP. Further we have received a letter from the Chair of the Royal New Zealand College of General Practitioners (RNZCGPs) raising similar matters. Further the letter from RCGPNZ requests that the DHBs do a full and comprehensive review of primary care.

The key areas raised in the letters are:

1. Restrictive nature of the RFP, specifically requirement to be an UCC that meets the associated standards.
2. Potential impact on general practice through having low cost care via UCCs.
3. Potential impact on patient outcomes.
4. Potential negative impacts on emergency departments.
5. Noting that a complaint maybe taken to the Commerce Commission.

It is noted that the Chair of RCGPNZ is also the Chair of Waitemata PHO.

The DHBs have responded to these letters noting we have considered these matters during the RFP design and that we do not intend to change the approach. As we are in the middle of an RFP it is inappropriate to engage with any interested parties as it could be construed as an opportunity to influence the outcome.

Regarding the areas of concern raised the following considerations are noted:

1. Restrictive nature of the RFP

Both through ARAHN and directly with PHOs the role of general practices was discussed at length. Further the PHOs were given an opportunity to put a proposal to the DHBs on the role of extended general practice within an after-hours service model. The PHOs, including ProCare and Waitemata PHO, explicitly stated that there was no interest from general practices to take a greater role in the provision of after-hours care.

The RFP is seeking capacity in the sector to provide an after-hours urgent care response for low acuity presentations other than a reliance on emergency departments. That is the RFP is seeking a response for attending to non-routine patient care that can be managed in a community setting. This is a different service provision to extended general practice hours which in the main is the provision of routine primary care for a general practice enrolled population.

It is noted that some general practices open outside usual business hours (Monday to Friday 8am – 5pm as specified in the PHO Agreement) to provide improved access for their enrolled population. The nature of these extended hours varies from practice to practice and for some includes opening at weekends. The following table summarises the extended hours offered by general practices.

Opening Hours*	**Auckland**	**Counties Manukau**	**Waitemata**
No extended hours	91	75	39
Open until either 6 or 7 pm week days, with some also opening for a Saturday morning clinic.	36	31	53

Open until 8pm week days, with some opening for a Saturday morning clinic.	5	9	8

* A very small number open on a Sunday

While some clinics offer a significant number of extended hours they are very limited on weekends in particular.

2. Impact of Low Cost Care

The RFP and service model being sought has considered the balance of low cost care for urgent care needs and patient utilisation of general practice.

For under 13s there is no expected impact as care for under 13s is generally free in general practices.

For those living in quintile 5 areas many local practices have low fees through being a Very Low Cost Access practice where a maximum co-payment of $18.50 can be charged. It is unlikely that the RFP will deliver a co-payment level below this. There is also a wide variety of co-payments charged by general practice from a level lower than the $18.50 maximum stipulated in the agreements with very Low Cost Access practices to significantly higher.

The average in-hours co-payment charged by general practices across metropolitan Auckland is approximately $40. Therefore, if Urgent care Clinic co-payment levels are set at or near this value then it is unlikely to shift patient behaviour in seeking primary healthcare.

We know that there is a significant proportion of low acuity quintile five and elderly patients seeking care through the emergency departments. There are multiple reasons as to why this occurs. Setting a lower co-payment level in UCCs may help these people already using emergency departments instead of primary care attend a UCC instead.

The final co-payment we agree with UCCs through the RFP will try to balance affordability for high needs people, shifting people's preferences to use UCCs instead of emergency departments, and not disrupting use of general practice.

3. Impact on Patient Outcomes

Both UCCs and emergency departments are not set up for, nor appropriate, to manage chronic conditions or provide care over any extended period of time. Thus, people attending general practice for their primary care needs is preferred. Further UCCs refer patients back to their general practitioner after each attendance and do not attempt to provide a patient their primary care needs.

4. Impact on Emergency Departments

As noted above the model of care is attempting to support people to attend alternatives to emergency departments for lower acuity needs.

5. Commerce Commission

The DHBs do not believe we have contravened any Commerce Act provisions. This is supported by a recent communication from the Commerce Commission with the DHBs. On 19th May 2017 the Commerce Commission (Fréderique Sternotte, Assistant Investigator) in a communication stated "Thank you for providing us the relevant documents of the Auckland Regional Afterhours Network. In the meantime we have reviewed the documents and we would like to inform you we will not be looking at this matter any further at this time". The Commerce Commission asked to see our documentation after seeing the articles in New Zealand Doctor.

At the conclusion of the RFP it is proposed that a meeting is held with the RNZCGPs to discuss the review they propose to consider the merit or not of undertaking a wider review. Advice on this will be provided after the meeting.

6. Extension of the Existing Contract

The current after-hours agreements expire on 30th June 2017. There are two agreements; (i) a agreement between the DHBs and PHOs detailing the agreed contributions to the contract value with the urgent care providers, and (ii) a agreement with the urgent care providers specifying the service requirements and the payment for the service. Thus, it is intended to extend these agreements through to 31st October 2017 to coincide with the start of the proposed new agreement(s) on 1st November 2017.

The following Table summarises the cost of the extension for each DHB.

DHB	Cost per Month ($)	Cost for Term of Extension
Auckland	$77,748	$310,992
Counties Manukau	$205,102	$820,408
Waitemata	$122,867	$491,468

It is proposed that the Board also approves a further potential extension, of nine months, to the existing contract in the event an affordable agreement cannot be reached with the preferred providers of the RFP. This extension would be offered once and only if, it is confirmed that an agreement cannot be reached with the preferred providers.

7. Risk Assessment

There are a couple of key risks that are to be noted:

1. PHOs current contribute some $897,000 per annum towards the agreement with the UCCs. There is a possibility that PHOs might refuse to continue this contribution. The Funder will work with the PHOs to limit this risk. Further this is mitigated by PHOs needing to, under the PHO agreement, ensure there is sufficient after-hours coverage.
2. The urgent care clinic providers may not agree to an extension. However, this is assessed as being low in probability.

Confidential – Decision Paper
Counties Manukau District Health Board
The Metro Auckland Urgent Care 'After-Hours' and 'Overnight' Services Procurement: next steps for Counties Manukau

Recommendation

It is recommended that the Board:

Note that on 13 September 2017 the Board was advised of a multi-million dollar gap between current budgets and the proposals received through Request for Proposal (RFP) for 'after hours' (5pm to 8pm) and 'overnight' (8pm to 8am) urgent care services, and it agreed that the negotiated contracts be taken back to the Board for final approval.

Note that post contract negotiations, services for Counties Manukau Health (CMH) would require an additional $3.5m of funding against budget, however, proposals received in Auckland and Waitemata District Health Boards (DHBs) appear within their budgets and those Boards are being advised to proceed with contracting for both 'after hours' and 'overnight' services in their districts.

Note that four options for proceeding in Counties Manukau are presented in this report: (1) awarding all contracts on the basis of the current negotiated arrangements (requiring $3.5M additional funding); (2) reducing the 'overnight' services requirement to 'extended hours' of 8pm to 11pm (requiring circa $1.8M of additional funding); (3) cancelling the entire RFP process and devising a new approach (unlikely to substantially mitigate budget pressures); or (4) cancelling the RFP, withdrawing DHB funding and instructing Public Health Organisations (PHOs) to take responsibility for these services (likely to lead to service coverage issues).

Endorse the recommended option two for urgent care services, as follows:

- Finalise agreements with the preferred providers for 'after hours' urgent care services (5pm to 8pm), identified through the regional RFP
- Reduce the 'overnight' requirement to 'extended hours' (8pm to 11pm, rather than 8pm to 8am)
- Run a local process to identify suitable long term providers for 'extended hours'
- Appoint up to four clinics in the interim to provide 'extended hours' urgent care
- Ensure all other contract structures and specifications continue to be set consistently with Auckland and Waitemata agreements, including maximum patient co-payment levels, contract clauses related to length, termination, and annual price adjustments, and data collection, performance and quality requirements.

Agree that all reasonable attempts to mitigate the budget pressures be taken, including further price negotiations with providers, approaching PHOs to re-start their funding contributions, and, if necessary, potentially reducing service coverage.

Authorise the Chief Executive to sign the final 'after hours' contracts and interim 'extended hours' contracts, both of which are anticipated to be in place by 1 July 2018.

Confidential: Commercially Sensitive Negotiations until 30 April 2018 **Prepared and submitted by** Matt Hannant, General Manager Funding and Service Development on behalf of Benedict Hefford, Director of Primary, Community and Integrated Care

Glossary

ACC	Accident Compensation Corporation
ADHB	Auckland District Health Board
ARAHN	Auckland Regional After Hours Network
CEO	Chief Executive Officer
CMH	Counties Manukau Health
DHB	District Health Board
PHO	Primary Health Organisation
RFP	Request for Proposal
WDHB	Waitemata District Health

Executive Summary

The urgent care landscape in Auckland is unique in New Zealand with over 30 urgent care centres and ~1.25million patient attendances in 2016, of which ~40% are after hours when most General Practices (GPs) are closed and ~710,000 attendances were at clinics in Counties Manukau. Whilst the majority of this provision will be privately funded or covered by the Accident Compensation Corporation (ACC), there are ~50,000 after hours attendances in our district by patients in high-needs groups. We currently subsidise these patients through access to a network of four providers in Counties Manukau in order to mitigate access and equity issues and support better care.

As our population has grown, and continues to grow, and against a backdrop of record attendances at Middlemore's Emergency Department (ED), we are seeking to address associated rising demand and health need by increasing access to urgent care centres after hours, providing a viable alternative to EDs for appropriate patients, and further addressing equity by subsidising more clinics in high-needs areas. This will allow us to subsidise up to ~100,000 attendances annually for target patient groups, which our analysis indicates will be necessary over the next two to three years.

As such the Metro Auckland District Health Boards (DHBs) are engaged in a Request for Proposal (RFP) process to contract 'after hours' (5pm to 8pm) and 'overnight' (8pm to 8am) urgent care services to improve access and equity for specific high-needs population groups (children under 13 years old, people holding High User Health Cards or Community Services Cards, quintile 5 residents, and people aged 65 or over).

The RFP identified a number of preferred providers, and negotiations with these providers have progressed to a point where it can be ascertained that an affordable agreement for all three DHBs is not possible. In particular the affordability gap for Counties Manukau Health (CMH) cannot be eliminated. For Auckland and Waitemata DHBs, a contract within budget appears achievable.

The proposed budget for eight 'after hours' sites and two 'overnight' sites in Counties Manukau is $3.16m. The latest negotiated position would require an additional ~$3.5m of funding against this budget. This rise in funding is largely driven by growing demand, but factors such as increased prices and a reduction in cross subsidies also contribute.

To support continued urgent care services for high-needs populations and mitigate the additional funding requirements we are recommending a pragmatic option of awarding just 'after hours' contracts (5pm to 8pm) as per the RFP. We then aim to mitigate, to a limited extent, the overall affordability issue by reducing the 'overnight' requirement to 'extended hours' (8pm to 11pm) and running a local process to identify suitable providers for this service. In the interim we appoint four clinics to provide 'extended hours' urgent care.

This will reduce the level of additional funding required against budget to $1.9m to $2.5m. The alternatives to this approach all create service coverage issues with potential flow on impacts to our ED,

and impact our ability to support high needs population groups. We are aiming to have these new services established by 1 July 2018.

Purpose

Further to the papers provided to Audit Risk and Finance and the Board in August/September 2017, this paper updates the Board on the outcome of regional 'after hours' and 'overnight' urgent care negotiations. The purpose of this paper is to request endorsement from the CM Health Board to proceed to finalisation of an agreement for 'after hours' urgent care services in CMH, and establish an arrangement for 'extended hours' urgent care services to mitigate affordability issues identified through the RFP process.

This paper covers:

- Background and summary of process to date
- The model of care and preferred providers identified through the RFP
- The proposed contractual structure
- Summary of funding and financial implications
- Options for service delivery and recommendations

Background

The three Metro Auckland DHBs are engaged in a RFP process to contract 'after hours' (5pm to 8pm) and 'overnight' (8pm to 8am) urgent care services for the region. The aims of the procurement are to secure subsidised and sustainable high quality urgent care for specific high-needs population groups (children under 13 years old, people holding High User Health Cards or Community Services Cards, quintile 5 residents, and people aged 65 or over) and in doing so improve access and equity.

The provision of accessible, affordable after-hours primary care that is available consistently across the Metro Auckland region has been challenging for several years. The urgent care landscape in Auckland is unique in New Zealand with the existence of over 30 urgent care clinics across the region, which in 2016 recorded over 1.25million attendances across all ages and for medical and emergency.

Whilst the Primary Health Organisation (PHO) Services Agreement (nationally set) states PHOs have the obligation to provide their service users with access to urgent care services on a 24-hour a day, 7 day a week basis all year round, the national policy framework lacks sufficient clarity, allows for variability in interpretation and limits leverage with PHOs to ensure they provide adequate after-hours coverage. So with the establishment of these clinics in the 1980s (previously known as Accident and Medical Clinics), primary care has over time, and in the main, reduced its contribution to the delivery of after-hours services. Consequently, the Metro Auckland DHBs have historically funded urgent care clinics to be open overnight. DHB funding has been targeted towards access and equity and seeks to support complex and high-needs patients for whom cost is typically a barrier to access. It also creates a viable alternative to EDs and supports our responsibility as 'provider of last resort'. DHBs contributing to 'after hours' and 'overnight' services in this way is atypical - in other districts primary care arranges and funds coverage.

Furthermore, ownership of urgent care clinics is mixed, with some jointly owned by collectives of GPs and others owned independently. The mixed ownership models and relationships with PHOs provide an environment of conflicting opinions and interests.

<u>Timeline and historical context (see Appendix 1 for further detail)</u>

The Auckland Regional After Hours Network (ARAHN) was established in 2011 to improve timeliness and access for patients by shifting key components of the patient journey from secondary to primary care. The primary objective of the After Hours project was to create a sustainable after hours model with a business case for future development and investment. The business case resulted in the DHBs increasing their investment by $5 million per annum. PHOs also started to contribute funds, primarily for the GP

deputising service (a telephone advice line for patients to call after hours so they can be directed to the most appropriate place for care, patients are directed to the service via the voice messaging or line directs accessed via their GP's phone number).

ARAHN is an alliance of the three metropolitan Auckland DHBs, seven PHOs, the Auckland After-Hours Consortium (the Consortium) of 11 urgent care clinics and Homecare Medical (formally known as HML). The alliance structure was developed to provide regional co-ordination across clinical services, telephone triage, public communications, and clinical governance and integrated reporting:

- PHOs make a financial contribution (circa $900,000 per annum[1]), based on number of enrolled people, for the 'after hours' and GP deputising service provision
- DHBs make a contribution of approximately $8 million[1] per annum.

The original solution for after hours designed and implemented in 2011 had the primary goal of reducing co-payments for all Maaori, Pacific, those living in quintile 5 areas, and those holding a Community Services Card or a High User Health Card.

Some features of the ARAHN agreements are worth noting:

- The Consortium was funded as a collective for after hours services, consequently, the funding parties had no visibility of the proportion of the funds allocated to each individual clinic
- Further DHBs had no visibility of whether their respective contributions funded clinics within their own boundaries
- DHBs continued to have separate contracts with individual urgent care clinics for overnight services
- The GP deputising service is owned by Homecare Medical (ProCare), a separate agreement was in place for this service
- The aforementioned points resulted in a complex set of agreements and funding flows from three DHBs, seven PHOs and urgent care clinics
- The agreement was initially very light on reporting requirements; this has been subsequently addressed with the development of a performance and quality framework.

Historical procurement process timeline

The above model was in place for three years and in July 2014, ARAHN developed a business case identifying the need for a future model of an integrated after hours system. ARAHN agreed for future services to be purchased following a formal and transparent procurement process:

- The procurement processes was initiated in March 2015
- In June 2015, RFP documentation for urgent care clinic/GP coverage review identified Commerce Act risks
- In July 2015, 'Free under 13s' policy was implemented
- In November 2015, after several months of consideration by Crown Law, Ministry of Health (MoH) Legal Services and DHB Legal Services, the procurement process was cancelled based on concerns the clauses in the proposed contract were contrary to the Commerce Act
- Revised clauses, compliant with the Commerce Act, were included in the current agreement in February 2016
- In December 2015, the DHBs started to consider a new model for after hours that could involve GPs and agreed to the PHOs having the opportunity to develop a proposal for a new model in parallel
- The PHOs and DHBs met in April 2016 to share proposals, modelling information and to identify a combined preferred approach – PHOs subsequently withdrew their support for the joint approach
- Following meetings with the Chairs and Chief Executives it was communicated that the DHBs would need to take the sole lead on implementing the preferred model, this would ensure that conflicts of interests among the PHOs were managed appropriately and due process could be demonstrated

[1] 2017 figures

- The DHB Chairs stated a requirement for further independent advice to inform the approach
- April 2016, Sapere Research was identified to conduct analysis to inform the approach. In particular they were engaged to:

    - Map out areas of high and low utilisation of after-hours services
    - Analyse what the appropriate levels of geographical coverage would look like, ensuring equity of access and targeting areas of high need
    - Develop an appropriate subsidy structure to ensure affordability for patients and the DHBs whilst ensuring provider costs are reasonably considered
    - Create an appropriate funding model that ensures sustainability and represents good value for money
    - Analyse the interplay between GP and urgent care clinics' operating hours to ensure appropriate alignment for a hybrid model involving both.

- Sapere Research reports were received in August 2016 with analysis as outlined above
- The DHBs considered several models but the preferred model was a hybrid model involving urgent care clinics and GPs operating extended hours aligned to provide after hours and overnight services
- The PHOs were consulted on the model and requested to provide feedback
- In September 2016 the PHOs stated there was no interest from GPs to engage in a model offering extended GP hours
- The DHB Chair and Chief Executives subsequently approved a regional procurement process being initiated in October 2016.

Current RFP process timeline

- The revised RFP was subsequently released in April 2017 with a closing date of 17 May 2017
- The evaluation panel made a recommendation to the DHBs as to the preferred providers.

Across Metro Auckland four providers with a combined network of 18 clinics were identified as having the necessary capacity and capability to meet or exceed the service requirements; Shorecare, Nirvana Health, East Care and Counties Medical.

The negotiation process with preferred providers was initiated on the 4th September 2017. Negotiations have progressed to a point where it can be ascertained that an affordable agreement for all three DHBs is not possible. In particular the affordability gap for CM Health cannot be eliminated. For Auckland and Waitemata DHBs a contract within budget appears achievable.

Interim Arrangements

Throughout this period there have been on-going extensions to the original contracts for after hours and overnight services. Work also has continued on the development of a quality and performance framework. During the RFP process it became apparent the proposed timeline was not achievable – due to the complexity of the negotiations and the affordability challenges described in this paper – and with the Board's endorsement a new contract extension was established through to 30 June 2018.

Given the affordability issues, and before negotiations are concluded, Board endorsement of the proposed contract structure and entering into agreements with providers is sought.

The model of care and preferred providers identified through the RFP

Model of Care

The urgent care model developed for the Metro area has the following key components:

- Urgent care clinic only model, clinics require Urgent Care accreditation
- Free care to under 13 year olds
- Maximum co-payment of $39 for patients with High User Health Cards, Community Services Cards, quintile 5 residents, and people aged 65 or over; this maximum co-payment was set at a rate similar to the median GP co-payment rate
- 'After hours' services defined as 5pm to 8pm and 'overnight' services are defined as 8pm to 8am, noting the 'after hours' services start time changed from 6pm to 5pm so as to align with the PHO Services Agreement.

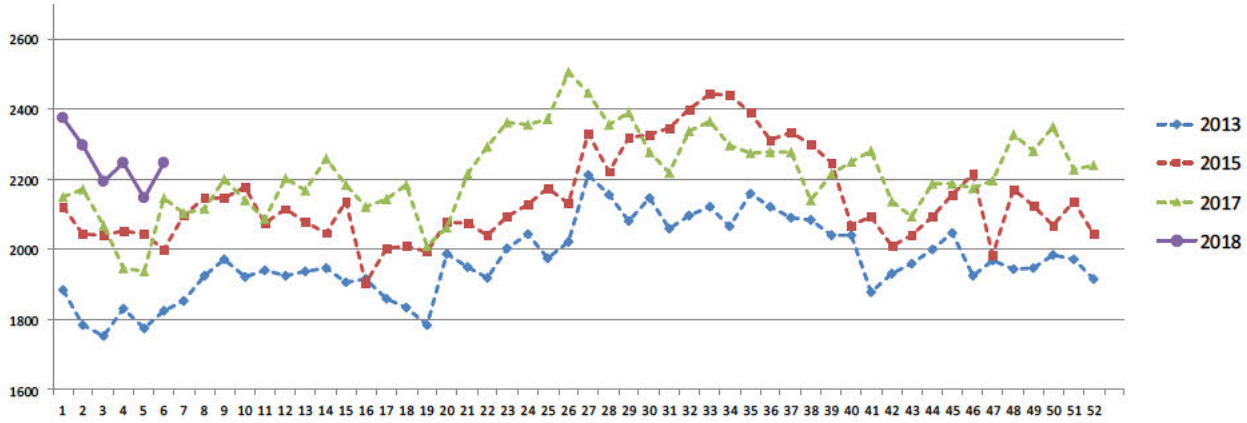
Geographical coverage was a key requirement. The model developed created localities within which responses from specific numbers of clinics were requested, for CM Health this is as follows:

CM Health Procurement Localities		
Locality	'After hours' clinics	'Overnight' clinics
Manukau	3	1
Franklin	1	1 (in one of the three Localities)
Mangere/Otara	1 (Mangere) 2 (Otara)	
East	1	
Total	***8***	***2***

The rationale for increasing the number of clinics is as follows:

- The target population living in CM Health is rising, and the compounding average growth rates over the four localities within the target population is between 1.2-2.3%[2], which would lead to an associated increase in demand for services
- We are increasing the hours of eligibility for services, starting at 5pm rather than 6pm and continuing overnight which would lead to increased attendances
- Our strategy is to relieve pressure on Middlemore ED and encourage people to choose urgent care centres as an alternative to EDs, where appropriate, through improved access, subsidising more clinics in high needs areas and undertaking communications with the public to support decision making, thus shifting activity from ED to urgent care centres. This is a necessary strategy as we are already seeing historically high levels of ED utilisation as the following graph of weekly ED utilisation shows[3]:

[2] After Hours Services Modelling and Analysis, Sapere, 14 August 2016
[3] Source – healthAlliance, Report Run: 12 Feb 2018, 10:36 AM



Taking these factors into consideration, we created a forecast for the total number of attendances that our target populations (children under 13 years old, people holding High User Health Cards or Community Services Cards, quintile 5 residents, and people aged 65 or over) would make in the next five years 'after hours' and 'overnight'. For context, there were over 1.25million attendances across 28 urgent care clinics in Metro Auckland in 2016[4] (all hours, all ages, medical and emergency (ACC)). Across 12 clinics in CM Health there were over 710,000 attendances in the same period. We are targeting specific groups, at eight clinics, 'after hours' and 'overnight' and factored in shifting demand from ED to urgent care centres within the target group. This resulted in forecast attendances across Counties Manukau as follows:

Estimated number of attendances for target populations for CMH	2017/2018	2018/2019	2019/2020
Total attendances 'after hours' and 'overnight'	**88,138**	**93,947**	**102,460**

Preferred Providers

The providers in the CM Health are identified through the RFP process to enter into negotiations with are:

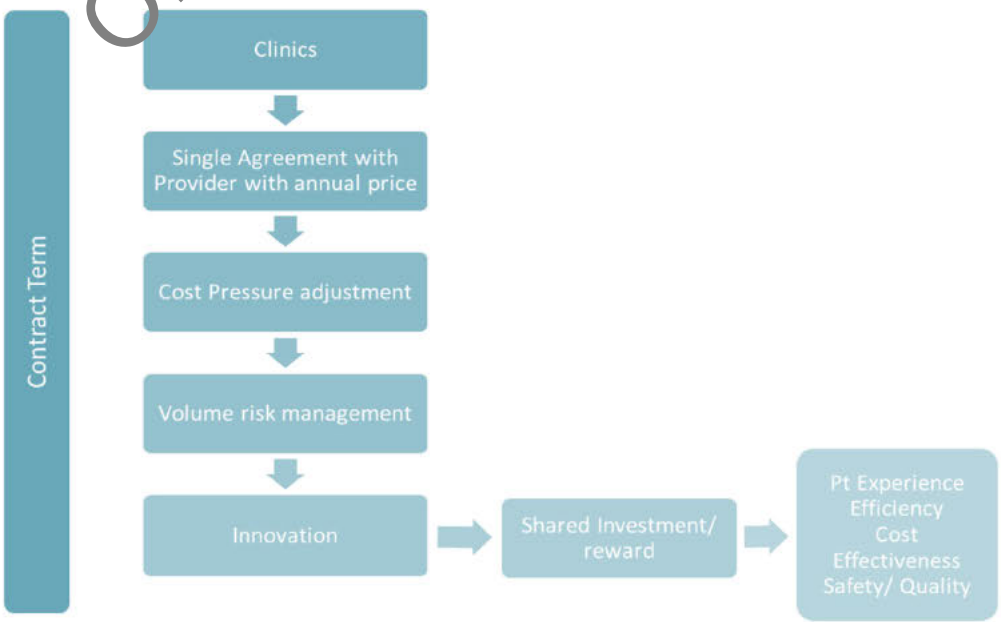
Locality	'After hours' providers	'Overnight' providers
Manukau	Counties Medical - Papakura	Counties Medical - Papakura
	Counties Medical - Takanini	
	Nirvana - Browns Road	
Franklin	No preferred provider identified through RFP, currently interim contract with Nirvana - Urgent Care Franklin	Nirvana - Bairds Road
Mangere/Otara	Nirvana - Bairds Road	
	Nirvana - Dawson Road	
	Nirvana - Mangere Town Centre	
East	East Care	
Total	***8***	***2***

[4] ARHAN data provided by Synergia, report run 15 Feb 2018

Map of the clinic locations:

Proposed contracting model

The contracting model below has been proposed to each of the providers as the preferred model from the Metro DHBs' perspective:



Each provider has agreed to this model in principle with some specific elements of the model to be finalised. All providers have agreed to a single agreement per provider rather than a clinic by clinic approach.

The more contentious components of this model have been management of; demand, cost pressures, annual price and contract term.

Contract term and demand management

The DHBs have indicated that a longer contract term of up to 9 years. Tri-annual reviews would be included. This certainty should help providers to innovate, and be reflected in better pricing. It also reduces the administrative cost to DHBs and providers of running RFP processes more frequently.

It is proposed to have a fixed per annum price over each 3 year period with provisions for risk sharing of demand. Providers have agreed in principle to them carrying a minimum 10% demand risk. The demand risk provisions will also recognise that demand varies each year according to the severity of winter. Providers have also agreed in principle that the DHB could recover funds if demand falls 10% below contract levels. This risk corridor helps DHBs manage volume risk and allows for some recovery of costs in the event the service is underutilised.

Annual Cost Pressure Adjustment

The negotiation team have indicated that a cost pressure adjustment would be proposed to DHB Chief Executive Officers (CEOs) and Boards. For ease and without need to provide additional resource it is proposed that the Sapere calculated primary care prescription index should be considered a reasonable cost pressure adjustment.

Innovation

The negotiation team have proposed that a shared investment, shared risk, shared reward arrangement with regard to the development and implementation of innovation into the After Hours system. Innovation would primarily focus on improving efficiency, patient access and patient experience at reduced cost. With respect to patient facing technologies/new ideas it would be preferred for the network of clinics and DHBs to work together and implement common initiatives across the system to provide consistency for patients across Metro Auckland.

Funding and financial investment

Current Budget

The current budget for the 'after hours' and 'overnight' service across Auckland Metro is $7.9m per annum, and for CM Health it is $3.16m as per below:

Cohort	CMDHB (000's)	3 DHBs Total (000's)
U13 etc Afterhours	$1,341	**$3,038**
CSC etc Afterhours	$1,337	**$2,180**
U13 Overnight	$357	**$1,890**
CSC etc Overnight	$124	**$829**
Total Funding	**$3,159**	**$7,937**

The PHOs also contribute $894,000 per annum in addition to the above DHB contributions.

In November 2017, five out of seven PHOs, who have been contributing collectively $768,000 per annum towards after hours services, advised they are withholding their financial contributions towards

any new agreement. Both Alliance Health Plus PHO and Total Health Care PHO have agreed to continue their respective contributions ($126,000). East Health PHO may be open to contributing depending on the final service coverage contracted in the Eastern Locality. DHBs have decided reluctantly to cover this shortfall in the short term with an expectation this will be resolved.

We have not received information from the other PHOs about how they intend to fulfil their obligations under their PHO services agreement to provide after-hours services for their enrolled populations. If the other PHO contributions stop then DHBs would need to find this funding to cover the shortfall created.

It should be noted that funders lack the visibility of how this funding is distributed within the provider Consortium, and as such have limited access to pricing information.

Negotiated prices for new agreements

Through negotiations we have been able to achieve a small degree of movement in price with providers, ~$200,000 (it is noted that as negotiations have not concluded there may be some further movement in overall price). Please also note that the negotiation process excludes coverage for Franklin, which is currently funded at $420,000 dollars per annum, and which we have included within our analysis in order to provide a complete picture of affordability.

The latest negotiated position requires significant additional funding over the current budget. The significant majority of this additional funding, $3.5m, is required by providers in the CM Health region:

	Post Negotiation Prices (000's), based on highest attendance volume scenarios	'After hours' (5-8pm) component (000's)	'Overnight'[d] (8pm to 8am) component (000's)
[redacted]	s9(2)(b)(ii)	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]
Sub total	**$6,198**	**$3,883**	**$2,315**
s9(2)(b)(ii)	[redacted]	[redacted]	[redacted]
Total	**$6,618**	**$4,303**	**$2,315**
Additional funding required	**$3,459**	**$1,625**	**$1,834**

s9(2)(b)(ii) [redacted]

There are multiple factors to consider when assessing the pricing proposals, particularly with respect to the current budget for this service:

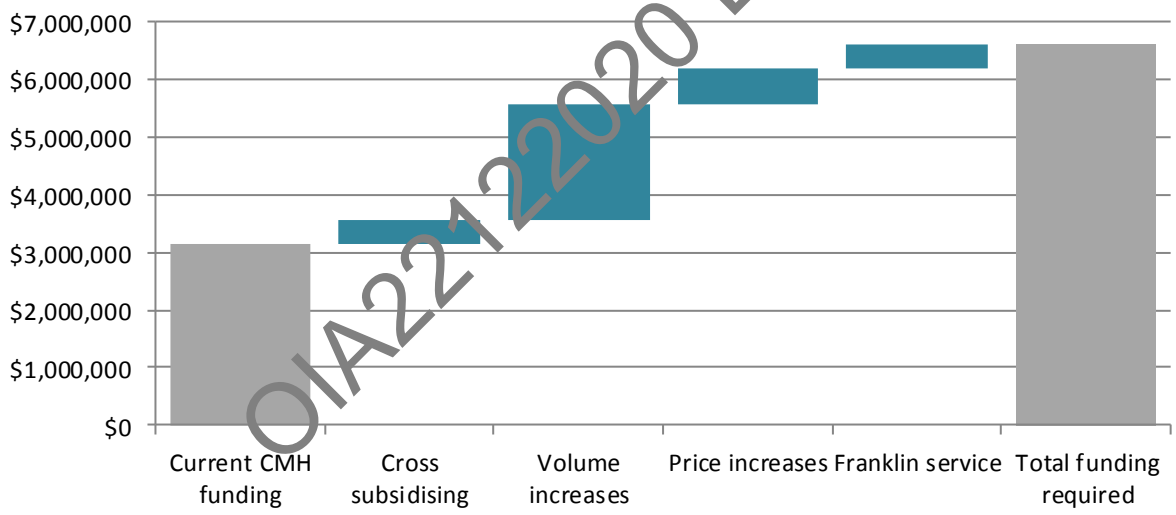
- The overnight service is significantly costly to operate and attendance volumes are not necessarily commensurate to the minimum staffing levels required
- The introduction of a maximum co-payment at $39 has led some providers to increase the level of subsidy requested
- The change in the definition of 'after hours' services from 6pm to 5pm has meant some providers have increased the price due to increased operating hours
- The preferred proposals would see an increase in the number of clinics funded - one additional 'overnight' clinic (Counties Manukau Health) and seven (three Auckland and four Counties Manukau) additional 'after hours' clinics.

Assessment of factors contributing to funding increases in CMH

Quantitative analysis indicates the specific factors contributing to the requirement for additional funding for CM Health are as follows:

- Removal of cross-subsidies from Auckland and Waitemata funders that favour CM Health– through the RFP process it has become evident that CM Health was likely benefiting from funding from Auckland and Waitemata. When the original after hours contracts were established in 2011, contributions from funders were calculated on a Population-Based Funding Formula (PBFF) basis, which for CM Health set our contribution at approximately 35%, however we have a higher demand for services, greater complexity and our share of funding should be closer to 45-50% of the regional total. Providers in CM Health claim they have less ability to generate private revenue through co-payments due to our demographics, this means they require a higher level of subsidy from CM Health
- Increased attendances – there is population growth that will lead to increased demand for services. We are also doubling the number of clinics we are funding to provide subsidised services for target population groups, and as such believe this will lead to an increased number of attendances
- Price increase – the current Consortium contract was set in 2011, and whilst there have been price increases over that period, these may not have kept pace with underlying price inflation and providers are likely to have used this opportunity adjust their prices accordingly, we have seen price increases across the region.

With the information available to us we have derived the following assessment of how each of these factors contributes to the additional funding:



Pricing Assessment

We are not intending to established fee for service contracts as we need to manage volume risk, incentivise innovation, and ensure only appropriate patients are supported. However, pricing information was requested through the RFP to support analysis of value for money. Prices are largely a factor of the subsidy required by the provider to achieve the required co-payment levels specified in the model of care multiplied by attendance volumes. Whilst other factors influence price, such as scale economies, co-payment levels, risk levels, and fixed costs, we can use the range of unit subsidy being requested by providers for comparison. The range across the region and within CM Health is detailed in the table below:

	'After hours' subsidy for free under 13s	'After hours' subsidy for all other target groups to enable $39 co-pay	'Overnight' subsidy for free under 13s	'Overnight' subsidy for all other target groups to enable $39 co-pay
Region	$44	$33	$133	$130
CMH	$49	$33	$239	$161

All figures are weighted averages and rounded

Caution should be taken when interpreting these figures, particularly because s9(2)(b)(ii) is an outlier at the lower end of the price spectrum and s9(2)(b)(ii) 'overnight' component an outlier at the higher end of the price spectrum. It has not been possible to replicate the pricing model offered by s9(2)(b)(ii), and this could be because they benefit from a unique set of conditions, such as favourable co-pays. We have also worked with s9(2)(b)(ii) to understand the risk they have priced into their 'overnight' service. Their volumes are relatively low so they have sought to cover their fixed staffing costs which make their unit price appear high. When 'controlling' for these factors the most we can probably say is that the prices we are seeing in CM Health are in-line with the rest of the region and reflective of the market rate for Auckland (weighted average 'overnight' subsidies reduce to circa $148 and $135).

Furthermore through the discussions some key points have been raised that need to be considered as context:

- Nirvana has indicated their ambivalence to the requirement for an overnight service. Other providers see the overnight service as an important component of their overall business model.
- EastCare were not selected as the preferred provider for overnight services in their locality and have stated they would not be interested in an agreement if it did not include the overnight component. However, recently they have indicated they may reconsider this position.
- A long term solution for the Franklin locality is yet to be finalised as a preferred provider was not identified through the RFP process.

Options for service delivery

Auckland and Waitemata districts are proposing to proceed to finalise an agreement for providers in both 'after hours' and 'overnight services'. Their Boards are currently considering this advice. Based on the current negotiated position, for CM Health we see four options:

1. Award all contracts on the basis of the current negotiated arrangements and accept the budget pressure, finding the necessary funding from elsewhere in the DHB budget
2. Award 'after hours' contracts (5pm to 8pm) as per the RFP. Mitigate to a limited extent the overall affordability issue by reducing the 'overnight' requirement to 'extended hours' or late night (8pm to 11pm) and run a local process to identify suitable providers. In the interim appoint four clinics to provide extended hours urgent care
3. Cancel the entire RFP process and devise a new approach
4. Cancel the RFP, withdraw DHB funding and instruct PHOs to take responsibility for these services

Legal advice has been sought on all these options and they are all permitted within the RFP framework and the current legal environment.

<u>Assessment of Options</u>

Option 1 – unmitigated is untenable in the current financial climate and would add to the already considerable challenge of the Turn Around process.

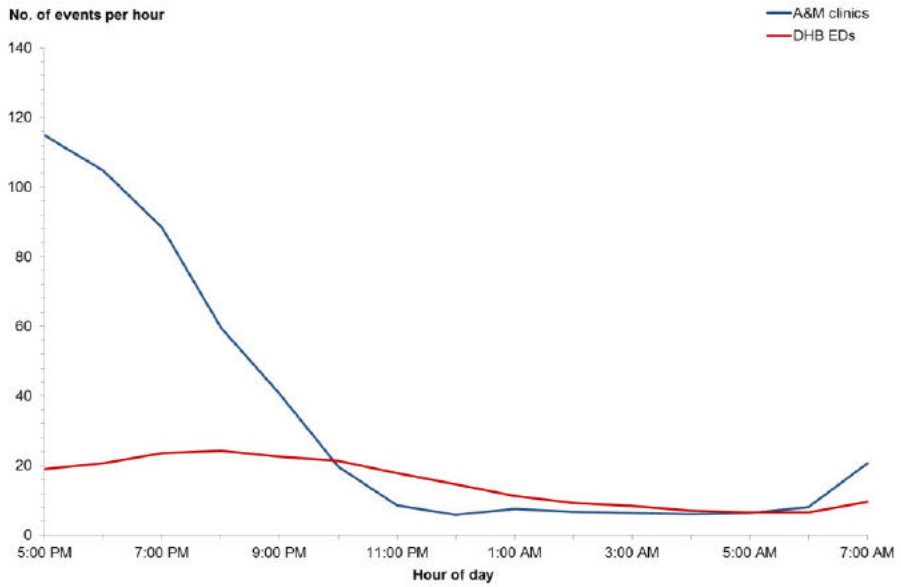
Option 3 – is considered undesirable as it will create further delay to establishing a sustainable long term solution for urgent care services, could undermine our ability to establish any level of regional agreement, and would incur additional cost as we devise and run a new process. It is also not clear what that new process would look like. It is also unlikely that a substantially cheaper option will be available given the market testing from this RFP, and the ability to compare prices across the region which would indicate we are probably seeing market rates.

Option 4 – whilst superficially appealing if assuming a DHB interpretation of PHO's responsibilities for after hours services as part of the PHO Services Agreement, presents a number of significant challenges. There is a lack of clarity and agreement regarding the PHO's obligations which would take time and create delay. Even if agreement can be reached, the manner with which the obligation can be met by PHOs are myriad, and could be as little as establishing a phone service. This would lead to reduction in service coverage and could translate to issues with access and equity as subsidies would be unlikely for our highest need residents. Further, the DHB makes a substantial contribution to these services, removing this funding is highly likely to lead to reduced service coverage, and poorer outcomes for patients. This could lead to substantial additional demand and pressure for ED and inpatient services at Middlemore. Finally we would have to provide PHOs with adequate notice of our intentions, they would then need to establish any new arrangements, all of which will take time and carry risk to current delivery.

Whilst option 2 still requires additional funding against budget, it is pragmatic and our preferred option because:

- It is our assessment that 'after hours' services are important to maintain and are effective
- Increases access across the region to clinics open 'after hours', matched to need, and establishes a capacity to mitigate demand at Middlemore ED, particularly for our high needs patients for whom cost of services presents an access barrier
- Leverages value from the current RFP process and establishes long term arrangements for 'after hours services'
- It is anticipated we could establish new agreements for 1 July 2018. This will allow for current negotiations to reach conclusion and for 3 months' notice to be given to existing providers. Current agreements with existing providers end 30 June 2018.
- Just after hours clinics would be inadequate and create coverage gaps that would likely fall to Middlemore. This option creates a network of clinics open for 'extended hours', which is better aligned with peak demand, mitigating our funding exposure overnight when demand is at its lowest levels, see graph. By our analysis we believe Middlemore Hospital Emergency Department will be able to manage these overnight patients more cost effectively.
  After-hours demand by EDs and A&M clinics, by time of day (2013)[5]:

[5] After Hours Services Modelling and Analysis, Sapere, 14 August 2016



- We will maintain key regional elements, such as the maximum co-payment common across all three DHBs.
- Finally the three DHBs will maintain appropriate data collection to support the on-going performance and quality framework.

Based upon the Sapere analysis and in order to support adequate population coverage we are proposing four locations for 'extended hours', this provides optimal coverage across the four localities, East Care, Nirvana Bairds Road, Counties Medical Papakura, and Urgent Care Franklin. The funding required for this is set out as follows (assumes 8pm to 11pm):

	Post Negotiation Prices (000's), based on highest attendance volume scenarios	Estimated cost for 'after hours' and 'extended hours' (000's)a
s9(2)(b)(ii)	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
Total funding required	$6,618	$5,050-$5,700

a – Extended hours prices are derived by available information which varies by provider, where possible volume based analysis rather than covering fixed costs

Recommendations, risks and next steps

We recommend proceeding with option 2 for the reasons stated above. The risks to this approach are as follows:

- Option 2 still requires additional budget, albeit it substantially lower, and this will need to feed into the Turn Around process
- Whilst the negotiation team will continue to work with providers to reach an agreement that remains within the parameters of the budget, it should be noted that prices submitted are based upon assumptions around hours and attendance volumes, changes to these parameters may impact the pricing if there are impacts on economies of scale
- The RFP process failed to identify a solution for Franklin locality, a separate process needs to be undertaken for that locality, information provided is based on current provision and may change
- The differential approach taken across the region may lead to challenge
- A move away from the existing model could be considered a service change which would need to go through the service change process. The MoH have advised that they would likely require Ministerial approval of the change. It is unknown if permission will be given to exit the overnight component.

Next steps

It is anticipated for new agreements to be in place for 1 July 2018. This will allow for current negotiations to reach conclusion and for 3 months' notice to be given to existing providers. Current agreements with existing providers end in June 2018. This is an ambitious timeline and would depend upon timely decision making and our ability to negotiate agreements in a timely manner.

Appendix 1: After hours timeline and historical context

The original solution for after hours designed and implemented in 2011 had the primary goal to reduce co-payments for all Maaori, Pacific, those living in quintile 5 areas, and those holding a Community Services Card or a High User Health Card. Features included:

- A network of 10 plus urgent care clinics providing care after hours across Auckland in a consistent manner e.g. open till 10pm
- A network of four urgent care clinics providing overnight care (10pm to 8am)
- Reduced co-payments of 50% on average for over 120,000 high needs patients who attend clinics after hours, on average this reduced co-payments for these patients from around $50 to under $30
- The elimination of surcharges on public holidays for these high needs patients, this means, for example, that a high needs adult that was being charged $80 would be charged $30 and for a child under six years old that was being charged $36 no fee would apply
- A locality based co-payment and non-enrolment model that ensures patients are not incentivised away from their 'medical home/Whaanau Ora' by setting urgent care co-payments no lower than the 80th percentile of local GP fees
- Consistent access to Telephone Triage and support from every GP practice in Metro Auckland to provide direct to patients specific details of the most appropriate place to go
- Co-ordinated communications across the network to raise people's awareness of what is available, where and when
- Co-ordinated monitoring and evaluation across the network to mitigate any unintended consequences and continue to learn and improve.

Historical procurement process timeline

The above model was in place for three years and in July 2014, ARAHN developed a business case identifying the need for a future model of an integrated after hours system. The business case proposed that Metro Auckland DHBs and PHOs support ARAHN for a further five years. ARAHN agreed for future services to be purchased following a formal and transparent procurement process. This would ensure better geographical coverage and transparent selection of the urgent care clinics that would be part of the Alliance. The Alliance membership would change according to the outcome of the procurement process.

Noting that ARAHN was initially established without any formal selection process, two procurement processes were planned with an open and transparent provider selection process. The first procurement process was for the GP deputising service and the second for the urgent care clinic/GP coverage.

For the urgent care clinic/GP coverage procurement preliminary discussions were held with ACC to assess if a joint procurement process was feasible. Due to timing and other matters these discussions resulted in separate procurement process.

The procurement processes were initiated in March 2015 after legal review that confirmed the proposed procurement process and outcomes were compliant with legal and Government Rules of Sourcing requirements. Further, independent probity was provided by McHale Group who specialise in probity services for the public sector. Procurement of urgent care clinic/GP coverage commenced with an Expressions of Interest (EOI) and was to be followed by a subsequent closed RFP with shortlisted providers. The EOI was concluded in May 2015 with a set of shortlisted providers identified.

In June 2015, RFP documentation for urgent care clinic/GP coverage review identified Commerce Act risks. These risks were not identified in the initial review of the procurement plan or of the EOI.

In July 2015, 'Free under 13's' policy was implemented which required negotiation with the consortium members to agree a funding model and mechanism to manage volume risk which occurred over several months.

In November 2015, after several months of consideration by Crown Law, MoH Legal Services and DHB Legal Services, the procurement process for the urgent care clinic/GP coverage was cancelled based on concerns the clauses in the proposed contract were contrary to the Commerce Act. The clauses identified as at potential risk of being contrary to the Commerce Act were historical clauses carried forward from the agreement put in place in 2011. They key issues were:

- Co-payments being set in line with the co-payments of 75% of GPs in the surrounding area and no lower
- Not allowing urgent care clinics to enrol patients should the patient wish to.

These aspects of the model were considered anti-competitive and did not support or facilitate patient choice. A new procurement process was required for the urgent care clinic/GP coverage.

DHBs sought agreement from ARAHN to remove the clauses from existing agreements. The PHOs expressed concerns around the DHBs intention to remove the conflicting clauses from the after hours agreements and requested the opportunity to develop a solution. Revised clauses, compliant with the Commerce Act, were included in the agreement in February 2016. PHOs remained concerned that the changed clauses would negatively impact GP. It is noted that there is no evidence that there has been any impact on GP as a result of the change in the clauses.

A preferred provider, Homecare Medical, for the GP deputising service was identified in November 2015 and contract negotiations were initiated. These negotiations however fell through in July 2016 as a pricing model acceptable to the PHOs could not be reached. PHOs went individually to seek their own solutions for a GP deputising like service, noting some PHOs do not have permanent services in place at the time of this report.

In December 2015, the DHBs started to consider a new model for after hours that could involve GPs and agreed to the PHOs having the opportunity to develop a proposal for a new model in parallel. The PHOs and DHBs met in April 2016 to share proposals, modelling information and to identify a combined preferred approach. A paper was prepared for the DHB Chairs and Chief Executives outlining both the DHB and PHO models with a joint recommendation on a preferred approach. PHOs however withdrew their support for the joint recommendation on the eve of the Chairs and Chief Executives meeting to consider this advice due to developing conflicting interests and lack of consensus among the PHOs.

Following the meeting with the Chairs and Chief Executives it was communicated that the DHBs would need to take the sole lead on implementing the preferred model. This would ensure that conflicts of interests among the PHOs were managed appropriately and due process could be demonstrated. The DHB Chairs stated a requirement for further independent advice to inform a decision on the most appropriate approach to be taken.

In April 2016, Sapere Research was identified to conduct analysis to inform the approach. Their reports were received in August 2016 with analysis as outlined above.

The DHBs considered several models but the preferred model was a hybrid model involving urgent care clinics and GPs operating extended hours aligned to provide after hours and overnight services. The PHOs were consulted on the model and requested to provide feedback.

In September 2016, Community Care Auckland (CCA), an Alliance of all of the Metro Auckland PHOs met on the 7th September 2016, DHBs were invited to attend. The PHOs stated there was no interest from GPs to engage in a model offering extended GP hours. The DHB Chair and Chief Executives subsequently approved a regional procurement process being initiated in October 2016.

Current RFP process timeline

The revised RFP, overseen by Ministry of Business, Innovation and Employment (MBIE), was subsequently released in April 2017 with a closing date of 17 May 2017. MBIE contracted McHale Group to provide probity oversight of the process.

Letters regarding the After Hours RFP were received from ProCare (5 May 2017), Comprehensive Care PHO (11 May 2017) and the Royal College of General Practitioners (19 May 2017). The letters detail areas of concern, including:

- Maximum patient co-payments of $39 will influence the balance of patient flow and may encourage patients to favour after hours providers over GP.
- Accreditation standards for respondents to the RFP preclude GP from responding.
- Royal College of General Practitioners questioning lack of role of extended GP hours.

The letters were in part at odds with the message given by CCA in September 2016 that GPs had no interest in providing an extended hours model.

Each proposal received was assessed against clear evaluation criteria and scored according to how well the response met the necessary service requirements. The evaluation panel made a recommendation to the DHBs as to the preferred providers. Across Metro Auckland four providers with a combined network of 18 clinics were identified as having the necessary capacity and capability to meet or exceed the service requirements; Shorecare, Nirvana Health, East Care and Counties Medical.

Counties Manukau District Health Board
Metro Auckland Urgent Care After Hours Procurement

Recommendation

It is recommended that the Board:

Note that on 28 February 2018 the Board endorsed establishing subsidised access for high needs groups to urgent care services across the district, including after hours (until 8pm) at up to eight clinics and extended hours (8pm until 11pm) at up to four clinics.

Note that negotiations with the preferred providers have now been concluded and 120,000 patient visits per annum will now be subsidised for low income patients at clinics spread across the localities, with a maximum co-payment of $39 for adults in the target group, and free access for all under 13's until 11pm.

Agree that the public and other interested parties be informed via a media release and other communications of the new arrangements, which represent a doubling of access to subsidised urgent after hours care in Counties Manukau.

Prepared and submitted by Benedict Hefford, Director of Primary, Community and Integrated Care.

Purpose

This briefing provides an update to the Board regarding the outcome of the regional Urgent Care After Hours procurement process.

Background

In 2017, the Auckland, Counties Manukau, and Waitemata DHBs developed and released a joint Request for Proposal (RFP) for 'after hours' (5pm to 8pm) and 'overnight' (8pm to 8am) urgent care services.

On 28 February 2018, the CMH Board considered the outcome of the regional procurement negotiations and subsequently agreed to endorse finalisation of agreements for 'after hours' urgent care services in CMH, and establish an arrangement for 'extended hours' urgent care services to mitigate affordability issues identified through the RFP process. It was also agreed that all reasonable attempts to mitigate the budget pressures would be taken, including further price negotiations with providers, approaching PHOs to re-start their funding contributions, and, if necessary, potentially reducing service coverage. The Minister of Health's office and Ministry of Health have been kept regularly updated of progress.

Progress

Subsequent to Board approval we have concluded negotiations with the preferred providers. As part of these negotiations, the three DHBs kept some key elements in common across the region, including:

- Subsidised population groups targeting equity (High User Health Cards or Community Services Cards, low income residents, and people aged 65 or over);
- $39 maximum co-payment for the subsidised population groups;
- Free after hours care for under 13 year olds;
- Attainment of urgent care accreditation standards, and

- Appropriate data collection to support the on-going performance and quality framework of the Auckland Regional After Hours Network.

There are however some differences across the region. As previously agreed by the Board, we have not proceeded with the overnight component (8pm to 8am) and have instead established an interim solution with four providers (one in each locality) to provide extended hours services from 8pm to 11pm. The extended hours services will remain consistent with the common after hours elements described above. Commencing 1 July 2018, we will have subsidised urgent care services for high needs groups at the following clinics:

After Hours Clinics: 5pm till 8pm	Co-payments for children under 13 years	Co-payments for other subsidised patients
ETHC Mangere	$0	$37.50
ETHC Dawson Rd	$0	$37.50
ETHC Browns Rd	$0	$37.50
ETHC Bairds Rd	$0	$30
Counties Medical Takanini	$0	$35
Counties Medical Papakura	$0	$35
East Care Howick	$0	$39
Urgent Care Franklin	$0	$39
Extended Hours Clinics: 8pm till 11pm	**Co-payments for children under 13 years**	**Co-payments for other subsidised patients**
ETHC Bairds Road	$0	$30
Counties Medical Papakura	$0	$39
East Care Howick	$0	$39
Urgent Care Franklin	$0	$39

These clinics are in the following locations:

Funding

In the paper presented to the Board on 28 February, an estimated cost for both the after-hours and extended hours services was presented. The paper also maintained that whilst the negotiation team would continue to work with providers to reach an agreement that remains within the parameters of the budget, that prices submitted via the RFP were based upon assumptions around hours and attendance volumes, and that changes to these parameters may impact the pricing if there are impacts on economies of scale.

At the conclusion of the negotiations we have agreed a final cost below the maximum estimated level (with a slightly higher than expected estimated volume level also). The following table presents the previous estimates in comparison to final agreed price and estimated volumes.

	Previous Estimated Price ($000's)	Previous Estimated Volumes	Final Price ($000's)	Final Estimated Volumes
Total	$5,050-$5,700	118,612	**$5,32-**	**120,465**

It is worth noting that the increased investment by the Board (~ $2 million) has:

- More than doubled the current access, with subsidised visits now available at eight clinics, up from three, and
- The number of patient visits subsidised each year has increased by 140%, from a previous 50,000 subsidised volumes to 120,000.

The main change from current service provision is that Eastcare will only receive funding until 11pm for subsidised visits by high needs patients. However, Eastcare - with support from Easthealth PHO - has decided to continue their overnight service utilising clinicians delivering Hospital in the Home services in the Eastern Locality. Hospital in the Home allows treatment to be delivered within a patient's own home or community based locations, and supports the transition of care from hospital. An Advanced Paramedic will be based at the Botany Superclinic to provide overnight clinical cover for both Hospital in the Home and urgent care patients. This partnership model allows both Eastcare/Easthealth and CMH to meet our shared objectives of delivering care closer to home, reducing demand on hospital services (by reducing length of stay and supporting admission avoidance), and improving transitions of care. The initiative will also support the development of an innovative new workforce and model of care in collaboration with St. John's Ambulance Trust.

Communications

The new arrangements are now in place and the clinic locations and hours and costs of access will now be communicated via media releases, social media, locality networks and other channels.

Appendix 2 - Summary of Minutes

Excerpt from Minutes of Community & Public Health Advisory Committee Meeting – 20th January 2016

3.3 Primary Health (Mr Hefford)

After Hours & Overnight Services – In the current PHO contract is states that coverage must be available to 95% of patients within *60 minutes travel time* and for Counties Manukau there must be at least 1 clinic providing after hours care to 95% of patients *within 60 minutes travel time* within each identified locality. 60 minutes in an urban area is a long way so we are expecting proposals that have much greater accessibility.

The Chair reiterated that it is critical we adhere to our timeframes and have received all proposals in relation to this by March 2016 in order to adhere to 1 July for the start of the new contracting arrangements.

Ms Glenn commented that the coordination between Taikura Trust and the district health board when transitioning care for people over 65 years of age is still not good and should be made a lot easier.

Excerpt - CPHAC Report_Primary Health_20.01.2016

3.3 Primary Health

OBJECTIVE: To deliver comprehensive in and out of hours primary health care which is 'Better, Sooner, and More Convenient'.

PROGRESS

After hours and overnight services procurement process update

The DHBs have spent some time discussing the various options to progress with the After Hours Network model. A paper was prepared for the Regional Funding Forum and was used in discussions with the Board Chairs. Three options were identified for consideration:

1. Work with the PHOs to develop a revised After Hours model
2. Make After Hours contracts available to all service providers
3. Re-run a procurement process for a network of providers.

It has been agreed to develop options one and two simultaneously with a view to approach the boards again in March 2016 with more detailed proposals.

PHOs have been provided with a copy of the paper and have been asked to develop a proposal that meets all of the DHBs' requirements. These include:

a) Coverage – the service model must be responsive and available to the entire populations in the three DHBs (Counties Manukau, Auckland, and Waitemata) irrespective of enrolment status
b) Coverage – the service model must be available to 95% of patients within 60 minutes travel time. For Counties Manukau, there must be at least one clinic providing after hours care to 95% of patients within 60 minutes travel time within each identified locality
c) Coverage – the service model must provide after-hours coverage from 5pm to 10pm Monday to Friday and on weekends and public holidays.

d) Coverage – The service model must provide an appropriate level of overnight services from 10pm to 8am 7 days a week to service the Auckland metro region.
e) Coverage - an appropriate level of geographical coverage by ensuring there is at least one clinic providing after hours care in each identified locality to service the needs of that population.
f) Cost – the service model must be free for all under 13s utilising the service.
g) Cost – the service model must have consistent pricing within a provider for both PHO enrolled and non-enrolled patients using the service.
h) Cost – the service model must provide a subsidised cost for Maori, Pacific, and Quintile five populations plus; high User Health Card holders, and Community Service Card holders.
i) Cost – The service model should consider a subsidised cost for the over 75 years of age population.
j) Cost – Pricing must be set in a manner consistent to the requirements of the Commerce Act.
k) After Hours Alliance – All PHOs and providers must agree to be a member of an After Hours Alliance that will also include the three DHBs.
l) Quality, Safety, and Performance – all providers must agree to provide the appropriate data to ensure that the Quality, safety and performance of the after-hours services can be measured and managed.
m) Financial Transparency – All PHOs and providers must agree to full transparency of the use of the funding.
n) Affordability – affordable within available funding over the duration of the agreement.
o) Process- A Fair and contestable process must be employed when selecting After Hours Providers.

PHOs have been asked to provide a response by the end of February 2016. The DHBs and PHOs will then consider each other's models with a view to submitting a collectively agreed model to the boards in March 2016. The proposal development process will need to include consultation with each of the Counties Manukau Health Locality Leadership Groups. Proposals will need to demonstrate how service delivery models will be responsive to the needs of each locality within the Counties Manukau region.

Current After Hours Agreements
Some of the clauses that have been considered to be in breach of the Commerce Act are also included in the current After Hours Provider Consortium and Auckland Regional After Hours Network Agreements (the Agreements). These agreements have been extended in draft until the end of February 2016. It has been recommended to PHOs that this date is extended to either June or December 2016 to allow sufficient time for an alternative model for future service provision to be developed. This means the current agreements need to be amended to comply with the Commerce Act. There are two options to consider around management of the current contracts:

a) Remove the clauses from the existing contract and create a variation to extend the agreement out to a preferred date (June/December 2016)
b) If consortium providers do not agree with an extension in this manner, the DHB will need to enter into individual agreements with individual providers until a revised model is in place.

The options outlined above will be further discussed with the sector in Jan / Feb 2016.

OBJECTIVE: To deliver comprehensive in and out of hours primary health care which is 'Better, Sooner, and More Convenient'.

PROGRESS

After hours services update

PHOs and DHBs are currently involved in consultation and work up of options for regional after hours services. It is expected that proposals will be ready for review by boards in March 2016. The After Hours Network members have agreed on a variation to the current After Hours Provider Consortium and Auckland Regional After Hours Network Agreements. The clauses that did not align with the Commerce Act have been removed or amended and the date of the Agreements has been extended to 31 October 2016 to allow time for the revised service arrangements to be finalised.

Excerpt from Minutes of Community & Public Health Advisory Committee Meeting – 9th November 2016 (publicly available on website)

7. Director of Primary Health & Community Services Report (Benedict Hefford)

The report was taken and read with Mr Hefford highlighted the following:

After Hours Services Update

The Counties Manukau District Health Board has given approval for Counties Manukau Health to proceed with a procurement of after-hours services including overnight services, in our district. Primary Health Organisations will not be involved in the procurement process however, they will contribute funding into after hours services across the region. A request for proposals for after-hours services will be initiated during this calendar year. Counties Manukau Health will work with Auckland and Waitemata District Health Boards to have a consistent service specification, a common maximum co-payment and consistent procurement timeframes. The District Health Boards are currently completing modelling and finalising procurement documentation.

(Ms Colleen Brown left at 4.00pm)

CM Health will continue to work with Auckland & Waitemata DHBs to maintain consistent service delivery including maximum co-payments.

Excerpt from Board Meeting 2nd August 2017 – Public excluded

3.6 Urgent Care Services (Benedict Hefford)

The paper was taken as read.

Tenders closed a few weeks ago for both after-hours urgent care and overnight urgent care across metro-Auckland. The preferred suppliers for both categories have been identified and negotiations are now underway with both providers.

This paper requests authority to be given to the Chief Executive to enter into transitioning agreements so that the transition can be managed as safely and as quickly as possible.

Affordability-wise there is a multi-million gap between the proposals and our budget and we will need to push the providers quite hard on that to get a landing.

The issue of moving the overnight services from Eastern to Otara was raised. It was noted that if the decision is made to move overnight services from Eastern to Otara, then East Care can determine its

opening hours, however, they will not receive a subsidy. Benedict Hefford advised that even without the overnight supply, Otara has twice the volume of urgent care delivered to that community than Eastern.

Margie Apa advised that the final decision will be made by the Chief Executive within normal delegated authority and in making that decision would come back to the Board with the risks and the proposed approach to assure the Board that Management have considered all the necessary population health issues and have a plan to appropriately manage the transition.

Following further discussion, the final decision will sit with the Board in terms of final contracts.

The Chair confirmed that the Board does not want any surprises and are to be kept informed as the process progresses.

Resolution (Moved: Rabin Rabindran/Seconded: Colleen Brown)

That the Board:

Noted that this briefing has been endorsed by the ARF Committee for Board approval.

Noted correspondence from ProCare, Waitemata PHO and Royal New Zealand College of General Practitioners with respect to:
a. Restrictive nature of the RFP, specifically requirement to be an Urgent Care Clinic (UCC) that meets the associated standards.
b. Potential impact on general practice through having low cost care via UCCs.
c. Potential impact on patient outcomes.
d. Potential negative impacts on emergency departments.
e. Noting that a complaint may be taken to the Commerce Commission.

Noted the Commerce Commission communication of 19 May 2017 that there is not a matter to investigate.

Authorised the acting Chief Executive to sign contract extensions of up to 9 months if an affordable agreement cannot be reached with preferred providers.
Agreed that if contracts needed to be extended for longer than 9 months, the contracts are to be taken to the Audit Risk and Finance Committee or Board for final approval.

Excerpt from Board Meeting Minutes – 27 June 2018

5.4 Metro Auckland Urgent Care After Hours Procurement (Benedict Hefford, Director Primary Community and Integrated Care).
The paper was taken as read.

On 28 February 2018 the Board endorsed establishing subsidised access for high needs groups to urgent care services across the district, including after hours (until 8pm) at up to eight clinics and extended hours (8pm until 11pm) at up to four clinics. Negotiations with the preferred providers have now been concluded and 120,000 patient visits per annum will now be subsidised for low income patients at clinics spread across the localities, with a maximum co-payment of $39 for adults in the target group, and free access for all under 13's until 11pm.

Mr Hefford confirmed that East Care, with support from Easthealth PHO, will continue their overnight service utilising clinicans delivering Hospital in the Home services in the Eastern locality.

Hospital in the Home allows treatment to be delivered within a patient's own home or community based locations and supports the transition of care from hospital. An Advanced Paramedic will be based at the Botany Superclinic to provide overnight clinical cover for both Hospital in the Home and urgent care patients. The initiative will also support the development of an innovative new workforce and model of care in collaboration with St John's Ambulance Trust. There will still be a cost for after 11pm and East Care are still working through the parameters of what that will be. The Board asked that the finalised co-pays for East Care be reported back to the Board.

Resolution (Moved: Mark Gosche/Seconded: Dianne Glenn)

That the Board:

Agree that the public and other interested parties be informed via a media release and other communications of the new arrangements, which represent a doubling of access to subsidised urgent after hours care in Counties Manukau.

Excerpt Minutes from Board Meeting – 28th February 2018 Public Excluded

4.9 Metro Auckland Urgent Care & Overnight Services Procurement (Benedict Hefford & Matt Hannant)

The urgent care landscape in Auckland is unique in New Zealand with over 30 urgent care centres and ~1.25million patient attendances in 2016, of which ~40% are after hours when most General Practices (GPs) are closed and ~710,000 attendances were at clinics in Counties Manukau. Whilst the majority of this provision will be privately funded or covered by the Accident Compensation Corporation (ACC), there are ~50,000 after hours attendances in our district by patients in high-needs groups. CM Health currently subsidise these patients through access to a network of four providers in Counties Manukau in order to mitigate access and equity issues and support better care.

As the Counties Manukau population has grown, and continues to grow, and against a backdrop of record attendances at Middlemore's Emergency Department (ED), we are seeking to address associated rising demand and health need by increasing access to urgent care centres after hours, providing a viable alternative to EDs for appropriate patients, and further addressing equity by subsidising more clinics in high-needs areas. This will allow the DHB to subsidise up to 100,000 attendances annually for the target patient groups, which our analysis indicates will be necessary over the next two to three years.

The metro-Auckland DHBs engaged in a Request for Proposal (RFP) process to contract 'after hours' (5pm to 8pm) and 'overnight' (8pm to 8am) urgent care services to improve access and equity for specific high-needs population groups (children under 13 years old, people holding High User Health Cards or Community Services Cards, quintile 5 residents, and people aged 65 or over).

The RFP identified a number of preferred providers and negotiations with these providers have progressed to a point where it can be ascertained that an affordable agreement for all three DHBs is not possible. In particular the affordability gap for CM Health cannot be eliminated. For Auckland and Waitemata DHBs, a contract within budget appears achievable.

The proposed budget for 8 'after hours' sites and 2 'overnight' sites in Counties Manukau is $3.16m. The latest negotiated position would require an additional $3.5m of funding against this budget. This rise in funding is largely driven by growing demand but factors such as increased prices and a reduction in cross subsidies also contribute.

To support continued urgent care services for high-needs populations and mitigate the additional funding requirements a pragmatic option is recommended of awarding just 'after hours' contracts (5pm to 8pm) as per the RFP. We would then mitigate, to a limited extent, the overall affordability issue by reducing the 'overnight' requirement to 'extended hours' (8pm to 11pm) and running a local process to identify suitable providers for this service. In the interim we would appoint 4 clinics to provide 'extended hours' urgent care. This will reduce the level of additional funding required against budget by $1.9m to $2.5m.

The alternatives to this approach all create service coverage issues with potential flow on impacts to the CM Health ED and impact our ability to support high needs population groups. The new services would be established by 1 July 2018.

East Care is a current provider of overnight services in the Counties Manukau region. They were not successful in terms of the procurement process mostly because of where they are located and who they serve - the procurement was very much about targeting Maaori, Pacific and low income families, however, discussions are underway with East Care in relation to a hospital at home concept, hopefully in time for this winter, which should provide a different and better service for people in the area that is 24-hours.

The recommended option is to contract with the after-hours providers who were successful in the procurement process (from 5pm – 8pm), not contract for the 12pm – 8am coverage as that is the least value option (hardest to staff and not the biggest priority) and put in place some interim arrangements (between 8pm – 11pm) with selected clinics for the remainder of the financial year. A proper process will have to be run for the 8pm – 11pm component because it was different to the original procurement process. The current interim arrangements with East Care expire on 30 June.

There is no perfect solution. We need to try and allocate the resources in a way that is going to deliver the most value to the DHB and this will improve access in terms of the number of additional clinics. We need as many health services as possible open until 11pm at night which is the critical time for the hospital. We are attempting to fill a gap that is the responsibility of general practice. What we would like is to actively support general practice to be open extended hours which would be a much better model of care.

Board comments included:

- Should there be some conversations with Waikato DHB in relation to the rising Pokeno population.
- We need East Care to deal with the population explosions in Maerati, Beachlands and Kawakawa Beach. We can't just say 'no' to after-hours services there. These are large, older populations. The population is growing so rapidly, we need the East Care facility.
- With the gap already in terms of the emergency services network (ambulance services) and the growing population, particularly in low income earners, cant see that this will work.
- Would like to see East Green reflected as 'green' (extended hours urgent care centre), not 'purple' (after hours urgent care centre).
- There is nothing stopping GP practices opening after-hours.

It was noted that a proposal for extended hours (8pm – 11pm) will come to the Board for final approval in due course.

Resolution

That the Board:
Note that on 13 September 2017 the Board was advised of a multi-million dollar gap between current budgets and the proposals received through Request for Proposal (RFP) for 'after hours' (5pm to 8pm) and 'overnight' (8pm to 8am) urgent care services, and it agreed that the negotiated contracts be taken back to the Board for final approval.

Note that post contract negotiations, services for Counties Manukau Health (CMH) would require an additional $3.5m of funding against budget, however, proposals received in Auckland and Waitemata District Health Boards (DHBs) appear within their budgets and those Boards are being advised to proceed with contracting for both 'after hours' and 'overnight' services in their districts.

Note that four options for proceeding in Counties Manukau are presented in this report: (1) awarding all contracts on the basis of the current negotiated arrangements (requiring $3.5M additional funding); (2) reducing the 'overnight' services requirement to 'extended hours' of 8pm to 11pm (requiring circa $1.8M of additional funding); (3) cancelling the entire RFP process and devising a new approach (unlikely to substantially mitigate budget pressures); or (4) cancelling the RFP, withdrawing DHB funding and instructing Public Health Organisations (PHOs) to take responsibility for these services (likely to lead to service coverage issues).

Endorse the recommended option two for urgent care services as follows:

- **Finalise agreements with the preferred providers for 'after hours' urgent care services (5pm to 8pm), identified through the regional RFP.**
- **Reduce the 'overnight' requirement to 'extended hours' (8pm to 11pm, rather than 8pm to 8am).**
- **Run a local process to identify suitable long term providers for 'extended hours'.**
- Appoint up to four clinics in the interim to provide 'extended hours' urgent care.
- **Ensure all other contract structures and specifications continue to be set consistently with Auckland and Waitemata agreements, including maximum patient co-payment levels, contract clauses related to length, termination, and annual price adjustments, and data collection, performance and quality requirements.**

Agree that all reasonable attempts to mitigate the budget pressures be taken, including further price negotiations with providers, approaching PHOs to re-start their funding contributions, and, if necessary, potentially reducing service coverage.

Authorise the Chief Executive to sign the final 'after hours' contracts and interim 'extended hours' contracts, both of which are anticipated to be in place by 1 July 2018.

(Against: Katrina Bungard, Lyn Murphy/Absent: Mark Darrow)

Sarah Burr (CMDHB)

From: Matt Hannant (CMDHB)
Sent: Friday, 21 February 2020 11:50
To: 'Gordon Armstrong'
Cc: Penelope Magud (CMDHB)
Subject: Letter re. over night services
Attachments: East Care overnight letter v1.0.pdf; East Care AH letter April 2018.pdf

Hi Gordon,

Thank you for your time recently to discuss overnight services. As discussed, please find a letter confirming the DHB's position.

Ngaa mihi,
Matt

Matt Hannant
General Manager Primary Care, Funding and Development | Primary Health and Community Services

s9(2)(a)

Counties Manukau Health | Ko Awatea Innovation Hub | Middlemore Hospital, 100 Hospital Road, Otahuhu | Private Bag 93311 Otahuhu, Auckland 1640
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COUNTIES MANUKAU HEALTH

21 February 2020

Gordon Armstrong
Eastcare Accident and Medical
260 Botany Road
Golflands
Auckland, 2013

Dear Gordon,

Further to our discussion on Monday 3 February 2020 and 14 November 2019, I wanted to summarise our conversation and confirm the District Health Board's (DHB) position with respect to overnight urgent care services provided by East Care.

The notification of non-renewal of East Care's overnight contract on 29 March 2018 saw this contract come to an end on 30 June 2018.

From 1 July 2018, any overnight services provided by East Care were provided at its cost. This position was explained to East Care in the DHB's letter to East Care dated 27 April 2018 (a copy of that letter is attached – see paragraph 3 of that letter in particular). As a result, while the DHB is supportive of East Care in its efforts to provide overnight services, it was clear that these services would not be funded by the DHB.

At our most recent meeting we acknowledged the long standing relationship between our two organisations and East Care's continued commitment to the Eastern Locality community. We acknowledge your role as a funded provider of after-hours urgent care services and thank you for your participation in the Emergency Q pilot. The DHB is also genuinely committed to exploring what an agreement regarding the Eastern Hub and associated services could look like and will continue to discuss this work as we develop the Primary and Community strategy for 2025.

I also look forward to receiving the letter you mentioned regarding the Eastern Hub in due course. In the meantime if you'd like to discuss this further please get in touch.

Yours sincerely,

Matt Hannant
General Manager, Primary Care Funding and Development
cc. Penny Magud

COUNTIES MANUKAU HEALTH

27 April 2018

Gordon Armstrong
Eastcare Accident and Medical
260 Botany Rd
Golflands
Auckland 2013

Dear Gordon,

Re: After hours, overnight and extended hours urgent care services provided by East Care from 1 July 2018

Further to our letter dated 14th March regarding the Metropolitan Auckland after hours and overnight services procurement process, thank you for your time recently to support these discussions. This letter outlines the discussion we had, and the terms and pricing we agreed to at our meeting of 19 April 2018.

Hours

'After hour's is defined as 5pm to 8pm Monday to Friday and 8am to 8pm Saturday and Sunday and public holidays, 365 days per year. 'Extended hours' is defined as 8pm-11pm, Monday to Sunday 365 days per year. 'Overnight' is defined as 8pm to 8am, Monday to Sunday 365 days per year.

Counties Manukau Health confirmed that the DHB has decided not to proceed with the overnight component of the RFP with any provider across the CMH district. However this does not preclude any provider choosing to stay open overnight. CMH will therefore continue only for the 'after-hours' component of the RFP from 5-8pm.

We discussed the arrangements CMH is seeking to establish for 'extended hours' (8-11pm) urgent care services. This process is distinct to the current RFP process and seeks to support continued urgent care services for high-needs populations and mitigate funding challenges. With respect to 'extended hours' we agreed the following:

- Co-payment level, risk corridor, contract term, and price adjuster consistent with the 'after hours' services;
- 'Extended hours' defined as 8pm to 11pm Monday to Sunday all year, and
- That these arrangements will be established as an interim arrangement until CMH conducts a local process to establish a long term solution for 'extended hours'.

Service Components

The three Auckland Metro DHBs are seeking consistency in the following areas:

- The overall contract framework;
- The same targeted populations;
- $39 maximum co-payment;
- Free care for under 13s. The DHBs are mindful that Government policy may change this to free care for under 14s, however we are still waiting on further advice around how and when this will be implemented. At this stage it is unlikely that under 14s will be factored in the new agreement;
- Urgent care accreditation, and
- Data collection.

Term

COUNTIES MANUKAU HEALTH

We agreed that the contract would be of five year duration. This is likely to be made up of an initial three year term where expected volumes and pricing will be defined in the agreement, and a second two year term where we will agree pricing and volumes following a review of the first three years.

Expected Volumes and Funding

The contract will include indicative volumes for the first three years of the contract term. A 10% risk corridor to the baseline volumes was proposed with further detail on the process for wash-up/wash-down to be defined. Funding will be provided on an annual global budget, not fee for service, paid evenly across 12 months.

It was proposed that the First Contact funding stream percentage increase within the annual Prescription Notice issued by the Ministry of Health (which increases primary care funding) will be applied as the annual cost/price adjuster. In the pricing information sent to us, you had included a pricing adjuster of 2%; we have assumed that the pricing (adjustor excluded) will stay the same over the three year period as below.

Based on the pricing you provided to us recently, it may look something like this in the agreement:

Total Expected Eligible Service User Volumes per annum (2018/2019 to 2020/21), **after hours (5-8pm) component**

	2018/19			2019/20			2020/21		
	Total expected volumes	*Lower 10% threshold*	*Upper 10% threshold*	**Total expected volumes**	*Lower 10% threshold*	*Upper 10% threshold*	**Total expected volumes**	*Lower 10% threshold*	*Upper 10% threshold*
Total	**10,962**	*9,866*	*12,058*	**11,963**	*10,767*	*13,159*	**12,560**	***11,304***	***13,816***
Under 13s	8,089			8,777			9,215		
Other ESUs	2,873			3,186			3,345		

Total Expected Eligible Service User Volumes per annum (2018/2019 to 2020/21), **extended hours (8-11pm) component**

	2018/19			2019/20			2020/21		
	Total expected volumes	*Lower 10% threshold*	*Upper 10% threshold*	**Total expected volumes**	*Lower 10% threshold*	*Upper 10% threshold*	**Total expected volumes**	*Lower 10% threshold*	*Upper 10% threshold*
Total	**4,203**	*3,783*	*4,623*	**4,582**	*4,124*	*5,040*	**4,812**	*4,331*	*5,293*
Under 13s	3,272			3,550			3,728		
Other ESUs	931			1,032			1,084		

Price (2018/2019 to 2020/21), **after hours** component, excluding annual adjustments

	2018/19	2019/20	2020/21
Total (excluding GST)	**$509,733.00**	**$556,279.50**	**$584,040.00**
Under 13s (excluding GST)	*$ 376,138.50*	*$ 408,130.50*	*$ 428,497.50*
Other ESUs (excluding GST)	*$ 133,594.50*	*$ 148,149.00*	*$ 155,542.50*

COUNTIES MANUKAU HEALTH

Price (2018/2019 to 2020/21),**extended hours** component, excluding annual adjustments

	2018/19	2019/20	2020/21
Total (excluding GST)	**$226,962.00**	**$247,428.00**	**$259,848.00**
Under 13s (excluding GST)	*$ 176,688.00*	*$ 91,700.00*	*$ 201,312.00*
Other ESUs (excluding GST)	*$ 50,274.00*	*$ 55,728.00*	*$ 8,536.00*

This pricing was calculated using the following information supplied by you.

Pricing calculation, **after hours** component, excluding annual adjustments

	18/19			19/20			20/21		
Estimated Service User Category	**Price per volume**	**Expected volume**	**Maximum payable**	**Price per volume**	**Expected volume**	**Maximum payable**	**Price per volume**	**Expected volume**	**Maximum payable**
Under 13s (excluding GST)	$46.50	8,089	$376,138.50	$46.50	8,777	[illegible]130.50	$46.50	9,215	$428,497.50
Other ESUs (excluding GST)	$46.50	2,873	$ 133,594.50	$46.50	3,186	$148,149.00	$46.50	3,345	$155,542.50
Total		**10,962**	**$509,733.00**		**11,963**	**$556,279.50**		**12,560**	**$584,040.00**

Pricing calculation, **extended hours** component, excluding annual adjustments

	18/19			19/20			20/21		
Estimated Service User Category	**Price per volume**	**Expected volume**	**Maximum payable**	**Price per volume**	**Expected volume**	**Maximum payable**	**Price per volume**	**Expected volume**	**Maximum payable**
Under 13s (excluding GST)	$54.00	3,272	176,688.00	$54.00	3,550	$191,700.00	$54.00	3,728	$201,312.00
Other ESUs (excluding GST)	$54.00	931	$50,274.00	$54.00	1,032	$55,728.00	$54.00	1,084	$58,536.00
Total		**4,203**	**$226,962.00**		**4,582**	**$247,428.00**		**4,812**	**$259,848.00**

Innovation

The three DHBs would like to see consistent use of new technology across all the urgent care clinics. An example of this includes patient facing information technology. An in principle clause around innovation and shared benefit will be included in the new agreement.

Co-Payments

The co-payment level by clinic and eligible service user will be defined in the agreement, and applicable for the three year initial term.

Please can you indicate by return if you believe this is an accurate record of our discussions and agreement? We also have recently sent you a draft Service Specification which we would welcome feedback on.

We hope to have an agreement to you as soon as possible, and look forward to having the services in place by 1 July 2018.

COUNTIES MANUKAU HEALTH

It would also be helpful if you could confirm in writing East Care's intentions with regards the overnight service, so we can consider this in the context of other service developments.

Regards,

Matt Hannant
General Manager Primary Care, Funding and Development

Sarah Burr (CMDHB)

From: Gordon Armstrong [redacted s9(2)(a)]
Sent: Wednesday, 09 December 2020 18:17
To: Kate Dowson (CMDHB)
Cc: Matt Hannant (CMDHB); Peter Woodward
Subject: Re: Urgent: ED extremely busy tonight, may be more EQ referrals than usual

Hi Kate,

Thanks for the heads-up. I think we are all in the same predicament right now. This is creating very long wait times at our clinic, so your ED staff may want to let referrals to us know to expect that.

Matt, as communicated to you earlier this year (and for the previous two years), as well as in August, the lack of overnight funding for East Care is both inequitable and unsustainable. We remain the largest provider of overnight care in Auckland outside the EDs so it is unconscionable that we are unsupported. I will be in touch with you Friday to formally advise what this means going forward.

Regards,

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Gordon Armstrong
Chief Executive

Mobile [redacted s9(2)(a)]
[redacted s9(2)(a)]

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East Care | Health Improvement Grou[redacted] | Medical Property

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From: Kate Dowson (CMDHB) [redacted s9(2)(a)]
Sent: Wednesday, December 9, 2020 6:01 PM
To: 'Dr Alistair Sullivan'; [redacted s9(2)(a)] 'CountiesMedical Manager'; Lianne Webber; Gordon Armstrong
Cc: Matt Hannant (CMDHB)
Subject: Urgent: ED extremely busy tonight, may be more EQ referrals than usual

Evening all,

Just a heads up that MMH ED is extremely busy tonight. They are encouraging the use of EQ as much as possible (for appropriate patients) so there may be more patients presenting with vouchers at your clinics tonight than usual.

Please give me a ring on [redacted s9(2)(a)] if any issues.

Appreciate your support with this, as I know that if ED is this busy your clinics most likely are too!

Ngaa mihi,

Kate

Kate Dowson

Primary Care Programme Manager | Primary Health and Health of Older People | Funding and Health Equity

s9(2)(a)

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Sarah Burr (CMDHB)

From: Gordon Armstrong [redacted]
Sent: Monday, 14 December 2020 12:27
To: Matt Hannant (CMDHB)
Cc: Kate Dowson (CMDHB); Lavinia Fotukava (CMDHB)
Subject: RE: East Care Overnight Service

Hi Matt,

Thanks for your response. I could meet you at East Health at noon this Wednesday if that works for you.

Regards,

caregroup

Gordon Armstrong
Chief Executive

[redacted]

https://smex12-5-en-ctp.trendmicro.com:443/wis/clicktime/v1/query?url=www.caregroup.co.nz&umid=c2f6b78d-342b-4f9c-a423-73568efdc4bd&auth=1b63ca7083806b9e0b02672b5c[redacted]362a73d480-0929e0c6b0e1b9575e7691a332eb33bfc350e1e5

East Care | Health Improvement Group | Medical Property

From: Matt Hannant (CMDHB) [redacted]
Sent: Monday, 14 December 2020 [redacted]am
To: Gordon Armstrong [redacted]
Cc: Kate Dowson (CMDHB) [redacted] Lavinia Fotukava (CMDHB) [redacted]
Subject: Re: East Care Overnight Service

Dear Gordon,

Thank you for getting in touch. I wanted to acknowledge receipt of your email. We are working with urgency to consider what you've outlined. I suggest we set up a meeting to discuss mid week. Can that be accommodated please?

Kind regards
Matt

On 11/12/2020, at 5:42 PM, Gordon Armstrong [redacted] wrote:

Dear Matt,

It is with great regret that I inform you that East Care will be ending the overnight service we have provided the East and South Auckland community for over 20 years. Our last overnight shift will be Friday 18th December 2020, following which our hours of operation will be 7.00am to 11.00pm, 7 days per week, 365 days per year.

As you will be aware, we have been without funding since June 2018, making us the only unfunded overnight service in Auckland. This is despite East Care seeing the highest volume of overnight urgent care presentations in the region. East Care has made a significant loss each year on the overnight service, but we have continued to operate 24x7 as we believed it was an important service for our community. Recently, increasing patient volumes and higher acuity presentations have put significant pressure on the clinic. In the last week, key doctor resource was lured away by a funded competitor. We cannot compete on overnight hourly rates with providers who are funded. This led to even more pressure on the clinic and the overnight team. Having met with my Clinical Director and key doctors, it was clear that increasing resource pressure would lead inevitably to more staff being unable to cope, putting further pressure on the clinic and its staff.

East Care has always strived to provide the highest quality care to its community. Given the now clear resourcing issues and high risk to clinical and patient safety, the Board of Directors felt it had no option other than to close the overnight service down from December 19th 2020.

This is not a decision that we would have chosen voluntarily, but we have been left with no other choice if we are to keep our patients and staff safe. Our overnight staff will be re-distributed across busy after-hours shifts to improve clinical safety and patient experience. We will continue to operate as our community's primary urgent care provider between 7.00am and 11.00pm, 365 days a year, including public holidays. We will reassess the situation in February 2021, but unless we see significant changes in the funding environment we expect it will be difficult to reopen the overnight service.

Matt, we remain committed to working with Counties Manukau Health to provide the best healthcare services for our community. The above change does not affect our plans for the Botany Health Hub and I look forward to moving forward with these projects alongside Counties Manukau Health in the New Year.

Regards,
<mime-attachment.jpg>

Gordon Armstrong
Chief Executive

<mime-attachment.jpg>

s9(2)(a)
[redacted]
https://smex12-5-en-ctp.trendmicro.com:443/wis/clicktime/v1/query?url=www.caregroup.co.nz&umid=629dfe0a-f3e9-4a20-948a-f0905e277a10&auth=b8880051a5968406de874aba71898a20c6add7f1-f0c98c36255738f2779520b44dce3b780336b042

East Care | Health Improvement Group | Medical Property

Sarah Burr (CMDHB)

From: Gordon Armstrong [redacted]
Sent: Wednesday, 17 June 2020 08:21
To: Margie Apa (CMDHB); Mark Gosche (CMDHB)
Cc: [redacted] Loretta Hansen; Matt Hannant (CMDHB); Campbell Brebner (CMDHB)
Subject: RE: Botany Community Health Hub Development

Dear Margie,

Thank you for the time you, Vui Mark Gosche, Matt and Campbell gave Loretta and I yesterday to discuss plans for the proposed Botany Health Hub. We appreciated your feedback and engagement.

As discussed, we will await your further advice following the CMH Board meeting later this month.

We look forward to hearing from you in due course.

Regards,

Gordon Armstrong
Chief Executive
East Care Group

Mob [redacted]
www.eastcare.co.nz

From: Margie Apa (CMDHB) [redacted]
Sent: Thursday, 4 June 2020 6:06 a.m.
To: Gordon Armstrong [redacted] Mark Gosche (CMDHB) [redacted]
Cc: [redacted] Dinah Nicholas (CMDHB) [redacted]
Subject: RE: Botany Community Health Hub Development

Hello Gordon, I've spoken with Vui Mark Gosche and we look forward to meeting with you. Dinah can you please arrange.
Warm regards, Margie.

From: Gordon Armstrong [redacted]
Sent: Wednesday, 3 June 2020 3:00 p.m.
To: Mark Gosche (CMDHB); Margie Apa (CMDHB)
Cc: [redacted]
Subject: Botany Community Health Hub Development

Dear Margie, Mark,

Further to previous discussions between Counties Manukau Health (CMH) and East Care (now formally Care Group), I enclose our letter to you outlining:

1. Our wish to progress the long discussed Botany Community Health Hub with Counties Manukau Health as soon as possible
2. Our proposal to purchase the part of the building at 260 Botany Road presently owned by Counties Manukau Health, whilst retaining CMH services onsite

3. Our wish to lease part of the vacant CMH-owned land adjacent to 260 Botany Road for car-parking for the proposed hub
4. How the leasing of this land could offset costs to CMH
5. A proposed joint approach to community engagement on the project

I note that Care Group is not looking for CMH funding for this project. It is our intention to develop the site to house services the community needs, whilst retaining (and where appropriate expanding) existing CMH services.

I look forward to your response and commencing this important community health initiative.

Regards,

Gordon Armstrong
Chief Executive
East Care Group

Mob s9(2)(a)
www.eastcare.co.nz

caregroup

Margie Apa, Chief Executive Officer

Mark Gosche, Chair

Counties Manukau District Health Board

3 June 2020

Via Email

Dear Mark and Margie

Developing the Botany Health Hub

We're writing to let you know that the East Care/Care Group Boards would like to progress the long-mooted health hub development at our Botany site. The current COVID 19 pandemic has reinforced the need for comprehensive and locally accessible health services which are responsive to our community's needs. East Care Ltd is a wholly owned subsidiary of Care Group Ltd

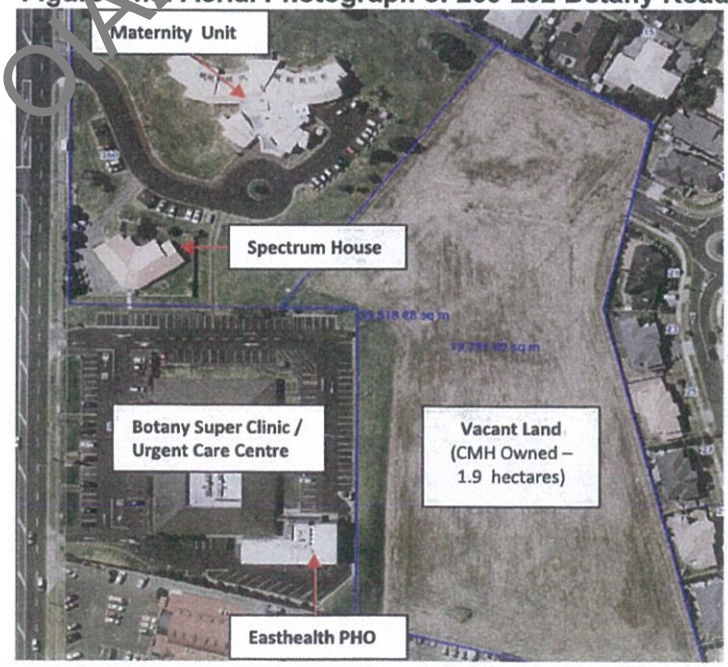
Our intention is to develop the hub on the existing East Care owned site, negating any need for the DHB to sell the adjacent land or to provide additional funding. It would be most beneficial to the development of the Health Hub for Counties Manukau Health (CMH) to lease to East Care approximately 10,000M² of the (undeveloped) adjacent land for carparking and vehicular access. This would generate circa $270k in annual lease revenue to the DHB.

As previously advised, East Care is also interested in purchasing the DHB's 1/3 share in the existing Botany Super Clinic, which would release circa $4 million in capital funding to CMH.

Background

The Botany site is 3.5 hectares located at 260 - 292 Botany Road. This site includes DHB delivered services through the Primary Birthing Unit, Eastern Community Health Locality Team (Spectrum House), the Botany School Dental Clinic, and the Botany Super Clinic. CMH is also the owner of a 1.9 hectare vacant site adjacent to the Maternity Unit and Super Clinic, as per the aerial photograph below:

Figure One: Aerial Photograph of 260-292 Botany Road



The Botany Super Clinic building is owned in unit titles between the DHB and Care Group Properties (part of Care Group, which includes East Care). The DHB owns a one-third share of the building under Unit Title A, and Care Group Properties Ltd owns a two-thirds share of the building under Unit Titles B and C (copies of the Unit Titles are attached). The land is overseen by a Body Corporate arrangement between East Care and CMDHB as owners of the unit titles ('Body Corporate 184677').

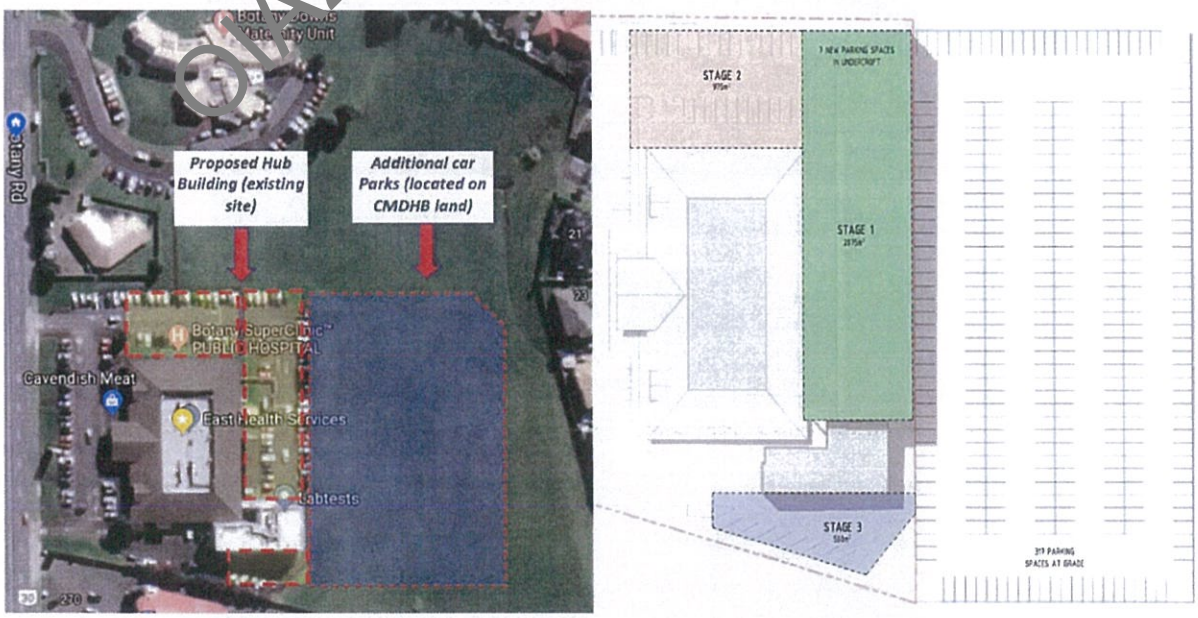
CMH has been engaging with East Care and East Health Trust PHO since 2012 in regard to developing a community health hub on the site. Various options have been explored, including selling all or some of the vacant land for the hub development.

Our long experience is that a land sale transaction is difficult to execute in a timely way in the public sector environment. This land has been designated for health use since it was taken by the Crown initially for housing purposes in the 1970s. Any land sale would therefore be subject to the requirements of the Treaty of Waitangi settlements process. The Office for Treaty Settlements may designate it for land banking to settle Treaty claims, and Nga Mana Whenua O Tāmaki Makaurau has previously expressed an interest in the land. The land is also subject to section 40 of the Public Works Act (i.e. the requirement to offer the land back to the Crown). In 2014, CMDHB completed community consultation in relation to the potential sale of the vacant land. No objections to the development of a community health hub were raised, however, concerns about possible 'privatisation' were expressed viz the land sale itself.

Proposal

For all these reasons, we believe it is more practicable to develop the health hub on the existing site rather than trying to develop or enter into a sale and purchase agreement for the adjacent land. This would mean building on the current car parking areas around the perimeter of the Super Clinic, and hence the need to enter into a long term (25 years or more) lease or licence to occupy arrangement for approximately 10,000M² of the adjacent DHB owned site which we would use for carparking. This is shown in Figure Two below:

Figure Two: Locations of new health hub and parking



The current split ownership/body corporate arrangement would make delivering the hub development cumbersome, and we therefore suggest that East Care purchases the DHB's share of the Super Clinic (ie., Unit A), thus releasing circa $4m in capital funding back to the DHB. CMH would continue to have unfettered access to the specialist consulting rooms required through a post-sale lease back arrangement which would be executed simultaneously to the Unit A sale and purchase agreement. The new lease/license for the carparking area would generate annual revenue to the DHB of circa $270,000 which would largely offset any post-sale operating costs for the CMH run specialist consulting clinics in the new health hub. This information is summarised in Table One below:

Table One: Commercial Arrangements to Support the Hub Development

Area/Facility	Transaction Type	Approx. Value
Unit A Title: CMH Specialist consulting suite (616m²), Botany Super Clinic	Sale and Purchase at current market value	Circa $4m one off capital funding from East Care to CMDHB
Circa 10,000m² undeveloped land along the perimeter of new community hub building, as shown in Figure Two.	Long term License to Occupy or Lease at current commercial rates	Circa $270,000 p.a. rental revenue from East Care to CMDHB (300 carparks - circa 10,000m²).
CMH Specialist consulting suite (616m²) in the new community health hub	Perpetual lease arrangement, guaranteeing unfettered DHB sessional access at current commercial rates	Circa $340,000 p.a rental revenue p.a. from CMDHB to East Care

The Community Health Hub

The hub will support general practice as the core of the 'healthcare home'. It will be a 'neutral space' where a range of professionals can work together providing multi-disciplinary care to support primary health with the management of complex patients.

40 different outpatient services – including DHB delivered clinics – are already provided at the Botany Super Clinic. Extending the hub space would expand this model to mitigate demand for high growth areas such as minor procedures, endocrinology, renal, urology, paediatrics, cardiology, and gastro-enterology/endoscopy. Higher volumes would ensure critical mass and therefore excellent quality and value for money.

The health hub would house a comprehensive service offering which gives our community certainty about the level of care available – local residents are less likely to seek care from Middlemore Hospital Emergency Department if they know that all but the most acute needs can be met in the local community hub because it has an extended A&M service including diagnostics and observation/short stay areas. The hub would provide a community based 'centre of gravity' for reaching at-risk whanau for health promotion and self-management

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education. The space would also house NGO services and be part of the community fabric and local social service networks.

We're currently developing concept plans for the hub and East Care is open to housing any CMH services that you may wish to see provided/re-provided. The primary birthing unit and Spectrum Health are obvious candidates for consideration given the condition of the current buildings, and the benefits that accrue from co-location and better integration of these services with other teams. We'll be in touch shortly to outline our plans in more detail, and to get clarity on what, if any, services or facilities the DHB wishes to see included in the hub.

Next Steps

Our intention is to seek to optimise both the health service and financial benefits for CMH. We are commencing engagement on the hub development with our local community, board members, councilors, local MPs, and other key stakeholders. We're expecting significant public interest in the development, and so we would be grateful for your early advice on how we might expedite the commercial arrangements outlined in Table One above.

As such, we would like to meet with you as soon as possible to discuss:

1. The sale and purchase of Unit A, 260 Botany Road
2. Arrangements for the leasing of the CMH land adjacent to the existing medical campus at 260 Botany Road
3. The joint East Care/CMH approach to engaging with the community on the services the hub will provide

We look forward to discussing this significant community health development with you.

Yours sincerely

Gordon Armstrong
Chief Executive
East Care

Jeff Barkwill
Board Chair
East Care

Encl: Unit Titles: A, B & C
Archimedia Concept Design Report

14th March 2018

Gordon Armstrong
Eastcare Urgent Care Clinic
Email: Gordon@eastcare.co.nz

Dear Gordon,

Metropolitan Auckland After Hours and Overnight services Procurement Process Update

Thank you for your continued engagement with the regional procurement process for after hours and overnight services for Metro Auckland.

The Request for Proposal (RFP) process and negotiations with preferred providers has progressed to a point where the three Metro Auckland District Health Boards (DHB) Boards' have considered the available options and provided direction on next steps. These considerations included the mix of providers and service delivery models in the varying context of each individual DHB region.

The three DHBs have agreed there are key elements that are essential to keep common across the region, including:

- $39 maximum co-payment
- Subsidised population groups and targeting equity
- Attainment of urgent care accreditation standards
- Appropriate data collection to support the on-going performance and quality framework of the network.
- The contracting approach and framework

However, the Counties Manukau Health Board has concluded that purchasing the full scope of services contemplated in the RFP is not an affordable option at this time, a position exacerbated by the current financial climate for the DHB. As a result, the Counties Manukau Health Board has decided not to proceed with 'overnight' services (8pm to 8am) component of the RFP process. It will instead consider alternative options for supporting the needs of the target local population from 8pm.

The Metro Auckland DHBs wish to enter into the next phase of discussions with preferred providers on the basis of the following:

- Waitemata DHB – agreement for 'after hours' and 'overnight' services
- Auckland DHB – agreement for 'after hours' and 'overnight' services
- Counties Manukau Health DHB – 'after hours' services only

In addition to the 'after hours' services, and distinct to the regional RPF process, the CMH Board has decided to seek establishment of 'extended hours' (8pm to 11pm) services across CMH. We anticipate this approach will support service coverage and our ability to improve access for high needs population groups, provide an on-going alternative to our ED, whilst mitigating funding challenges.

In due course we plan to run a process locally to identify suitable providers for this service, and in the interim we are seeking to appoint four clinics across CMH to provide these 'extended hours' urgent care services. East Care is our preferred site for one of these four clinics.

CMH is keen to urgently engage with East Care to discuss this approach and will be in contact shortly to arrange meetings. We are keen to achieve a solution that is in the best interests of our patients, whilst creating a high quality and sustainable model of care. That said, the Board has provided parameters within which our discussions can continue, and it will be important for a timely implementation of these services that we can work within those parameters.

The expectation is for new arrangements for the after-hours services to be effective from 1 July 2018. Therefore we would like to commence the next stage of discussions to conclude the terms and conditions of the final agreement and will be in contact shortly to arrange meeting times.

Whilst entirely separate from the regional after hours and overnight RFP, CMH are mindful of the relationship between these urgent care services and our on-going plans for the development of the Botany Community Hub, and our emergent 'Hospital in the Home' (HITH) model supported by a 'virtual ward'. This work is progressing and CMH are keen to continue its acceleration as part of our preparations for the winter. It will be important to conclude the 'after-hours' and 'extended hours' conversations expeditiously so we can ascertain the degree to which further medical cover is required to support the HITH model and how we work together to achieve this. CMH look forward to continuing this planning.

Kind Regards,

Tim Wood

Deputy Director Funding
Auckland and Waitemata DHBs

Matt Hannant

General Manager Primary Care, Funding and Dev.
Counties Manukau Health

COUNTIES MANUKAU HEALTH

Gordon Armstrong
East Care Limited
PO Box 38306
Howick
Auckland 2145

29 March 2018

Dear Gordon,

Notice of Non-Renewal of Agreement Number 348220

As you will be aware, the Auckland Metro District Health Boards (DHBs) have been undertaking an extensive process to procure a new after hours and overnight service for their populations. We are now in the final stage of this process and expect the new arrangements to be in place by 1 July 2018.

Please accept this letter as formal notification that Counties Manukau DHB will not be renewing the following Agreement when it expires on 30 June 2018:

- Eastcare Overnight Accident & Medical Services and Free After Hours Under 13s Care; Provider Number 599965; Agreement Number 348220.

We wish to undertake an end of service review with you and discuss a transition process to the new service model. We will be in contact with you to discuss this.

The Auckland Metro DHBs would like to thank you for your patience and continued service delivery while we undertook the procurement process.

Yours sincerely,

Matt Hannant
General Manager Primary Care Funding and Development
Counties Manukau Health