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| cid:image001.jpg@01CF4DBD.3765F460 | In-House News |
| 9th July 2019 | Tēnā koutou katoa |
| News | *This Bulletin is generally sent to individual contacts in an organization.  Please forward to staff in your organization who may the find the information useful.     Please don’t forward outside of your organisation, as that undermines the Association’s viability.* |
|   Loss of a Legend | In Memory of Ian Yost    The home and community support sector lost an “absolute legend” with the sudden passing of Ian Yost on the 25th June.  Ian came to the sector from a banking background in 2008 joining Vision West. Over the next few years he held roles with Presbyterian Support Northern, Rodney North Harbour Health Trust and the Funding and Planning team at Waitemata District Health Board.  After some time away travelling Ian returned to Vision West in 2016 as they became one of the largest not for profit providers in the sector.  Ian has been actively involved as a member of the Bay of Plenty HCSS Alliance and contributed at a national level in the Joint Working Group.  The association has received many messages from the MOH and DHB’s acknowledging Ian’s contribution and expressing their sadness at his sudden passing and Vison West has been inundated with messages of condolence.  Ian had the largest heart, lending an ear and showing compassion to anyone and everyone, the only pace he knew was 100 miles an hour and those who know him will never forget the cheeky smile, twinkly eyes and Scottish wit.  Rest well Ian, you will be missed.  Andrea McLeod  Chair Home and Community Health Association |
|   Contract Pricing 2019-20 | HCSS Funding Increases 2019-20  HCHA is gravely concerned at the 2019-20 HCSS price increases advised to date by DHB’s and MoH DSS. These increases do not provide for:   * Support Worker pay equity holiday pay accrual increases * Wage increases for staff other than support workers * Inflation on overheads * Ability for providers to address pay relativity issues following SW pay equity and DHB Nursing Meca increases     The Ministry of Health and DHB’s Planning & Funding Managers have decided that the **minimum** price adjustment (for support worker pay equity) to be made to HCSS prices for the 2019-20 year shall be an increase of 1.865% (of your base rate prior to any of the pay equity adjustments), plus $0.35 per hour.  Note that this is the minimum increase that should be applied solely for meeting the costs of support worker pay equity adjustments and providers should expect an increase substantially greater than this amount for ‘non-support worker’ wages and overheads.  They have then calculated the expected total average increase in wages, resulting from ‘pay equity’ increases, as $0.83.  From this $0.83 they then deduct the average amount represented by the 1.865% increase see below) – giving an additional payment to be made of $0.35 (funded by MoH and to be passed on to providers).  The premise of the increase is that DHB’s should fund on a ‘business as usual basis’ from their own resources – this is the 1.865% increase in rates (this increase is the ‘business as usual basis’ wage increases for support workers - based on support worker wage and direct on-costs being 76% of base price).  It is assumed that providers will pay no increases for support workers beyond the ‘pay equity’ adjustment and accordingly part of this 1.865% increase would cover part of the 2019-20 pay equity adjustment.  On the assumption that your current base price equals the average of $25.96, the following is an example of the breakdown in pricing you would receive:   |  |  |  |  | | --- | --- | --- | --- | |  | **2019-20 Price Increase to Cover** | | | | **Increase** | **SW Cost Increase (For Pay Equity Increase)** | **Other non- Support Worker Cost Increases** | **Total** | | Specific Pay Equity Increase | $0.35 |  | $0.35 | | Additional ‘business as usual’ Pay Equity Increase (1.865% of average base price $25.96). | $0.48 | $0.00 | $0.48 | | Total | $0.83 | $0.00 | $0.83\* |   \*to be added to your 2018/19 bespoke pricing.  The increase for pay equity is the assumed difference between the base price rates and those applying to the 2019-20 year. For this reason, the same $ increase will be constant for all providers to the DHB.  However, your pricing remains ‘bespoke’ for two reasons:   * This increase is added to your 2018/19 bespoke pricing and therefore your 2019-20 pricing remains bespoke. * The Ministry has made assumptions as to the average ‘mix’ of tenure and qualifications of support workers in formulating the above calculations – these assumptions may not be totally correct for your organization.  Accordingly, if your ‘pay equity’ increased costs (across your entire organization) exceed the $0.83 above, you may be eligible to claim from a transitional funding pool. This will further provide a bespoke element to your pricing.   HCHA is deeply disturbed at the increases that have been notified by funders to date, with DHB’s notifying an increase of 1.9% to 1.92% of base price (plus $0.35) and MoH DSS advising a total increase of 1.865% of base price (plus $0.35). This effectively means that there is no increase for non-support worker wages and overheads being given for the 2019-20 financial year (even at the highest rate offered to date of 1.92% the non-pay equity increase would be under $0.02 per hour).  The table below indicates the absolute minimum increase that should have been provided:   |  |  |  |  | | --- | --- | --- | --- | |  | **2019-20 Price Increase to Cover** | | | | **Increase** | **SW Cost Increase (For Pay Equity Increase)** | **Other non- Support Worker Cost Increases** | **Total** | | Specific Pay Equity Increase | $0.35 |  | $0.35 | | Additional ‘business as usual’ Pay Equity Increase (1.865% of average base price $25.96).  Expected increase non-support worker costs (based on 24% of $25.96) @ 2% | $0.48 | $0.12 | $0.60 | | Total | $0.83 | $0.12 | $0.95\* |   \*This represents a required minimum uplift in base price of 2.31% plus $0.35.  For the Crown to negotiate a pay equity arrangement directly with Unions, ignoring relativity issues for providers, and to then follow this up with a negotiated MECA for DHB nurses, ignoring relativity issues for HCSS nursing staff, is unacceptable. However, to then follow this up with a nil increase (except for direct support worker pay equity costs), when providers are already financially non-sustainable and when Unions are striking over coordinator wage rates and penal rates, is putting providers in an impossible financial position and treating the industry with disdain.  The above chart would indicate that an absolute minimum increase of 2.31% in the base rate (plus $0.35) would be necessary to only cover normal inflation costs and wage increases. Even with this 2.31% increase, providers would be left without any ability to address wage relativity issues or recover pay equity holiday pay accrual increases - which would require a substantially greater percentage increase. |
|  | This email is to inform you that as part of the Ministry of  The Ministry of Health is initiating a sample of audits under Section 19 of the Care and Support Workers (Pay Equity) Settlement Act 2017.  Audits will be completed by the Audit and Compliance team who will be validating that organisations are taking all reasonable and practical steps to ensure care and support workers are able to attain the different qualification levels of the New Zealand Certificate in Health and Wellbeing.  They plan to audit between 30-40 providers across all of the sectors.  The largest employers of support workers can expect to be included. There will also be a sample of medium and smaller providers. A letter will be sent to providers who have been selected. The audits will start in July and be completed by the end of September to enable deadlines of reporting back to Cabinet by November 2019 to be met.  land Certificate in Health and Wellbeing. .  The larges. |