SERVICE LEVEL AGREEMENT

BETWEEN

PRESCRIPTION PRICING AUTHORITY

AND

STATES OF JERSEY EMPLOYMENT AND SOCIAL SECURITY DEPARTMENT

PERIOD 1ST APRIL 2002 – 31ST MARCH 2007

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1 SERVICE LEVEL AGREEMENT

This service level agreement (SLA) sets out the services provided by the Prescription Pricing Authority (PPA) to the States of Jersey Employment and Social Security Department (ESSD). The parties to the agreement are the ESSD (client) and the PPA (provider).

Any amendments or changes to this SLA must be made through the agreed variation process and in conjunction with the ESSD and PPA SLA managers (see 1.8 and 1.9 below).

1.1 Status of the Agreement

This agreement provides a clear statement of intent between both parties to provide a defined level of service, funded as agreed. It defines the responsibilities of both parties with respect to the services and performance levels.

The signatories to this agreement will be the Controller and the Chief Executive for the PPA.

1.2 Duration of Agreement

This agreement will take effect from 1 April 2002 for a duration of five years.

1.3 Monitoring and Review

There will be an annual review before 1 April each year between the ESSD Policy Principal, the PPA Director of Operations and the PPA Director of Information Technology. The objective will be to review progress during the previous year, formalise any changes which have been introduced during the year and confirm service levels for the forthcoming year.

1.4 Liaison Arrangements

The initial contact point for liaison on operational issues will be the Section Leader, Community Benefit and the PPA Director of Operations for prescription processing. The PPA Director of Pharmaceutical Policy and Services for reimbursement, remuneration and pharmaceutical issues and the PPA Director of Information Technology for information and computing issues. In addition the PPA Directors (listed at Appendix I) or their deputies may be contacted.

1.5 Arbitration Procedure

In line with the liaison arrangements, any complaints or differences should initially be discussed between the Section Leader, Community Benefits and the PPA SLA Manager. Where a satisfactory resolution cannot be achieved, the issue will be escalated via the PPA Director responsible for the service in conjunction with the ESSD and PPA SLA managers. In the event that agreement cannot be reached the complaint will be resolved between the PPA Chief Executive and the Policy Principal.

1.6 Notice Period for Termination

This agreement may be terminated by either party, subject to a minimum period of three months notice, or a shorter period where this can be agreed by both parties, subject to the resolution of financial and contractual penalties arising from arrangements with contractors. The agreement can only be terminated at the end of any contract year.

1.7 Scope of the Agreement

1.7.1 This agreement only covers those services which are currently provided as outlined in Section 3.4. It does not cover potential future services which may be required as a result of specific policy initiatives, or potential future amendments to existing services.

1.7.2 Specifically, this SLA does not cover:-

i) transient or additional activities which are not part of the PPA normal workload (see 3);

ii) additional permanent tasks not currently undertaken or funded which the ESSD may from time to time require;

iii) activities not currently undertaken or funded when the document was signed.

1.7.3 However, the agreement does incorporate some flexibility through the provision of one off, ad hoc services the information required to answer the query is held by the PPA in a readily accessible form, ie archived data does not have to be recovered to respond to the query.

1.8 Varying the Services or Additional Services to be Provided

1.8.1 Principles

Where the ESSD or the PPA see the need for change (which term includes modification) to the agreement or to any process or documentation associated with this agreement, the PPA may at any time request, and the ESSD may at any time recommend, such change and propose an amendment to the agreement in accordance with the form Change Control Procedure (CCP) as set out at 1.8.2.

The obligations undertaken by either party in connection with the agreement shall in no way be changed until an amendment to the agreement has been effected.

1.8.2 Procedures

The PPA and the ESSD SLA managers shall discuss changes proposed by either party and such discussion shall result in either:

i) agreement not to proceed further, or

ii) a written request for a change by the PPA, or

iii) a recommendation for a change by the ESSD

Where a written request for change is received from the PPA, the ESSD shall, unless otherwise agreed, submit two copies of a Change Control Note (CCN) to the PPA within three weeks in the form attached at Appendix III.

A recommendation for a change by the ESSD shall be submitted direct to the PPA in the form of two copies of a CCN signed by the ESSD at the time of the recommendation.

Each CCN shall contain:

i) the originator and the date of the request or recommendation for the change

ii) the title of the change

iii) full details of the change including any specifications and user facilities

iv) the reason for the change

v) the impact, if any, of the change on other aspects of the Contract including but not limited to:

a) milestones
b) project plan

c) the Contract Charges

d) documentation

e) contractual issues

f) performance levels

vi) a timetable for implementation together with any proposals for acceptance of the change

vii) the price, if any, of the change

viii) the date of expiry of validity of the CCN

ix) provision for signature by the ESSD and by the PPA.

For each CCN submitted the PPA shall, within the period of the validity of the CCN:

i) allocate a sequential number to the CCN

ii) evaluate the CCN and as appropriate either

a) request further information, or

b) arrange for the two copies of the CCN to be signed by or on behalf of the PPA and return one of the copies to the ESSD, or notify the ESSD of the rejection of the CCN.

Following the approval of a CCN by the ESSD and the PPA and securement of funding to support the proposed charge by ESSD, an amendment to the SLA shall be entered into and signed by the Policy Principal and the PPA SLA manager.

1.8.3 Any change to this agreement, whether variations to existing services or additional services, will be mutually agreed and will take into account any PPA contractual agreement(s) with contractors in determining the implementation timescale.

1.8.4 All such changes will need to be introduced through the SLA variation process and accompanied by appropriate funding amendments. These amendments will need to cover all the implications of any change throughout the PPA.

1.8.5 The main principles of service, quality, deliverables and timeliness cannot be

changed without the signatures of both parties. However, individual sections can be changed without the main signatories providing that these do not entail any basic processed change to funding requirements or the basic principles of the processing and that they are agreed by both the ESSD and PPA SLA managers.

1.8.6 Changes to the service could fall into two categories:-

i) minor changes; those that are within the normal bounds of the SLA and have no impact on costs. These will be implemented within three months or earlier after the requirements specification has been agreed by both parties;

ii) major changes; those that involve the PPA or their contractor(s) in any extra (or reduced) work, or use of resources that are not covered in the SLA and, hence, may involve additional (or reduced) charges. These should be implemented as soon as practically achievable, taking into account any contractual arrangements already entered into after the requirements specification has been agreed by both parties.

1.9 SLA Management

1.9.1 Day to day management and control of the SLA is the responsibility of the nominated ESSD and PPA SLA managers. No changes or amendments can be made to the SLA without the prior agreement of both managers.

1.9.2 All changes, both minor and major, will be subject to the amendment process described in 1.8.2 to ensure consistency and that all the implications are identified from the outset.

1.9.3 Any correspondence concerning the SLA should be addressed to the SLA managers at the ESSD and the PPA.

2 FINANCIAL CONTROL AND FUNDING

2.1 This document covers those services provided by the PPA which are directly funded by the Jersey ESSD.

2.2 The price charged to ESSD is based on a rate per 1,000 prescription items. This price is based on the cost of processing.

The price for the fiscal year 2002/2003 will be £140 per thousand prescription items.

2.3 In addition, funding will need to be modified on an annual basis commencing April 2003 to take account of:-

i) uplifts in price according to inflation as measured by the UK RPI quoted in Accountancy magazine in March of each year.

ii) increases in prescription or activity growth exceeding 10% per annum. The variation process as detailed in section 1.8 will be instigated in these circumstances.

2.4 The PPA may also be subject to changes required by the Secretary of State which impact upon the service provided for the ESSD. In such circumstances, the potential implications on both service and costs will be discussed with the ESSD to reach agreement on related funding issues.

3 SERVICES

3.1 Current Service Scope

The PPA price the Jersey Health Scheme prescriptions in accordance with the provisions of the England and Wales Drug Tariff for determination of basic price and the chemist endorsement requirements. However the overriding provisions of the Jersey Health Insurance Law need to be accommodated, and this leads to the variations from the pricing rules applying to England. The relevant provisions of the Jersey Health Insurance Law can be summarised as follows:-

3.1.1 the Jersey Prescribed List - a definitive list of drug items, their formulations and strengths which are prescribable under the Jersey Health Insurance Scheme. Any items, formulation or strengths outside this list cannot be reimbursed to the dispensing chemist;

3.1.2 the Jersey Dental Prescribed List – the Prescribed List of drugs items, formulations and strengths prescribable by Jersey registered dentists. Again any dental prescription for an item outside this list cannot be reimbursed to the dispensing chemists;

3.1.3 the controlled drug fees are only payable for drug items which are defined as controlled drugs in the Misuse of Drugs (Jersey) Law;

3.1.4 subject to a small number of exceptions, there is a maximum period of supply which may be dispensed on a single prescription, namely 30 days. The only exception to this rule are prescriptions for drugs listed in the Fourth Schedule of the Jersey Health Insurance Pharmaceutical Benefit General Provisions Regulations when the maximum period of supply in a single prescription is 90 days;

3.1.5 there are no provisions for bulk prescribing nor for the prescribing of oxygen gas or oxygen therapy services;

3.1.6 whilst basic prices of drugs and allocation of script charges are defined in the Drug Tariff for England and Wales, dispensing fees, discount scales, extemporaneous fees, controlled drugs fees and other fees are agreed locally and are detailed on the Fifth and Sixth Schedule of the Jersey Health Insurance Pharmaceutical Benefit General Provisions Regulations;

3.1.7 Jersey has specific arrangements for the remuneration of appointed chemist suppliers under the Heath Insurance (Jersey) Law, 1967. These fees are negotiated between Jersey Approved Suppliers and the ESSD, once agreed they are established in subordinate legislation of the Jersey Health Insurance Law. Generally these fees are amended once a year from 1 October, though mid year changes may occur, as may retrospective application of agreements. (Though any previous retrospective payments have been managed within the

Employment and Social Security Department, this could in future be handled by the PPA dependent on the extent of the changes);

3.1.8 Prescription charges are set by the ESSD usually with effect from 1 October. However mid year changes may be necessary when warranted by the status of the Health Fund. There are two levels of prescription charges, a standard charge which applies for all items other than those listed in the Fourth Schedule and where the quantity prescribed is for not more than 30 days in which case a reduced charge applies;

Prescription charges are payable for 80% of the prescription items. The remainder are exempt and their prescriptions are annotated with HIE or Health Insurance Exception;

3.1.9 Different arrangements appertain in respect of prescriptions for Jersey War Pensioners. Any drugs, reagents and appliances may be prescribed and there is no requirement to pay a prescription charge.

3.2 Service Outputs

The PPA is required to:-

3.2.1 provide a summary of 30 day exceptions

3.2.2 provide a monthly schedule of amounts due to dispensing chemists;

3.2.3 collate information in a manner which will feed into the Jersey Prescribing Analyses and Cost (PACT) programmes currently maintained by PPA Information Technology Directorate;

3.2.4 provide CD listing as currently formatted;

3.2.5 provide expensive items listing as currently formatted;

3.2.6 provide a summary of Dental prescriptions as currently formatted;

3.2.7 provide a summary of 90 day and reduced charge prescriptions as currently formatted;

3.2.8 provide war pension prescription statements;

3.2.9 return prescriptions, following pricing, to the Employment and Social Security Department (ESSD) by post for retention;

3.2.10 retain priced and prescribing information for a rolling two year period.

3.3 Service Volumes

The services encompassed by this SLA are based on a number of key assumptions relating to both the volume of the service provided (see 2.3 ii) above) and the quality and timeliness of Jersey inputs.

Acceptable quality of prescription forms and acceptable description of prescription items, as determined by the BNF Guidance on Prescribing, the Drug Tariff, ESSD circular and the PPA. (see Appendix II)

Significant changes in these levels will inevitably have implications on the PPA's service levels so will need to be incorporated into the SLA through the variation processes.

3.4 PPA Service Performance Responsibilities

3.4.1 All prescriptions received by the 5th working day to be processed in that month. Overall accuracy level of payments to be not less than a net cash variance of 0.2 %, as calculated by PPA Central Quality Assurance in a procedure reviewed by external audit.

3.4.2 Specific performance responsibilities are:

OUTPUT	PERFORMANCE TARGET
Monthly payment schedules	To be provided to the ESSD no later than the first working day of the month following the month in which the prescriptions are received.
PACT standards reports	Within 10 weeks after the end of the dispensing quarter.
PACT catalogue reports	Normal catalogues to be issued within one month of the end of the month in which the request is received or the data becomes available. Large catalogues to be issued within three months of the end of the month in which the request is received or the data becomes available. A normal catalogue is one for a period of three months or less. A large catalogue is one for a period of more than three months.
CD listing	Within 2 weeks following the month in which prescriptions are processed.

Expensive item listing	Within 2 weeks following the month in which prescriptions are processed.
Dental prescription summary	Within 2 weeks following the month in which prescriptions are processed.
War pension prescription statements	By the 1st day of the following month in which prescriptions are received.
90 day and reduced charge prescription listing	Within 2 weeks following the month in which prescriptions are processed.
Prescription return (if required)	Within 2 months following the month in which prescriptions are processed.
Prescription retrieval	Within 2 months following the month in which request for retrieval is received.
30 day prescription listing	Within 2 weeks following the month in which prescriptions are processed.

3.5 Jersey ESSD Performance Responsibilities

3.5.1 Submission of Prescriptions

The chemists submit the prescriptions to the ESSD by the end of the 3rd working day of the month. The prescriptions are separated into two groups, firstly HIE (no charge payable) and secondly where charges are payable. The prescriptions are bundled in 100 forms with CD and 90 day or reduced charge items at the top of the bundle. The chemists do not sort prescriptions by prescriber.

The ESSD verifies the volume of forms and batches all prescriptions for dispatch to PPA by courier on the 4th working day of the month for delivery to the PPA on the 5th working day of the month.

War Pensions prescriptions are sent at the same time, but are separately packaged.

If a chemist is late in submitting prescriptions by more than two days, those prescriptions will not be forwarded to the PPA until the following month. If the delay is less than two days, the prescriptions will be forwarded by courier for pricing in that month.

3.5.2 Payment of Chemists

This is undertaken by ESSD including calculation of the provisional payment

element.

3.5.3 Jersey Prescribed List

Content changes three or four times a year, to be advised to the PPA Pharmaceutical Directorate with a minimum of one month's notice but with sufficient time for the changes to be implemented by the due date.

3.5.4 Jersey Dental Prescriber List

Content changes three or four times a year, to be advised to the PPA Pharmaceutical Directorate with a minimum of one month's notice but with sufficient time for the changes to be implemented by the due date.

3.5.5 Jersey Dispensing Fees

Changes in reimbursement and remuneration of contractors are to be advised to the PPA Pharmaceutical Directorate with sufficient time for the changes to be implemented by the due date. The period of notice to be agreed in advance for each change.

3.5.6 Jersey Prescriber and Dispenser Lists

Notification of changes to be provided to the PPA on a monthly basis in advance of their application.

4 LEGAL AND STATUTORY REQUIREMENTS

4.1 As a Special Health Authority, the PPA is required by the Department of Health to comply with UK and European Community legislation, NHS Executive initiatives and Whitley Council agreements concerning, in particular, employment practices and internal and external procedures.

4.2 The PPA has the responsibility to ensure that in fulfilling its prime objectives the operational departments have access to sufficient specialist support functions. This will enable them to take specialist professional advice with the objective of ensuring that the PPA acts within approved codes of practice, legislative requirements and necessary financial protocol. The operational divisions will thus be able to achieve their objectives without any impositions due to contravention of any such codes or regulations. Specific areas include:-

4.2.1 **Employment Practices**

i) employees terms and conditions;

ii) health and safety legislation;

iii) additional employee rights;

iv) equal opportunity initiatives.

4.2.2 **Internal Procedures**

i) comprehensive internal audit service to provide the Authority with assurance as to the adequacy, efficiency and effectiveness of controls in the PPA's systems, both manual and computerised;

ii) financial arrangements (including the PPA's Standing Orders and Standing Financial Instructions).

4.2.3 **External Procedures**

i) external audit;

ii) National Audit Office;

iii) Health Service Commissioner's Office;

iv) Public Accounts Committee.

5 SECURITY ISSUES

5.1 Security and Data Integrity

Both parties agree on behalf of their customers to implement such measures as to protect the security and integrity of the PPA computer systems. Each will ensure that no individual or group of individuals will be allowed access to the PPA data or systems without prior agreement with the PPA. The PPA and ESSD will ensure procedures are in place to respect the confidentiality of the information provided both in paper and electronic format.

5.2 Contingency Planning

The PPA will agree with the ESSD such contingency plans as is allowed in the funding allocated to the PPA. The ESSD recognises that no funding has been provided to fund a disaster recovery plan.

5.3 Data Protection Act

The PPA will protect the information and data it receives and processes in accordance with its data protection registration. Release of information will be as defined in the PPA Security Policy Document.

All recipients of information from the PPA must ensure that they are properly registered under the Data Protection Act and only use the information for the purpose for which it is provided by the PPA.

The ESSD will ensure that any changes in their data protection legislation which may cause a conflict with the UK data protection legislation is communicated to the PPA.

5.4 Data and Systems Copyright

Copyright of all data processed by the PPA rests with the PPA, as does the copyright of all PPA system software. No PPA systems software, data or information to be used by other bodies without appropriate licensing agreements.

6 SIGNATORIES

6.1 This SLA is agreed by the following:-

Signed.....	Signed.....
Name.....	Name.....
Position.....	Position.....
Date.....	Date.....
For States of Jersey Social Security Department	For Prescription Pricing Authority

PPA SERVICE DIRECTORS — APPENDIX I

SERVICE: Information Services and Information Technology Systems

CONTACT: Director of Information Technology

SERVICE: Prescription Processing

CONTACT: Director of Operations

SERVICE: Pharmaceutical Matters/ Drug Tariff

CONTACT: Director of Pharmaceutical Policy and Services

SERVICE: Finance Matters

CONTACT: Director of Finance & Administrative Services

SERVICE: Data Protection

CONTACT: Director of Information Technology

SERVICE: PPA Service Level Agreement

CONTACT: Deputy Director of Information Technology at Bridge House

SERVICE: Prescribing Medical Advice

CONTACT: Medical Director

PRESCRIBING RESPONSIBILITIES — APPENDIX II

The ESSD to ensure that:-

- all prescribers follow the good practice guide as detailed below;

- the contractor parcels are ordered and secured in accordance with the invoice, form H8;

- Clauses 7 to 13 of the Drug Tariff Part II, as they may apply to Jersey regulations, will be adhered to by all dispensers;

- the prescription form adheres to the agreed specification for size, (7 x 4.2 inches), layout, paper, quality, thickness and weight (60 grams per square metre).

Prescription Forms

- Prescriptions written by prescribers in Jersey must be written on Form H9 or H9A (dental) in accordance with legal requirements. In order to preserve the integrity of PACT, prescribers must use the forms issued to them bearing their identification number and not use forms issued to partners.

- Computer printed prescription forms must comply with the guidance provided in the BNF. Accuracy and completeness of prescriptions is essential. Prescriptions which are incomplete, inaccurate or ambiguous to be sent back to the dispenser.

Dispensing Systems

Accuracy and quality of dispensary computer endorsing systems is essential. Suppliers of these systems are required to ensure that computer endorsements comply with the Drug Tariff and are printed in the correct order. Where computer endorsements are at variance with this guidance the PPA reserves the right to send these prescriptions back to the dispenser.

APPENDIX III

CHANGE CONTROL NOTE (CCN) PPA/ESSD	
Ref No: Originator: Date:	
Title of Change:	
Details of Change:	
Reasons for Change:	
Impact of Change:	
Timetable:	
Price:	
Date of expiry of CCN:	
ESSD Signed:	
PPA response: Accept/Reject Signed:	