

All District Health Boards

Cover Sheet

To:	National DHB Chief Executives
From:	Dan Coward, Chair National Chief Operating Officer
Subject:	Escalated payments to maintain critical service delivery
Date:	16 March 2022
Contributors	Nick Baker, Chair Chief Medical Officers Margaret Dotchin, Chair Directors of Nursing Sue Waters, Chair Directors of Allied Health Elizabeth Jeffs, Dep Chair GMs HR

Decision **Discussion** **Information**

Seeking Funding **Yes** **No**

Funding Implications **Yes** **No**

Purpose

This paper is to confirm national consistency and guidelines in the way DHBs manage escalated payments for hard to fill shifts, for the purposes of maintaining minimum service standards (critical services as noted in some DHBs defined as acute inpatient services, P1 or cancer service), through the omicron outbreak.

A national approach is proposed to mitigate the risk of workforce dissatisfaction that will arise out of inconsistent approaches to managing service impacts due to Covid workforce impacts and recognition of work undertaken. Also, if each area develops their own system it creates substantial waste of effort, duplication and rework distracting effort from other tasks.

Recommendations

It is recommended that the CEs:

Agree: Always DHB CE sign off when (DHB CE) has determined that, having exhausted all other options, failure to introduce the escalation/incentive payments will mean the DHB will not be able to continue to provide P1 and critical services.

Note: The three Auckland Metro DHBs have implemented escalated payments, to incentivise employees to cover hard to fill shifts left unfilled due to absenteeism generated by Covid illness /mandated isolation.

Note: The potential cost to DHBs for maintaining minimum (critical services eg P1's and acute services) service standards within DHBs with escalated rates was not able to be costed as no costing assumptions or actual spend was available during the writing of this paper. Furthermore, no costing assumptions have been undertaken for DHB funded services.

Agree: That if other DHBs need to maintain minimum service standards (critical services eg P1's and acute services) through the omicron surge, that the escalated rates adopted by Auckland DHB are consistently applied.

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Note: The threshold for maintaining minimum service standards extend to critical services eg P1 and acute services.

Note: Union feedback has been received through ULEG and while supportive of an escalated payment, the union claim is that it should be applied to all staff on all shifts and reflect a 'covid payment' as it creates inequity.

Note: Not all DHB's will need to implement this schedule and may have local agreement in place to maintain minimum service provision

Background

The three Auckland metro DHBs are paying an escalated rate for all staff undertaking shifts they have identified as hard to fill (generally nights and overtime) while experiencing an omicron surge, to maintain minimum service standards (critical services eg P1's and acute services).

A nationally consistent approach

It is proposed that the escalated remuneration approach implemented by the Auckland Metro DHBs is adopted nationally where a DHB faces the same minimum service delivery failure.

If a DHB was required to implement the escalated rates due to crisis point of safe delivery of care :

- a) it would be at CEO approval and on case by case basis to recognise that while service delivery has been limited to maintaining minimum service standards (critical services eg P1's and acute services) only, the DHB identifies that without additional staffing those services are at imminent risk because of the Omicron surge, and
- b) would be under pinned by the following principles (consistent with Auckland Metro approach):
 1. Staff will be requested to be deployed to other areas, ahead of being asked to work additional duties
 2. Escalated payments will be targeted toward the shifts the DHB is having difficulty filling with impacts of Covid on the roster
 3. Overtime will be requested and agreed by the manager approved by the CEO and staff member before the work is done and rates apply
 4. Staff must not be incentivised to work unsafely. There is a mutual responsibility between the line manager and staff member that hours worked are safe.
 5. Approval to pay escalated rates will be in accordance with approval provided by the CEO.
 6. A national escalated remuneration payment approach will be approved by the 20 DHB CEOs and consistently communicated and implemented across the 20 DHBs
 7. DHBs must be clear and consistent in communicating the intention of the escalated payment where minimum service failure is imminent.
 8. The Escalated Remuneration Payment Approach will apply as service impacts are identified during the surge period
 9. To access escalated rates staff must be requested to work, and work should be approved in advance of undertaking the duty.

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Risks with national approach

- a) This approach to pay escalated rates to maintain service delivery was developed by the 3 DHBs to respond to an unprecedented impact of workforce through Covid on maintaining minimum services (critical services eg P1's and acute services) but undertaken in isolation of the remaining DHBs who are predicted to face similar workforce impacts due to Covid. This has resulted in the unions and their members having an expectation this will be applied widely/nationally. The flow on impact across primary and community services, pharmacy, ARC, HCSS has not been scoped however referenced by Unions representing this sector during ULEG discussions.

Despite the 'restrictions' being applied it can be expected the unions will seek to have this approach applied to other situations including contingency planning for strikes; sustained periods of under staffing (noting the NZNO MECA bargaining claim for penal rate payments of T1.5 in the event of an under-staffing situation); and future MECA bargaining claims.

- b) Through ULEG, Unions have identified concerns that the escalated payments did not apply to day shift staff and as a consideration DHBs should at least extend the Covid 'gestures' to all staff to alleviate this and the understandable sentiment of recognising activity between day and night. Other feedback received included:
- Gestures should include– coffees, free carparking etc
 - A big thank you – a \$500 supermarket voucher for every person.
 - Escalated payments for all staff on all shifts.

Note- currently a stocktake of gestures has highlighted a high level of consistency in approach noting carparking is an area that is not nationally consistently being applied and greater opportunity to recognise efforts of staff could be covered through this approach. Currently,

- c) funding any payments would not meet the current parameters of the Covid Tracker. This also faces the risk of becoming part of the bargaining strategy for unions currently in negotiations and for future bargaining if not applied as strictly Covid workforce related gaps in rosters in those shifts and services that are facing impacts. Precedent will be set from this approach.

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	Standard Rates	Rates from xx to xx (applied in 2 week timeframes)
Applicable to all Nurses and Midwives, Allied Health, Scientific, Technical, Clerical / Admin and Support staff within coverage of an existing MECA (including those on derived IEAs)	Penal rates (generally T1.25/T1.5) for night and weekends	Night duty - Normal MECA rates apply, plus an allowance of \$500 gross for a full shift (8 hours), pro-rated for part shifts (shifts that begin 10pm and after or 7pm where existing 12-hour rostered shift patterns occur Note: applies for all night duties whether the employee normally works nights or not.
	Overtime rates (generally T1.5 or T2) for hours worked in excess of 8 hours (or rostered shift) per day, or 80 hours per fortnight	Overtime – Normal MECA rates apply plus a maximum allowance of \$250 gross for a full shift, pro-rated for part shifts Part-time employees – eligible for the \$250 gross for a full shift (pro-rated for part shifts) where they pick up additional hours over and above their ordinary weekly hours (even where they are not eligible for overtime rates) Note: not payable if the night duty payment above is applicable, employees may only claim one or the other
	Rostered on-call – on-call payment applies	On-call payments in accordance with the applicable MECA or \$10 per hour (whichever is the greater) Where the employee is called in – then the night duty or overtime provision above applies
Applicable to all true IEA staff	No additional payments for hours worked over and above contracted hours	Overtime for Omicron related deployment or duties (including nights) – Paid for hours worked over and above contracted hours at T1 rate plus an allowance of \$250 gross for a full shift, pro-rated for part shifts
	Rostered on-call – no provision	\$10 per hour where called in and the work is overtime – the above overtime arrangements apply
Applicable to Senior Medical Officers		<ul style="list-style-type: none"> • Weekend 0800-2200 \$250 per hour • Week day 0800-1800 MECA rates • Week day 1800-2200 \$250 per hour • Nights 2200 – 0800 \$350 per hour • Plus: \$50/hour for working in a different area
Applicable only to Resident Medical Officer's		<ul style="list-style-type: none"> • Redeployed to a roster which is the same run category or a lower run category you will be paid your normal salary • Redeployed to a roster which has a higher run category or hours of work you will get the run category of the roster you are working • Any changes to an after-hours shift or an additional shift is paid at additional duties rates

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Applicable only to Resident Medical Officer's

MECA Rates per hour					Escalated Rates per hour					
Shift	HO	SHO	Reg	Snr-Reg	Shift	HO	SHO	Reg	Snr-Reg	Comments
Mon-to-Fri-0800-1600	\$60	\$75	\$85	\$120	Mon-to-Fri-0800-1600	\$60	\$75	\$85	\$120	Current-MECA-rate
Mon-to-Thurs-1600-2200	\$60	\$75	\$85	\$120	Mon-to-Thurs-1600-2200	\$75	\$93.75	\$106.25	\$150	T1.25 MECA ^o -Rate
Weekend (incl.-Fri-1600-2200- and- Sat/Sun-0800-2200)	\$60	\$75	\$85	\$120	Weekend (incl.-Fri-1600-2200- and-Sat/Sun-0800-2200)	\$85	\$112.50	\$127.50	\$180	Reg,-SHO-&-Snr-Reg- at-T1.5-MECA ^o -rate HO-at-current- Registrar-rate
Nights	\$90	\$115	\$130	\$180	Nights	\$130	\$172.50	\$195	\$195	Reg,-SHO-&-Snr-Reg- at-T1.5-Reg- MECA ^o -rate ^o HO-at-current- Registrar-rate