

Pre-Payment Assessment Programme

COVID-19 WSSAug21

80 + Employees

TYPE OF ASSESSMENT	Prepayment Assessment
PROGRAMME NAME	WSS August 2021
CLAIM NUMBER:	s9(2)(a)
IR NUMBER	s9(2)(b)(ii)
BUSINESS/NAME	St George's Hospital Incorporated
NZ BUSINESS NUMBER	None on application
CLAIM AMOUNT	\$568,540.00
DATE	08/09/2021
ASSESSOR	s9(2)(a)

DESK BASED REVIEW	
CSV FILE APPLICATION MADE (80+ Employees only)	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
RE-APPLICATION	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>
PREVIOUS SUBSIDIES RECEIVED	WAGE SUBSIDY <input checked="" type="checkbox"/> EXTENSION <input type="checkbox"/> RESURGENCE <input type="checkbox"/> LEAVE SUPPORT <input checked="" type="checkbox"/> MARC 2021 <input type="checkbox"/> Total number of previous applications: 3 APPROVED 0 DECLINED
REFUNDS OF PREVIOUS SUBSIDIES	REQUESTED <input type="checkbox"/> RECEIVED <input type="checkbox"/> Reason for refund: N/A

BANK ACCOUNT MATCH (same account as previous application)	YES <input checked="" type="checkbox"/>
INVESTIGATION IDENTIFIED	Details/outcome: None identified
<ul style="list-style-type: none"> • Conduct relevant checks as outlined in Desk File and attached guidelines for the type of assessment you are completing • Note in full the outcomes of this and any other relevant information below 	
<p>Companies Office</p> <ul style="list-style-type: none"> - St George's Hospital Limited (504714) registered 03 May 1991 - NZBN: 9429039115614 - Registered Office and Address for service 249 Papanui Road, Strowan Christchurch 8014 - 2 directors Carol Ferguson Blair Roxborough <p>View All Details (companiesoffice.govt.nz)</p> <p>Google searched 'St George's hospital'</p> <p>Leads to business website</p> <ul style="list-style-type: none"> - It is a private hospital <p>Welcome to St George's Hospital St George's Hospital Christchurch NZ (stgeorges.org.nz)</p> <p>Leads to Ministry of Health website</p> <ul style="list-style-type: none"> - Service types: maternity, surgical <p>St George's Hospital Ministry of Health NZ</p>	

IRD VALIDATION CHECK	
IRD VALIDATION CHECK	Contact IR to validate: <ul style="list-style-type: none"> • Registered business • Business type • IRD number • GST registered • Trading pre lockdown • Number of employees

	<p>08/09/2021, called IRD and confirmed</p> <ul style="list-style-type: none"> - Business is registered - Correct IRD number - Incorporated not limited - Business is GST registered - Trading before lockdown - Total number of employees 543 held with IRD <p>526 employees on application</p>
--	--

EMPLOYEE NUMBERS MATCH	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>
-------------------------------	--

CONTACT WITH EMPLOYER/APPLICANT

<p>QUALIFICATION AND OBLIGATIONS</p> <p>LEGALLY EMPLOYED IN NZ</p> <p>Operating in NZ?</p> <p>NB: You are required to retain documentation in the event this application is reviewed at a later date.</p> <p>40% DECLINE</p> <p>What evidence could you show us</p>	<p>Contact person is s9(2)(a) [REDACTED]</p> <p>09/09/2021, called s9(2)(a) [REDACTED] at 2.45pm. Phone rings to voicemail. Did not leave a message</p> <p>09/09/2021, called s9(2)(a) [REDACTED] at 2.46pm. Introduced myself and why I am calling. Asked s9(2)(a) [REDACTED] if now a good time to ask a few questions, she said she is rushing to get her children from school. A call back at 3.30pm to this number is requested</p> <p>09/09/2021, called s9(2)(a) [REDACTED] at 3.30pm:</p> <p>Is St George’s Hospital Incorporated currently operating here in New Zealand?</p> <ul style="list-style-type: none"> • Yes <p><i>Note: You are required to retain documentation in the event this application is reviewed at a later date</i></p> <p>Can you describe how your business has been affected by the move to Alert Level 4 on 17 August 2021?</p> <ul style="list-style-type: none"> • Basically, our main business is doing surgery. We were able to do only some. The hospital was closed. We couldn’t do what we call a yellow rated surgery. No income generated <p>What evidence could you show us that your work has had at least a 40% decline in revenue over a period of 14 consecutive days? Can you tell me who did that calculation? (when compared to a typical fortnightly revenue of your business over the period of 6 weeks immediately prior to the move to Alert Level 4 on 17 August 2021)</p> <ul style="list-style-type: none"> • Our CFO could provide that information and will pass it on
--	--

that your business has had, or you are predicting will have, at least a 40% decline in revenue over the period 17 August to 30 August 2021 when compared to a typical 14-day consecutive period of revenue in the six weeks immediately prior to the move to Alert Level 4 on 17 August 2021. How is that revenue decline attributable to the move to Alert Level 4 on 17 August 2021.

Would you be able to send me this calculation? I will send you an email asking for this calculation after our phone call. Is s9(2)(a) the correct email contact for you?

- Yes, that's correct
- I will send you an email then you can reply to that email with all the information. Ok?
- Ok

When you applied for the wage subsidy, you would have ticked in the obligation something about 'active steps you have taken to mitigate the impact of COVID-19 on your business activities. Can you tell me the active steps you have taken to mitigate the impact of the move to Alert Level 4 on the 17 August 2021?

(examples include but not limited to engaging with your bank, drawing on your cash reserves as appropriate, making an insurance claim, IRD loans, other government assistance, moved to online, employees WFH etc)

- My manager will answer that and will pass on in the email

How are you paying your employees? Are you paying them 100%, 80% or lump sum?

- 100%

Do you understand your obligations under any employment agreement (including rates of pay, hours of work and leave entitlement, without the written agreement of the relevant employee)?

- Yes

Note - You will repay any amount of the subsidy that is not required for cannot be used to support paying and retaining other affected staff

Are there any staff members who are ceasing employment during the subsidy period? Or anyone who has already submitted a resignation?

- No when we applied, we reviewed those staff and didn't apply for those people (staff on ACC, maternity leave)

Have any of the employees in this application been given notice of redundancy at date of or prior to this application?

- No

s9(2)(a), I can see from notes in our system that the hospital applied for the very first wage subsidy and was waiting on 'Capacity Funding Agreement' from CDHB to be finalised to see if you need to refund the wage subsidy back. Was the agreement finalised?

- My manager will answer that as I only joined last June 2020

I will just go on to the declaration part

For businesses seeking to use the seasonal comparison period: On what basis is the business is of a seasonal nature; How does the seasonal nature of the business make it harder for the business to meet the 40% revenue decline; and What evidence does the business have that can show it has had or is predicting it will have a decline in revenue of at least 40% over the period 17 August

09/09/2021, sent an email to s9(2)(a) at 3.48pm:

Hi s9(2)(a),

Thank you for taking the time to speak to me on the phone

As per our conversation, can you please:

- Provide verification of your business's calculation of at least a 40% decline in revenue over a period of 14 consecutive days (18 to 31 August 2021)? (when compared to a typical 14 consecutive days revenue over the period of 6 weeks immediately prior to the move to Alert Level 4 on 17 August 2021)
- Provide verification of active steps the business have taken to mitigate the impact of COVID-19 on your business activities? (e.g. draw on cash reserves, IRD loans etc)
- Explanation to what happen to the 'Capacity Funding Agreement' that was meant to be finalised round about Alert level changes in April 2020. The notes on our system says that if this funding is finalised, then a refund of that subsidy (April 2020) might be pursued.

Regards

15/09/2021, email received from St Georges hospital's chief financial officer (CFO), s9(2)(a) at 4.27pm:

Hi s9(2)(a)

I have provided responses below to your questions:

1. Provide verification of your business's calculation of at least a 40% decline in revenue over a period of 14 consecutive days (18 to 31 August 2021)? (when compared to a typical 14 consecutive days revenue over the period of 6 weeks immediately prior to the move to Alert Level 4 on 17 August 2021)

We have completed a calculation which shows that the revenue declined 68% from 14 days 4th to 17th August (Total Revenue \$3,180,362.15) to 14 days 18th to 31st August (Total Revenue \$1,030,126.07)

2. Provide verification of active steps the business have taken to mitigate the impact of COVID-19 on your business activities? (e.g. draw on cash reserves, IRD loans etc)

The St Georges Hospital pandemic response team was stood up and has worked collaborately with all affected parties including the CDHB and the Ministry of Health ("the Ministry") to meet the requirements for being open for business under the requirements outlined by the Ministry at alert levels 4 and 3 and 2. This

to 30 August 2021, when compared to the same 14 consecutive days in 2020 or 2019. Refer to calculator tool on MSD website. Who calculated the revenue decline information? Tell us how you worked this out? Explain what the revenue calculation included. Accountant or Finance Manager/ CFO details, unless applicant. Request copy of revenue decline information

includes working with CDHB regarding prioritisation of surgery, implementing Infection, Prevention, & Control protocols including the provision of PPE, the screening of all patients, restricting visitor numbers, closing access points, providing communication and signage, and tracking staff vaccination levels. From a financial perspective, we have been monitoring cashflow very carefully including terminating term deposits to meet our shortfalls in cash flow.

3. Explanation to what happened to the 'Capacity Funding Agreement' that was meant to be finalised around about Alert level changes in April 2020. The notes on our system says that if this funding is finalised, then a refund of that subsidy (April 2020) might be pursued.

I have spoken to s9(2)(a), the actuary who completed the calculations and submission to the MoH on behalf of the New Zealand Private Surgical Hospital Association and he confirmed that the final amount received was adjusted for the receipt of the wage subsidy i.e. it was net of the wage subsidy. s9(2)(a) stated that it was an expectation of the Ministry that all organisations would claim the wage subsidy and this payment was a "top-up" in addition to those funds. The Agreement is very clear that it was provided for Maintaining Private Hospital Capacity, Capability, Resources and Staff to Support the COVID[1]19 Response. The calculation factors in any other Government subsidy contributions or funding provided by District Health Boards for this same purpose. There was never an expectation that the wage subsidy would need to be repaid. s9(2)(a) is happy to discuss this with you, should you need further clarification (Ph: s9(2)(a)). s9(2)(a) from the Ministry worked with s9(2)(a) on these claims and the calculations were verified and audited by the Ministry at the time.

Should you require further information please feel free to contact me directly.

Regards

s9(2)(a)



**ST GEORGE'S
HOSPITAL**
A TRADITION OF EXCELLENCE

s9(2)(a)

Chief Financial Officer

249 Papanui Road, Strowan, Christchurch 8014 | Private

s9(2)(a)

W: www.stgeorges

n by
email.

**MITIGAT
IONS**

Tell us
about
active
steps
you've
taken to
mitigate
the
impact of
the move
to Alert
Level 4 on
17 August
2021.
Give
specific
examples
and
outcomes.

(includes
but not
limited to
engaging
with your
bank,
drawing
on your
cash
reserves
as
appropriat
e, making
an
insurance
claim, IRD
loans,
other
governme
nt
assistance
, moved

Decision

- Application approved as criteria met
- I am satisfied with the email from the CFO

RELEASED UNDER THE
OFFICIAL INFORMATION ACT

to online,
employee
s WFH).

**RECONCI
LIATION
OF
EMPLOYE
E
NUMBER
S**

Discuss
any
variation.
PAYE
records
with IRD
show x
number of
employee
s. Explain
why there
are
more/less
than
previous
week.
Explain
large
variation
on
previous
applicatio
ns
(higher/lo
wer).
What
evidence
can you
show us
to clarify
this?
Email.

You must
pass this
payment

RELEASED UNDER THE
OFFICIAL INFORMATION ACT

onto your employees. How will you pay them the subsidy and at what rate? (80%, 100%, lump sum)

NB. You must use your best endeavours to pay at least 80 per cent of each named employee's ordinary wages or salary.

Do you understand your obligations under any employment agreement, (including rates of pay, hours of work and leave entitlement,

RELEASED UNDER THE OFFICIAL INFORMATION ACT

without the written agreement of the relevant employee).

NB. You will repay any amount of the subsidy that is not required or cannot be used to support paying and retaining other affected staff.

Are there any staff members who are ceasing employment during the subsidy period? Anyone who has already submitted a resignation?

Have any of the employees been

RELEASED UNDER THE OFFICIAL INFORMATION ACT

<p>given notice of redundancy at date of or prior to application?</p>	
---	--

<p style="text-align: center;">DECLARATION</p>	
<p>If requested, you will provide further information to MSD to review any subsidy granted and how it is paid to employees?</p>	<p>YES <input checked="" type="checkbox"/></p>
<p>Are you aware that we will share information you have provided about your business with other agencies in order to review any subsidy paid to you?</p>	<p>YES <input checked="" type="checkbox"/></p>
<p>Do you understand that MSD will be publishing information about your business and the level and duration of any subsidy provided to you?</p>	<p>YES <input checked="" type="checkbox"/></p>
<p>You must notify MSD within 5 working days if anything changes that may affect your eligibility or entitlement to the subsidy, including if any of the employees named in your application end employment with you?</p>	<p>YES <input checked="" type="checkbox"/></p>
<p>Do you acknowledge that you will have to repay any subsidy that you were not, or stop being entitled to?</p>	<p>YES <input checked="" type="checkbox"/></p>

Do you acknowledge that the information you have provided is true and correct?	YES <input checked="" type="checkbox"/>
You are making this declaration of behalf of your business and you have the authority to do so?	YES <input checked="" type="checkbox"/>

SUMMARY	
40% DECLINE MET	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> If yes, verification of calculation provided? YES <input checked="" type="checkbox"/>
OBLIGATIONS MET AND UNDERSTOOD	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>

VERIFICATION DOCUMENTS	
<p>How to embed file:</p> <p>Save verification document</p> <p>Put cursor in white box →</p> <p>Go to Insert</p> <p>Click and select Object</p> <p>Click 'Create From File'</p> <p>Tick 'Display as Icon' and browse for verification document required. Click OK.</p>	

WAGE SUBSIDY OUTCOME (For reporting purposes)	COMMENTS
WAGE SUBSIDY GRANTED	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>

RELEASED UNDER THE
OFFICIAL INFORMATION ACT