

Community Pharmacy Agreement

Community pharmacy is an integral part of the infrastructure of the health care system.

Recognising its role in primary health care through the delivery of the Pharmaceutical Benefits Scheme (PBS) and related services, Community Pharmacy Agreements between the Australian Government and the Pharmacy Guild of Australia have been in place since 1991.

The Sixth Community Pharmacy Agreement valued at \$18.9 billion over five years commenced on 1 July 2015. Key changes included:

- More transparent remuneration with the fee for administration, handling and infrastructure separated from the dispensing fee
- Increased investment in professional services, with scrutiny and approval by the Medical Services Advisory Committee

Pharmacist discretion to discount the patient co-payment by up to \$1.

A Review of Pharmacy Remuneration and Regulation by the Department of Health has been progressing since November 2015.

AHHA POSITION:

- ✧ Timely and affordable access to medicines and quality pharmacy services for all Australians must be the primary objective of the Community Pharmacy Agreement.
- ✧ Accountability for achieving this objective requires independent monitoring and reporting on the performance of pharmacy service providers to ensure access and quality care is provided to all Australians. Performance monitoring should be integrated with that for healthcare delivery more broadly, e.g. through the Australian Institute of Health and Welfare, with targets and benchmarks based on outcomes (access and quality), not just processes and inputs.

- ✧ Sustainability of both the PBS and the community pharmacy network must be considered in the Community Pharmacy Agreement. Remuneration paid needs to adequately reflect the services provided. Professional services provided by pharmacists should be assessed independently for effectiveness and efficiency, with funding models available that are patient-centred and support care in the most appropriate environment. Reforms must include change management strategies and associated incentives.
- ✧ Innovative and flexible approaches to health service delivery must be supported through integrated and coordinated health systems and funding approaches. The Community Pharmacy Agreement must make best use of the pharmacist workforce, with collaboration between the established network of community pharmacies, Primary Health Networks and local hospital/health services (public and private), so that services are responsive to local needs and there is seamless transition for patients between sectors and providers of care.
- ✧ Anti-competitive restrictions associated with the provision of services funded under Community Pharmacy Agreements should be subject to an independent, rigorous and transparent public interest test.
- ✧ Urgently needed to guide reform of pharmacy location and ownership rules are:
 - An independent review of the literature on the impact of different pharmacy location and ownership arrangements
 - An independent economic analysis of alternative models and mechanisms that are less restrictive on competition but can still secure access to affordable medicines for all Australians.
- ✧ Findings and outcomes from the Review of Pharmacy Remuneration and Regulation are well overdue and must be published to guide any future reform.

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