Community Pharmacy Agreement

Community pharmacies are an integral part of the infrastructure of the health care system. Through providing timely access to medicine and supporting the quality use of medicines, they play a key role in achieving the objectives of the National Medicines Policy.

Community pharmacy regulation and remuneration must support outcomes-focused and value-based care, ensuring it is effective, patient-centred, integrated and sustainable.

Recognising pharmacy's 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 review of services for clinical and cost-effectiveness by an independent health technology body such as the Medical Services Advisory Committee.

Pharmacy location arrangements are included in Agreements with the aim of ensuring a network of accessible and viable community pharmacies throughout Australia, including in rural and remote areas. Since 2000, there have been four major pharmacy reviews including the appropriateness, effectiveness and efficiency of arrangements.

AHHA POSITION:

- Meaningful measures of access are urgently needed to determine the value of pharmacy location arrangements and to guide reform. The ratio of community pharmacies to population is not sufficient. Measures may include distance travelled to nearest pharmacy and the extent to which consumers can exercise choice in pharmacy services accessed.
- The Australian Government should abolish the option for pharmacies to discount PBS copayments by $1 as the policy undermines the principles of universal access and exacerbates inequities.
- The monitoring and recording of medicines towards the PBS Safety Net should be managed electronically for patients and applied automatically when thresholds are reached, rather than by individual pharmacies, hospitals and patients.
- Appropriate data about professional services funded under the Community Pharmacy Agreement must be collected to be able to adequately evaluate outcomes and costs.
- Professional services supporting medicines management in targeted populations should be implemented at a local level through regional governance structures (e.g. Primary Health Networks and Local Hospital Networks). This will improve responsiveness to local needs and priorities, integration with local health services, and independent performance monitoring and reporting.
- Funding for professional services should be directed to models of practice in a manner that meets patient needs, e.g. home-based care, general practices, Aboriginal Health Services, aged care, community services, as well as community pharmacies, and may often best be negotiated outside the Community Pharmacy Agreement.
- Caps on professional service provision should be replaced with increased attention to ensuring eligibility criteria target patients who will receive greatest value.
- 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.

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Released November 2018

the voice of public healthcare