Submission to the

Review of Pharmacy Remuneration and Regulation

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Contact:
Alison Verhoeven
Chief Executive
Australian Healthcare and Hospitals Association
t 02 6162 0780 | f 02 6162 0779 | m 0403 282 501
Post: PO Box 78, Deakin West, ACT 2600
Location: Unit 8, 2 Phipps Close, Deakin, ACT 2600
e averhoeven@ahha.com.au
w www.ahha.asn.au

Introduction

The Australian Healthcare and Hospitals Association (AHHA) welcomes the opportunity to provide a submission to the Review of Pharmacy Remuneration and Regulation.

AHHA is Australia's national peak body for public and not-for-profit hospitals and health care providers. Our membership includes state health departments, Local Hospital Networks and public hospitals, community health services, Primary Health Networks and primary healthcare providers, aged care providers, universities, individual health professionals and academics. As such, we are uniquely placed to be an independent, national voice for universal high quality healthcare to benefit the whole community.

The following issues are raised for consideration by the Review Panel.

General Comments

Timely and affordable access to medicines and quality pharmacy services for all Australians must be the primary objective of community pharmacy supply arrangements. 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 (for example through the Australian Institute of Health and Welfare), with targets and benchmarks based on access and quality outcomes, and not just processes and inputs.

Sustainability of both the Pharmaceutical Benefits Schedule (PBS) and community pharmacies must be considered, with remuneration paid 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. Any reforms must also 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. Any changes to 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.

Using Meaningful Measures to Guide Action

The ratio of community pharmacies to population may be appropriate at a national or state/territory level. However, the statistics presented in the discussion paper do not clarify whether the distribution of pharmacies is appropriate. This may be indicated, for example, by the distance that needs to be travelled to the nearest pharmacy in different geographic areas.

The statistics presented also do not demonstrate the extent to which consumers can exercise choice in the pharmacy services able to be accessed. This may be reflected, for example, in the number of pharmacies within a certain distance from a person in different geographic areas, or the extent to which those pharmacies provide 'optional' professional services beyond pharmaceuticals dispensing.

Further work is needed to ensure that meaningful measures of access are used to support action to increase or decrease the ratio of community pharmacies to the local population.

An Assurance of Quality Professional Care

Rather than introducing arbitrary measures, for example for space dedicated to professional versus retail areas or defining the products that can be sold, pharmacies should be held accountable to quality and safety standards in order to be eligible for receiving remuneration for dispensing PBS medicines. Outcome focused quality and safety standards should be such that business models that prioritise retail activity at the expense of quality professional care would be unlikely to meet the standards.

While a pharmacy accreditation scheme is currently in place (with standards set and assessed by the Pharmacy Guild of Australia), findings and recommendations from the recent consultation and review of General Practice accreditation led by the Australian Commission on Safety and Quality in Health Care[1] should be considered for any scheme where remuneration would be dependent on accreditation. Changes may include utilising an industry-based stakeholder committee to provide governance and oversight of the scheme, an approval process for accrediting agencies assessing pharmacies, greater choice for pharmacies seeking accreditation, and a data collection and reporting framework relating to accreditation performance and outcomes to enable benchmarking. The scheme should be consistent with the National Safety and Quality Health Service Standards.[2]

Adequate Remuneration Structures for Person-Centred and Integrated Care

Community pharmacies are supported as an appropriate mechanism for medicine distribution to ensure access to medicines by the community. Changes made in the Sixth Community Pharmacy Agreement (6CPA) have improved clarity and transparency around the components of remuneration for medicine distribution, and appropriately reflect that medicines are not

[1] General Practice accreditation. At: http://www.safetyandquality.gov.au/our-work/general-practice-accreditation/.
[2] Accreditation and the NSQHS Standards. At: http://www.safetyandquality.gov.au/our-work/accreditation-and-the-nsqhs-standards/.

normal items of commerce. It seems appropriate that the components of remuneration relating to medicines remuneration should be negotiated between the Government and the Guild (on behalf of community pharmacies). As previously noted, pharmacies should then be required to meet quality and safety outcomes in order to be eligible for remuneration (and the accreditation process for this should involve much broader stakeholder involvement).

The National Medicines Policy states it aims to improve positive health outcomes for all Australians through their access to and wise use of medicines. Each supply of a medicine provides a good opportunity to ensure the medicine is being used wisely ie judiciously, appropriately, safely and efficaciously. However, achieving optimum use of medicines, and the role pharmacists have in this, needs to be funded in a manner whereby activity can occur in locations much broader than community pharmacy, particularly in areas where community pharmacies have elected not to provide specific services. Remuneration for professional services provided by pharmacists should:

- Allow for models of practice that are patient-centred, outcome focused and facilitate integrated care with other health care providers eg home-based, in general practices, in other community health services, in Aboriginal Health Services as well as in community pharmacies; and
- Be consistent with funding models for other health providers so there is greater opportunity and flexibility to consider role substitution and extension with providers working to their full scope of practice.

Professional services provided by pharmacists and their remuneration should involve consultation with a much broader range of stakeholders than what may be required for medicine distribution and remuneration.

When considering remuneration for both medicine distribution and professional services, innovative approaches to meet the needs of vulnerable groups should not be prevented, eg the Cohealth pharmacy and its person-centred, integrated model of care for particularly vulnerable clients, such as those experiencing homelessness, mental health conditions and alcohol or drug dependency.[3]

Regulation to Achieve Outcomes

It is appropriate to review the extent to which location rules are achieving their intended outcomes. It is important that the community pharmacy network is efficient and equitable. However, the costs and benefits of the location rules when compared to other potential mechanisms, such as incentives to support pharmacies being sustainable in smaller or rural communities, should be reviewed. Comparisons with strategies used in other countries must demonstrate an understanding of pharmacy within the broader healthcare system in those other countries to ensure comparisons are valid.

[3] Medication and collaboration: Improving the quality and accessibility of pharmacy services for high-need populations. At: https://ahha.asn.au/news/medication-and-collaboration-improving-quality-and-accessibility-pharmacy-services-high-need.

While there are valid reasons to restrict pharmacies operating from within a supermarket, an outcome-focused approach with pharmacies being required to achieve quality and safety standards could provide appropriate assurance eg standards to ensure governance structures and contractual relationships for the pharmacy prevent inappropriate influence on professional practice and services provided.

Consumer Access – Schedule 2 and 3 Medicines

The system of scheduling in Australia provides an appropriate balance between access and health and safety for consumers.

However, increasing access to medicines by down-scheduling (eg from Schedule 4 Prescription only to Schedule 3 Pharmacist only) is a process driven typically by pharmaceutical companies in Australia, where there is a commercial gain expected from increasing access to the community. Companies prepare applications for submitting to the Advisory Committee on Medicines Scheduling to consider and make recommendations, and this can be a costly process. There is no 'standard' process to drive 'switches' on the basis of a public health benefit eg as evidence emerges about safety following experience and use of a medicine. Facilitating such a process could provide an economic benefit to the community.

Pharmacy Ownership and Location

The system for pharmacy accreditation will require further development to ensure protection for the public if pharmacy ownership and location rules are amended (such as allowing pharmacies to be located in supermarkets). Noting that other health services can be owned by non-health professionals, there may be scope for similar arrangements with pharmacies. However, for patient safety to be assured, robust quality and safety assurance systems must first be in place. This should include aiming to prevent undue pressure for product sales, to ensure appropriate professional accountability and to provide effective penalties for inappropriate practice (see previous comments on *An Assurance of Quality Professional Care*).

Improving Access to and Quality Use of Pharmaceuticals by Aboriginal and Torres Strait Islander People in Remote Areas

The Review of Pharmacy Remuneration and Regulation Discussion paper poses a number of questions around pharmaceutical supply arrangements for Aboriginal and Torres Strait Islander people living in remote locations. The AHHA would in general support any initiatives that effectively work towards reducing health inequalities and improving the quality use of medicines among this particularly disadvantaged group.


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