Community Pharmacy Agreement

Community pharmacies are an integral part of the infrastructure of the healthcare 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 Seventh Community Pharmacy Agreement was signed June 2020. Valued at $15.85 billion over five years, it introduced for the first time, the Pharmaceutical Society of Australia as a signatory to relevant parts of the Agreement.

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, while ownership is regulated by state and territory governments. Since 2000, there have been four major pharmacy reviews including the appropriateness, effectiveness and efficiency of these arrangements. Recommendations including a review of ownership arrangements by the ACCC have yet to be implemented.

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.
- With significant changes to pharmacy business models and ownership structures, state and territory governments must transparently demonstrate the benefits from current ownership rules in protecting patient safety (e.g. maintaining accountability, undue external influences on standards maintained, and reduced conflicts of interest in the supply chain).
- Limitations on the number of pharmacies a pharmacist can own or have a proprietary interest in should be based on those held nationally, not only within a single state or territory.
- The optional $1 discount on PBS copayments should be abolished as it has been shown to be applied disproportionately more in urban areas than in remote areas, exacerbating inequities.
- The recommendation from the Pharmaceutical Benefits Advisory Council (PBAC) to increase maximum dispensed quantities to 60 days for suitable medicines for chronic, stable conditions should be implemented.
- 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 Agreement, including patient-reported outcome and experience measures, must be collected and transparently reported to be able to adequately evaluate outcomes and costs.
- Professional services supporting medicines management in targeted populations should be implemented through regional governance structures (e.g. Primary Health Networks and Local Hospital Networks), improving responsiveness to local needs and priorities, integration with local health services, and independent monitoring and reporting.
- Anti-competitive restrictions associated with the provision of services funded under Agreements should be subject to an independent, rigorous and transparent public interest test.
- Funding for professional services should be directed to models of practice in a manner that meets patient needs, which may be in settings outside community pharmacies, and therefore better negotiated outside the Community Pharmacy Agreement.
- Caps on professional service provision should be replaced with increased attention to eligibility criteria that target patients who will receive greatest value.

T. 02 6162 0780 | E. admin@ahha.asn.au | W. https://ahha.asn.au
Released July 2021

the voice of public healthcare