



RACGP

Royal Australian College of General Practitioners

*RACGP Submission to the Review of
Pharmacy Remuneration and Regulation
Interim Report*

July 2017



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RACGP Submission: Review of Pharmacy Remuneration and Regulation Interim Report

Introduction

The Royal Australian College of General Practitioners (RACGP) thanks the Review of Pharmacy Remuneration and Regulation Panel (the Review Panel) for the invitation to respond to the *Review of Pharmacy Remuneration and Regulation Interim Report* (the Report) and contribute to the discussion regarding the future of community pharmacy arrangements.

The RACGP is Australia's largest professional general practice organisation representing 90% of Australia's general practitioners (GPs). As key prescribers of medicines listed under the Pharmaceutical Benefit Scheme (PBS), GPs interact with community pharmacies on a daily basis. The RACGP advocates that changes to community pharmacy, or the pharmacy sector, promote access to medicines and prevent fragmentation of care. Most importantly, any changes should result in positive health outcomes for patients and a sustainable health system that benefits all Australians.

Pharmacy Review process and preliminary consultation

The release of the Report has been significantly delayed. The Report was initially due for release in December 2016, with the release subsequently extended to early 2017 and then again to mid-2017. Despite the six-month delay in release of the Report, the Review Panel has only provided one month for stakeholder consultation. This does not allow sufficient time to consult with members on the wide ranging implications that the Report may have.

In addition, the Report has presented options rather than recommendations. The RACGP is concerned that stakeholders will not have the opportunity to comment on the final recommendations before they are presented to the Minister of Health. The Report identified that members of the Review Panel disagreed with some of the options presented, which raises concern that the content presented in the final report could differ significantly from the Interim Report.

About this submission

The RACGP strongly supports the patient-centered, rather than profession-centered, approach taken in the Report.

However, some aspects of the Interim Report over-emphasises the importance of patient access and under-emphasises the importance of safe and high-quality health care. It is vital that patient safety is considered of utmost importance in any recommendations presented in the Review Panel's final report to government.

The key areas covered in the RACGP submission are:

1. Consumer Access and Experience
2. The Role of Community Pharmacy in Medicine Supply
3. Community Pharmacy Remuneration by Government
4. The Regulation of Pharmacy for Medicine Supply
5. Future Community Pharmacy Agreements (CPA)
6. Health Programs Offered by Community Pharmacy

7. Access to PBS Medicines and Community Pharmacy Services for Aboriginal and Torres Strait Islander People

The RACGP recommends that the Review Panel:

- carefully consider the implications of implementing an electronic medicine record (either using the My Health Record or implementing an additional system) for recording patient information, including privacy issues
- advocate for stronger restrictions on the sale of complementary and alternative medicines in community pharmacy
- reconsider the option regarding standardising payments for similar services delivered by alternative primary health professionals
- include recommendations regarding the removal of location and ownership rules in its final report to the Government despite the 2017-18 Federal Budget announcement to retain the rules
- promote the expansion of pharmacy services within the scope of pharmacy by recommending support for roles such as a non-dispensing general practice-based pharmacist.

1. Consumer Access and Experience

Labelling and Consumer information

Further to the options presented in the Report, the RACGP recommends that labels clearly show the generic name of the medicine, are large enough for patients to read and do not obstruct the view of the expiry date.

Modernising the prescription and medicine record system

The RACGP supports the option presented by the Review Panel to initiate a system for an integrated electronic prescription system as the primary prescription system. The current prescription system should be updated to reflect best practice and technological advances, however the RACGP recommends that the paper-based method is retained as an optional system. It is important that non-electronic methods are retained in areas where there is low Internet connectivity or to safeguard against technological issues that could arise from having an electronic only system.

Prescriptions should not be directed to particular pharmacies. The proposed electronic system should be designed to allow the patient to receive a prescription and decide later where to have the prescription dispensed, as the paper-based system currently operates. Exemptions may need to be in place for particular medicine programs that require a therapeutic alliance with a pharmacist – such as methadone programs.

The Report considers an option for an electronic medicine record as part of the My Health Record system. The My Health Record system has a number of issues and is not supported by many doctors and general practices. While the RACGP supports the call for a shared medicine record in principle, the Review Panel must consider the flaws with My Health Record carefully.

The Review Panel has suggested that if issues persist with My Health Record, an alternative electronic medicine record system should be introduced in the short term, which could later be linked into My Health Record. The Review Panel must consider the implications of introducing an additional patient record system. There is a risk of wasting valuable practitioner and patient time and fragmentation of care if multiple systems are required to maintain patient records.

The RACGP also wishes to emphasise privacy concerns that could result from an electronic patient medicine record and prescription system. The Review Panel acknowledges privacy concerns in the Interim Report – these concerns should be specifically stated and addressed in its final report to the Government.

The RACGP:

- *supports an electronic prescription system*
- *supports the retention of an optional paper-based prescription system*
- *does not support directed dispensing – patients should continue to be able to choose a pharmacy after they have left the general practice*
- *supports a shared medicine record*
- *advises the Review Panel to carefully consider the implications of implementing an electronic medicine record (either using the My Health Record or implementing an additional system) for recording patient information*
- *advises the Review Panel to further consider privacy concerns before recommending an electronic medicine record or prescription system in the Final Report.*

2. The Role of Community Pharmacy in Medicine Supply

Minimum Requirements for Pharmacies

The RACGP agrees that community pharmacies should be required to meet a set of minimum requirements in order to receive remuneration for dispensing. This would be in line with similar process in the health sector – such as general practices being accredited against the RACGP Standards for General Practice in order to participate in the Practice Incentive Program.

Complementary medicines and homeopathy

Government expenditure should support access to evidence based medicines. Pharmacies receiving funding through the PBS and the Community Pharmacy Agreement (CPA) should only supply evidence-based medicines or products. The option presented in the Report to move non-evidence based complementary and alternative medicines (CAM) to a separate area within a pharmacy is not strong enough to protect patients from being recommended unnecessary CAM. Supplements not supported by high-quality evidence should not be sold from the same location as evidence-based, government-subsidised medicine.

This would then be consistent with the Review Panel's option that PBS dispensing pharmacies should not sell homeopathy products, which the RACGP supports.

The retail-medicine link in community pharmacy must be broken

The Review Panel acknowledged in Chapter 2 of the Report that 'medicines are not normal items of commerce' and therefore, ' a community pharmacy should have no discretion to either raise or lower the price' of a PBS-listed medicine as a way of making profit. In the same vein, the RACGP sees it as inappropriate for pharmacists to sell CAM alongside prescription medicines as a way of making profit.

The Review Panel has the opportunity to influence the health system and contribute to patient health literacy by seeking clear division between evidence and non-evidence based products. If patients are required to attend two separate locations, one supplying evidenced based medicines and another clearly operating as a retail shop, they may more clearly understand the difference between these products. This model is evident overseas. For example, in the Netherlands there is a distinction between pharmacies and chemists; with prescription medicines only available from a pharmacy and non-prescription medicines, complementary and alternative medicines and other retail goods available from a chemist.

The retail-medicine link is not only confusing for patients – it causes an unnecessary conflict of interest for pharmacists. Pharmacists are required to balance both profit making in their retail environment and health priorities of the medical environment.

The RACGP:

- *recommends stronger restrictions on non-evidence based products being sold in pharmacies – including complementary and alternative medicines*
- *supports the option to prohibit the sale of homeopathy products in PBS approved pharmacies.*

3. Community Pharmacy Remuneration by Government

Remuneration for dispensing services

Dispensing medicines is the primary purpose of pharmacies and it should be appropriately supported and sustained. Failure to adequately support the dispensing role could have adverse consequences and may incentivise pharmacies to inappropriately diversify their services in order to sustain their viability. This is evident in the recent attempts by community pharmacies to widen the range of services they provide—offering core medical services such as health screening and the ordering and interpreting of tests. It is inappropriate for pharmacists to conduct these medical services.

The RACGP recommends that the Review Panel consider whether some of the funding within the Community Pharmacy Agreements (CPA) for ‘Community Pharmacy Programs’ could be redirected to better support the dispensing role of pharmacists.

Remuneration for Alternative Service Channels

The option presented in the Report to remunerate different professions for the same service is based on the incorrect assumption that the professions are providing identical health services. The Report uses the example of the government paying different amounts to GPs, nurses and pharmacists to deliver flu vaccinations. This option should not be put forward in the final report to the Government. Although the same flu vaccination is delivered – the service provided is inherently different.

When a patient presents to a pharmacy for a vaccination, they receive an adhoc vaccination service. When a patient presents to a GP for a vaccination, it is often billed as part of a MBS consultation item. As well as providing the vaccination, the GP will assess the patient’s overall health by taking a history and provide a range of preventive services. If necessary, the GP will also perform clinical examinations, arrange investigations and implement a management plan as part of this service.

It is clear these services differ significantly and therefore these two different services should not be funded in the same way or to the same value.

Funding different primary health professionals to undertake similar services will duplicate care, wasting valuable health resources, creating inefficiencies, fragmenting health records and risking patient safety. Instead, the RACGP recommends that multiple funding streams should be eliminated in favour of patients attending the most appropriate profession for the relevant services. In the case of vaccinations – general practice is the most suitable place for a vaccination to be given in conjunction with the required preventative healthcare.

The RACGP:

- *advocates against multiple health professionals offering the same services*
- *advocates for the appropriate remuneration of dispensing in pharmacy*
- *does not support the option regarding equal funding for alternative service channels – based on the notion that alternative service channels offer difference services.*

4. The Regulation of Pharmacy for Medicine Supply

The RACGP strongly supports the views expressed in the Report that aspects of the pharmacy location rules are limiting competition and are unnecessary. Despite the outcomes outlined in the 2017-18 Federal

Budget, it is important that the options presented in the Report are reflected as recommendations in the Final Report.

The RACGP disagrees with the suggestion that the options regarding this are no longer relevant to the review.

The RACGP:

- *supports the options presented in the Interim Report relating to location and ownership rules*
- *advises that the options should be presented as recommendations in the final report to the Government despite the outcome of the 2017-18 Federal Budget.*

5. Future of the CPA

The RACGP supports the options presented in the Report regarding the changes to future CPA. As identified by the Review Panel, the CPA is complicated and includes many variants of pharmacy including aspects that have poor transparency and no health outcome metrics. The CPA should be limited to remuneration and associated regulations regarding the dispensing of medicines that attract PBS subsidies.

The RACGP recommends that each clause of the CPA be analysed to determine its possible outcomes, including its implications for other areas of the health sector. Failure to do this in previous CPA have resulted in unjustified additional remuneration to the pharmacy sector as a result of efforts by other health professionals. For example, as a consequence of the annual community pharmacy and wholesaler reconciliation clause within the CPA, the 2017-18 Federal Budget showed \$225 million would be provided to community pharmacies and pharmaceutical wholesalers as a result of a reduction in the volume of dispensed medications. Part of the reduction in the volume of dispensed prescriptions is likely due to changing prescribing practices by GPs – in spite of this, the general practice sector did not receive any portion of the resulting savings.

These issues will be partly mitigated through the opportunity for other areas of the health sector, including general practice, to comment on the CPA before it is signed.

The RACGP:

- *supports the option to limit the CPA to dispensing arrangements only*
- *supports the option to allow relevant stakeholders (including the RACGP) to comment on the CPA.*

6. Health Programs Offered by Community Pharmacy

An expanded role for pharmacists in the healthcare system

The Report presents information regarding the expanded role of pharmacists overseas – noting that there is significant opportunity to better utilise the skills of pharmacists in Australia. The RACGP supports the Report's suggestion that more coherent data and evidence is required to demonstrate the benefits and value of additional pharmacy services.

The RACGP maintains that pharmacists add value when providing services related the safe, effective and efficient use of medicines. The increasing push to expand the scope of pharmacy beyond this is inappropriate, puts patients at risk and wastes valuable health resources.

Initiatives such as ordering and interpreting lab tests and health screening ventures into medical diagnosis – a role that pharmacists are not appropriately trained to undertake.

The pharmacy profession may argue that the additional medical services they are providing are within the scope of pharmacy. It should be acknowledged that in many respects pharmacists set their own scope of

practice through the *Pharmaceutical Society of Australia's Professional Practice Standards* and the Pharmacy Board of Australia. The scope of pharmacy practice should focus on its core function of medicine dispensing.

Expanding the role of pharmacists – within the scope of pharmacy

Integration of pharmacists into primary healthcare

There is opportunity for pharmacists to be better utilised within their scope of practice. The RACGP outlined this role in our response to the Pharmacy Remuneration and Regulation Review Discussion Paper.

Community pharmacists can be better integrated into primary healthcare through:

- incorporating clinical pharmacists into general practice settings to deliver medication safety initiatives, such as the management of practice drug surveillance and medication safety systems
- providing medication management services, such as identifying and monitoring medication use and safety in partnership with GPs
- collaboration with a patient's healthcare professionals to optimise medication therapy and achieve treatment goals
- supporting GPs in health literacy promotion, empowering patients to achieve their medication self-management goals and share decision-making with their GPs.

General practice-based pharmacist supporting medication governance in general practice

The RACGP also presented an alternative model for pharmacy that would expand the role of pharmacists. It does not appear that the Review Panel considered this proposal.

The RACGP proposed that dispensing and other fees generally associated with community pharmacy could be 'cashed out' to support a general practice-based pharmacist (GPP) to take responsibility for medication governance within general practices. GPPs would be responsible for:

- medication issues, including face-to-face patient education
- practice audits for quality medication management
- dispensing emergency medication
- facilitating improved population medication management based on the electronic records of the general practice.

Medication procurement, storage and delivery to the patient could occur from a single supplier servicing multiple general practices. PBS medication could be delivered directly to a patient's home within 24 hours. Medications for short-term acute conditions could be dispensed at the practice by the GPP. The proposed model would improve patient health outcomes through:

- higher medication adherence compliance rates
- improved access to medication and independent advice
- savings across PBS medication delivery.

While all patients would benefit from this model, the model would particularly benefit patients with chronic disease and limited mobility, arguably the most complex patients.

The model also presents an enhanced independent career prospect for community pharmacists, giving them greater opportunities to work as part of a collaborative primary healthcare team. Within such teams, pharmacists will be able to use a greater skill set as opposed to solely providing basic medication advice and dispensing medication.

The RACGP suggests that this model, although vastly different from the current system, would address a number of key concerns within pharmacy, consumer and other groups involved in primary healthcare.

Machine Dispensing

The RACGP notes the option within the Report to trial machine dispensing in areas of need. Provided that security concerns can be appropriately addressed, the RACGP supports a trial of dispensing machines. There is value in extending the trial beyond poorly serviced areas to increase convenience for patients more generally. This suggestion would align with the RACGP's proposed model of introducing the role of a non-dispensing general practice based pharmacist.

An expanded role for GPs to increase patient convenience and reduce fragmentation of care

Many of the suggestions to expand the role of pharmacy appear to have the goal of creating a one-stop-healthcare-shop for the convenience of patients. If this is the intention, then the most obvious way to achieve this would be to allow GPs to dispense a selected range of common and emergency medicines.

GPs already have the knowledge of medicines required to prescribe – minimal training would be required to support GPs to dispense. The most prescribed medicines by volume could be stored efficiently by GP clinics and dispensed easily and safely.

This approach would greatly improve patient convenience and reduce exposure to non-evidence based products, given that general practices do not engage in retailing activities. Again, it appears that the Review Panel did not consider this option.

The RACGP:

- *strongly opposes the expansion of the pharmacist role outside of medicines and medication management*
- *supports the expansion of the pharmacist role within the scope of pharmacy, such as a general practice based non-dispensing pharmacist.*

7. Access to PBS Medicines and Community Pharmacy Services for Aboriginal and Torres Strait Islander People

The interim report options regarding PBS Medicines and Community Pharmacy Services for Aboriginal and Torres Strait Islander People are in line with the RACGP's recommendations on these issues.

The RACGP is pleased that the Review Panel has acknowledged that benefits should follow the individual, regardless of where the prescription is written or dispensed.

The RACGP also supports the option to allow an Aboriginal Health Service (AHS) to own and operate community pharmacies located at an AHS. This is in line with the RACGP's recommendation that ownership of community pharmacy should be deregulated more broadly.

The RACGP:

- *supports the option to reform the access to medicines programs for Indigenous Australians under section 100 RAAHS Program and the Closing the Gap PBS Co-Payment Measure to allow benefits to follow the individual regardless of where the prescription is written or dispensed.*
- *supports the option to allow an AHS to own and operate community pharmacies located at the AHS*