Consumers Health Forum OF Australia

SUBMISSION

REVIEW OF PHARMACY REMUNERATION AND REGULATION

September 2016

CONTENTS

Contents

Summary

Community pharmacy plays an important part in the health care system and for many consumers the community pharmacist is a very valued part of their health team. The environment in which consumer pharmacies are operating is rapidly changing, with significant technological change, changes in community expectations and a series of potential health reforms which will change their relationship with other health professionals and with consumers.

The Discussion Paper identified a number of key areas that the Panel wanted advice on to help shape its recommendations. Consistent with our desire to have a 21st century health system that has the consumer at its centre our submission concentrates on changes which would have a direct impact on consumers and would improve their access to a full suite of community pharmacy services.

Fundamental to our recommendations is the move away from an omnibus bilateral community pharmacy agreement to a series of arrangements that are negotiated on a multilateral basis with all key stakeholders. We look to deregulation of location and ownership to be the springboard for more innovation and meeting changing consumers' expectations around when and where they get their medicines and other pharmacy services.

All of our recommendations take into account other health reforms that are underway, including the introduction of Health Care Homes, the role of Primary Health Networks and the move to more integrated care across primary and hospital settings. Community pharmacy needs to be included in all these reforms and we believe our recommendations position it to do so.

Recommendations

Future Arrangements

There should not be another Community Pharmacy Agreement. Instead there should be separate negotiations and agreements on the dispensing fee and the professional services programme.

The pharmacist's role in providing consumers with information about their prescription medicines needs to be clarified and explicitly included in the dispensing fee.

The funding for professional services should be put into a separate programme administered by the Department of Health with overarching direction from a Programs Advisory Committee which includes all the key stakeholders. This could be delivered through the Primary Health Networks.

All negotiations should be multilateral involving all the relevant stakeholders.

Location and Ownership rules

The Federal Government should remove existing location rules and allow new pharmacies to be established by competition, for the benefit of consumers.

The use of a mechanism such as a Pharmacy provider number for dispensing PBS medicine should be explored. There needs to be a particular focus on the provision of appropriate services in rural and remote Australia.

The Federal Government should work with State and Territory Governments to review the ownership rules with the aim of abolishing them.

Hospital Pharmacies

Hospital Pharmacies should be able to extend their current range of services by offering services to all community members, after hours taking into account the opening hours of community pharmacy in their region. The authority to operate in this way would include details of the hours of operation.

Hospital pharmacies should be able to provide some limited post-discharge dispensing to enhance continuity of care. This should include delivery and mail order services for people in rural and remotes areas.

Consumer experience

Community pharmacy should display a list of services they provide and any fees that are attached to such services.

Incentives for providing out of hours access to prescription medicines need to be explored with strict guidelines on when they would apply.

The $1 discount on co-payments should continue.

The PBS safety net should be monitored and administered centrally through Medicare.

The Government needs to look ways to improve the operation of the PBS Safety Net to smooth out medicines' co-payments.

Complementary Medicines and Vitamins/Supplements

Community pharmacies selling complementary medicines and supplements adopt a protocol on advising people of interactions with other medicines

Wholesaling and Distribution

The Government should continue to have a specific role in regulating and remunerating pharmacy wholesaling and have an improved Community Service Obligation as part of any future community pharmacy arrangements.

Introduction

The importance of community pharmacy in the Australian health system cannot be questioned. Australia's 5,500 community pharmacies are the primary distribution points for prescription and scheduled over the counter (OTC) medicines, and are expected to dispense over 290 million prescriptions in 2014-15 according to Department of Health estimates[1].

While Australians value the central role played by pharmacists in the delivery of primary health services and provision of health information, the Federal Government should ensure it builds on the expectations for consumer and community involvement in the next Community Pharmacy Agreement (CPA).

CHF's members consider that it is essential that any large health expenditure, such as the $18.9 billion 6CPA, contributes to transparent, improved and measurable health outcomes and serves the interests of Australian health consumers. As both taxpayers and users of the health system, consumer involvement and consultation on future arrangements is vital, especially given the concerns raised by a number of stakeholders over the current arrangements.

From the many surveys and consultation CHF and others have conducted it is clear that Australian consumers value community pharmacy as a service and pharmacists as health professionals. We agree with the proposition that the community pharmacy system is not broken and indeed for many people and in many ways it works well. However there is always room for improvement. Disruptive technologies, changing community needs and expectations, workforce changes as well as the move to a more integrated primary health system that puts the consumer at the centre of care all mean there is pressure to reimagine how we give people access to medicines and other community pharmacy services.

We called for the Sixth Community Pharmacy Agreement (6CPA) to be more transparent and for it to ensure consumers and tax payers are getting value for money. CHF welcomed the decision to include the provision for an independent review of the whole 6CPA as we see it as a critical step towards greater transparency in any future arrangements and reform to ensure community pharmacy continues to meet the changing needs of the Australian community. We are pleased with the Panel's commitment to broad consultation, both before and after the release of its Discussion Paper and look forward to seeing how these views are reflected in the Panel's Final report and recommendations.

Our submission is based on all the work we have done with consumers around community pharmacy. In 2015 CHF undertook took a survey of consumer views on what services should be provided through community pharmacy and the results of this have informed this Submission[2]. The Discussion Paper outlines some of the expectations that consumers have around community pharmacy and overall we agree with these. Our Submission concentrates on how the current arrangements can be improved to ensure these expectations are met.

[1] Pharmacies in Australia - Market Research Report, IBISWorld ANZSIC G4271a , November 2014
[2] CHF 2015 Report on Survey of Community Pharmacy at www.chf.org.au

Issues

Future Arrangements

Community based pharmacists play a key role in the National Medicine Policy by giving access to medicines to consumer through dispensing of PBS medicines. The Community Pharmacy Agreements have been used to set the remuneration provided for performing that task. When the first Agreement was made the Pharmacy Guild of Australia was the organisation representing the majority of community pharmacist and so it made sense for the Government to negotiate with them on the conditions for pharmacies to undertake this role.

Many things have changed since the first Agreement was struck and the Agreements have evolved to include not only remuneration for dispensing but a number of professional services delivered by pharmacists and to support the pharmaceutical supply chain. There have also been significant changes in the operating environment with technological change, changes to consumer habits and expectations and new players entering the community pharmacy market who are not members of the Pharmacy Guild.

CHF believes there is no longer a need for a single bilateral community pharmacy agreement and that it would be better to address the key issues through a series of arrangements that involve the key stakeholders. The details about how to fund dispensing of medicines and the professional services are dealt with below whilst the issues around the rest of the supply chain are addressed later in the submission

Payment for dispensing PBS medicines

The Commonwealth needs to pay pharmacists for dispensing PBS medicines and there needs to be done using a mechanism that is cost-effective and ensures equitable access for consumers. The payment needs to also recognise the value add a pharmacist brings to dispensing through the provision of advice and information about medicines to the consumer. This latter is what many consumers are talking about when they say they value and trust their community pharmacist and it needs to be explicitly recognised.

The fee needs to be calculated using what is currently identified in the Administration, Handling and Infrastructure fee. The current arrangement of a flat fee not linked to the price of the medicine would seem to be the best approach. The increase in the number of higher cost medicines and those which need more specialist storage and handling such as biologics, may require a second tier of funding to ensure community pharmacists can afford to stock these. This is vital if consumers are to have access to such medicines when they need them.

Advice and Information

There needs to be a second part to the fee structure which addresses the provision of advice and information. Consumers expect their pharmacist to provide some advice to them on prescription medicines and over the counter medicine through provision of the Consumer Medicines Information (CMI) leaflet as a minimum. In earlier CPAs this was included as a separate amount but it has subsequently been rolled into the global dispensing fee. It is hard to monitor the provision of advice and information and the compliance monitoring and reporting required to enforce it would be prohibitive. CHF is not suggesting that there should be a return to a separate payment.

However feedback from many consumers and information from consumer groups and some research shows that consumers are not always offered advice, with some estimates showing less than half of people who receive a prescription medicine are offered any information on that medicine. This would seem to be inconsistent with the National Medicines Policy's push to have quality use of medicines.

With the move away from CMIs being included in the packaging of many medicines there is a need to ensure people are either given information or told where to access it. It is the responsibility of both the prescriber and the dispenser to work with the consumer to ensure they understand how to use their medicine.

CHF is suggesting that there should be explicit agreed statement of what is expected in terms of advice and provision of information, including the formal Consumers Medicine Information (CMI) at the time of dispensing. This would go beyond the current Code of Conduct and set out steps that should be followed. Pharmacists who take the dispensing fee would effectively be entering into a contract to what is in the statement.

This fee would need to be negotiated with all groups which are involved in dispensing PBS medicines, not just the Pharmacy Guild. Consumers should be involved in the development of the statement about provision of advice and information.

Professional Services

Pharmacists are health professionals and have a key role to play in preventive health and as part of the primary health care team. In 2015 CHF surveyed consumers about their views on what services they wanted from their pharmacists and there was strong support for pharmacists to be able to provide a broader range of service. This role was acknowledged in the 6CPA with the effective doubling of funding for professional services to $1.2 billion, for existing and new services.

CHF welcomed the move to trial new initiatives and require them to undergo a health technology assessment process to ensure cost effectiveness before rolling them out more widely. We also welcomed the decision to put the existing programs through a cost-effectiveness analysis. However CHF believes these funds should be used across community pharmacy more broadly, not just in the more narrowly defined retail pharmacy as represented by the Guild. Consumers identified in our survey that they wanted their pharmacist to work closely with their GP when delivering these extended services They need to be part of an integrated primary health system with consultant pharmacists, pharmacists in general practice and community based pharmacists all participating in the services.

In the interests of joined-up policy, we also advocate that, in the interests of the community accessing community pharmacy more broadly and outside of the retail, we'd like to see the role of the pharmacists in the health care home more explicitly drawn out, explored and supported in future arrangements. Consideration also needs to be given to future funding for professional services being devolved to PHNs for regional commissioning. This would be consistent with other areas where service money is being devolved e.g. drug and alcohol, and mental health community based services. This would drive better needs-based targeted, integration and innovation and would be consistent with other moves around place-based health as well as decentralised and smaller government.

To date there has been little of no discussion about consumer co-payments for these services. In our survey on pharmacy we did not ask people if they were prepared to pay for

the services. To make the services sustainable it may be necessary to charge co-payments or at least give the provider the option to charge one in a similar way that doctors can either bulk bill and take the income stream that that offers or charge co-payments.

The Pharmacy Trial Programme could look at testing consumers and providers' appetite for co-payments and the implications for rural and regional areas where there may be less competition.

Recommendations

There should not be another Community Pharmacy Agreement. Instead there should be separate negotiations and agreements on the dispensing fee and the professional services programme.

The pharmacist's role in providing consumers with information about their prescription medicines needs to be clarified and explicitly included in the dispensing fee

The funding for professional services should be put into a separate programme administered by the Department of Health with overarching direction from a Programs Advisory Committee which includes all the key stakeholders. This could be delivered through the Primary Health Networks.

All negotiations should be multilateral involving all the relevant stakeholders.

Regulation

Pharmacy location and ownership rules

The 6CPA references the Australian Government's Pharmacy Location Rules (Location Rules), which regulate where new pharmacies that dispense PBS prescriptions may open and to where existing pharmacies may relocate. These rules protect pharmacies from competition from supermarkets and other pharmacies that want to open within 1.5 kilometres of an existing pharmacy. The location rules combined with the ownership rules, stipulated in the state and territory legislation and restrict the ownership of pharmacies to pharmacists, have led to a gross monopolisation of the sector. There are more than 25,000 registered pharmacists but less than 4,000 pharmacy owners.

The Competition Policy Review Report 2015[3] states, in its areas for Immediate Reform section, that the current restrictions on ownership and location of pharmacies are not necessary to ensure the quality of advice and care provided to patients. It says, "*Such restrictions limit the ability of consumers to choose where to obtain pharmacy products and services, and the ability of providers to meet consumers' preferences*". The Report recommends that the pharmacy ownership and location rules should be removed in the long-term interests of consumers. They should be replaced with regulations to ensure access and quality of advice on pharmaceuticals that do not unduly restrict competition.

The Competition Policy Review report also supports CHF's position that negotiations on the next CPA offer an opportunity for the Australian Government to remove the location rules, with appropriate transitional arrangements. The continuation of the location rules in 6CPA protects the high profits of pharmacy owners and businesses at the cost of delivering better patient

[3] Competition Policy Review Report March 2015, Peter Anderson, Michael O'Bryan QC, Professor Ian Harper (Chair of the Review), Su McCluskey (http://competitionpolicyreview.gov.au/files/2015/03/Competition-policy-review-report_online.pdf)

outcomes. CHF believes these restrictions are unnecessary and stifle competition-led improvements to aspects such as pharmacy opening-hours, price competition and consumer services. Any future agreements on community pharmacy need to ensure that the location and ownership rules work for Australia's public interest, including increased access to community pharmacies for consumers in rural and remote areas of Australia.

It is often argued that abolishing the location rules would be to the detriment of rural and regional areas as pharmacy owners would seek to relocate to urban areas leaving rural and some regional areas without access to a community pharmacy. This concern is overstated for a number of reasons. There has been a significant increase in the number of pharmacy graduates and many of them struggle to find jobs, often work for very low wages and have very little chance of buying an existing pharmacy under the current location rules. Experience from other deregulation exercises suggests that new entrants are likely to be attracted into the market and some would possibly take the opportunity to move into providing pharmacy services in areas that were vacated or take the opportunity to set up in competition to an existing pharmacy.

One of the ways to ensure provision in rural and regional areas would be to use a Pharmacy Provider number for qualified pharmacists, similar to the Medicare Provider Number. Existing pharmacists would all get a number but it would be linked to where they are currently working with some restrictions on locating to areas which are oversupplied. New numbers would be available for pharmacists willing to locate in areas with a shortage of pharmacists or pharmacies. This could open up career opportunities for pharmacy graduates and bring competition to areas which currently don't have it. Whilst we know there are some problems with the Medicare Provide number system we think it is an idea worth exploring.

This could be accompanied by rural location/relocation incentives and inducements similar to those that exist in general practice. These would help defray some of the costs of establishing a new business.

CHF believes the current need for a pharmacy to be owned by a pharmacist is an anachronism and should be abolished. There certainly is the need for a qualified pharmacist to be on duty at all times and for clinical leadership, particularly where the pharmacy is offering a range of primary health care type services. The current arrangements do not require the owner pharmacists to be in the store, indeed we know this is not the case as many pharmacy owners have multiple stores and so use staff pharmacists.

CHF believes that pharmacies can be operated successfully in many settings and that there should be more flexibility about where they can be so that they can more effectively meet consumers' needs. In particular we think the restrictions on pharmacy being collocated with a supermarket should be removed. Consumers have identified ease of access, convenience and out- of-hours access as reasons why they think that pharmacies should be allowed to operate in supermarkets. Consumers do identify maintaining quality and access to a qualified pharmacist as important and raises some concerns about this in relation to new models of provision.

The only requirement on running a pharmacy that dispenses PBS medicines and other pharmacist only products should be that there is always a qualified pharmacist on duty and that storage of medicines and other products are in line with legislative requirements.

The relaxation of the location rules would allow market forces to operate with new pharmacies opening where there is sufficient demand for them. This could bring some more competition to all areas particularly if it was coupled with a relaxation of the ownership rules.

Recommendations

The Federal Government should remove existing location rules and allow new pharmacies to be established by competition for the benefit of consumers.

The use of a mechanism such as a Pharmacy Provider Number for dispensing PBS medicine should be explored. There needs to be a particular focus on the provision of appropriate services in rural and remote Australia.

The Federal Government should work with State and Territory Governments to review the ownership rules with the aim of either abolishing them.

Hospital pharmacies

It is important to distinguish between the services that hospital pharmacies could provide to patients on discharge and what they could provide to non-patients or the general public.

One of the common complaints from consumers is around access to medicines when they are discharged from hospital. They value being able to have the medicines being able to take home with them and do not understand why not all hospitals are able to provide this service. Their concerns around having to go and get a prescription filled at a community pharmacy include:

- Access when discharge takes place outside of normal business hours when there may not be a community pharmacy open.
- The community pharmacy may not be easily accessible and require a special trip which may be difficult post-discharge. Trends towards earlier discharge sometimes mean people have reduced mobility and capacity access a community pharmacy.

It is important that on discharge consumers continue the medications they have started in hospital. The current situation, which results in many consumers not being able to access a pharmacy, may lead to this not occurring. Allowing the hospital pharmacy to provide some medicine for consumers to take home increases the chance of better adherence by the patient to the medication regimen.

Increased dispensing on discharge would need to be limited in time and quantities and should require communication between the consumer's usual community pharmacy and the GP. When consumers do not wish to nominate a usual community pharmacy they would be given a print out of what was dispensed to take to their GP or to the next pharmacist they see.

Consumers also raise the issue of difficulties filling prescriptions out of hours as they struggle to find a community pharmacist open. The need for prescriptions out of normal can come about for a number of reasons including a visit to an emergency department, late night clinics such as the nurse led walk in centres in the ACT or simply not getting a script filled in normal hours.

Offering out of hours services are particularly difficult for community pharmacists in rural and regional areas, especially where they are the only pharmacy or one of two or three pharmacies in town. Allowing the hospital pharmacy to provide some out- of-hours coverage would take the pressure off community pharmacy and improve the timely access to prescription medicines of consumers in rural areas. For continuity of care it is important that there be communication between the hospital pharmacy and the person's usual community pharmacy about what has been dispensed.

Making it possible for the public more broadly to access medicines from hospital pharmacies more generally is not supported at this time. The access to community pharmacy in normal business hours is generally good and meets most people's needs.

Recommendations

Hospital pharmacies should be able to extend their current range of services by offering services to all community members, not just hospital patients after hours taking into account the opening hours of community pharmacy in their region. There would still need to be an authority to operate in this way which would include details of the hours of operation.

Hospital pharmacies should be able to provide some limited post-discharge dispensing to enhance continuity of care. This should include delivery and mail order services for people in rural and remotes areas.

Consumer experience

Some of the areas covered in this section of the Discussion paper have already been covered in other areas of this submission.

Services

In the CHF survey on what services people expected from their community pharmacy consumers outlined what they expected from their pharmacy. This was determined in part by what their pharmacy currently provided and in part by their identification of the gaps in that service provision.

As a general point it would be helpful if community pharmacies provided clear information as to what services they offer and how people can access them. If the location rules were abolished then CHF does not believe all community pharmacies should be required to offer the full range of professional services as they should be able to tailor their offerings to the needs of their consumers and their own capacity to provide them. Market forces would then come into play and help determined what is offered. The possibility of moving responsibility for the professional services elements of the arrangements to PHNs would be consistent with this approach.

If the location rules are not relaxed then there needs to be a more prescriptive approach with community pharmacies that want to be classified as such to take advantage of the location rule having to provide a predetermined set of services as consumers cannot chose to go elsewhere.

Access to medicines

There was a consensus amongst the people who responded to the CHF survey that the primary service people want from a community pharmacy is access to prescription and non-prescription medicines and other health related products. For most people that access includes the provision of advice on the medicines/product, how to use it effectively and in the case of non-prescription medicines what might be appropriate for the symptoms they have. They value that advice but many commented on how the provision is patchy and that they would like it to be more consistent. This is a very common cause of complaint/query to CHF with people wanting to know if they should have been given information and/or complaining that they had not been.

Earlier in this submission we discussed how, for prescription medicines, dispensing should include the provision of advice. It is critical that such information is given when a person first

starts a medicine but there needs to be some process of checking when people get repeat scripts that they are still alright with the medicines and an offer of information. This is particularly the case when people are on medicines for a long period of time. The prescribing doctor should also have that conversation with the patient but the reinforcement from the pharmacist is valued by consumer. We need a more consistent approach to this issue

Many consumers do not understand the distinction between the various kinds of over the counter medicines and the different requirements there are for accessing them and this causes some confusion and discontent. However overall the current scheduling approach and restrictions on who can sell what, how it can/cannot be advertised and promoted provide good safeguards for consumers and these restrictions should not be lifted.

Out of Hours Access

A crucial part of access is being able to get the medicines when it is needed and this includes out of normal business hours. Whilst many pharmacies in urban and larger regional centres offer extended trading hours it is by no means universal which results in a gap for the access to medicines for many people. We have discussed this in the context of hospital pharmacies which could provide part of the solution.

One possible solution is to provide financial incentives with a higher dispensing fee attached to genuine out of hours provision of prescription medicines. There would be strict criteria for accessing the fee and to be carefully monitored. This could improve access if it was part of a package that also included abolition of location rules as it would then be possible for pharmacists/groups of pharmacists to set up dedicated out-of- hour's prescription service similar to the National Home Doctor Service for GP services.

Recommendations

Community pharmacy should display a list of services they provide and any fees that are attached to such services.

Incentives for providing out of hours access to prescription medicines need to be explored with strict guidelines on when they would apply.

Pricing of PBS medicines

Co-payments

Overall consumers understand and value the fact that many medicines in Australia are subsidised even if they are not aware of the degree of subsidisation. There does not need to be more emphasis on this.

Many common medicines now cost less than the general co-payment and consumers gain the benefit from that. Many consumers do not realise that the price of such medicines can vary across pharmacies and that they would benefit from shopping around. CHF and other consumer advocate groups can help provide information to consumers about this.

CHF supported the introduction of the optional $1 discount on the co-payment as a way of cutting the costs of medicines for some consumers and supports its continuation. However it disproportionately advantages people from urban and regional centres where there are clusters of pharmacies.

PBS Safety Net

The PBS safety net is designed to make medicines affordable and to help ensure that people do not have to choose between medicines or between a medicine and something else

because of costs. It is an important part of the National Medicines Policy in terms of assuring access to affordable medicines and is highly valued by those consumers who benefit from it.

Many consumers do not know about the existence of the PBS safety net and so do not claim under it. Others rely on the pharmacist alerting them to its existence and offering to keep a record of prescriptions to ensure they access it once they become eligible. This works for people who always use the same pharmacy and who become known at their pharmacy as someone notices they are regulars and takes action. For people who do not have a regular pharmacy for whatever reason the whole process is more problematic and they often fall between the cracks and do access the benefits.

It should not be left to the pharmacy to keep the records and ensure people access the Safety Net. It should be done through the Medicare system, using the person's Medicare number to alert the pharmacy to the fact that the person has reached their safety net limit.

CHF believes the current limits are appropriate. However many consumers have raised with us the financial pressure of paying the full co-payment (either general or concessional) for the first part of any year and then paying the reduced co-payment once they reach the limit. This is particularly difficult for people on low and fixed incomes who have limited discretionary income.

This could be addressed by using previous usage data and predicting usage in the current year and then smoothing the payments across the year so that people pay the same amount of total co[payment but it is spread out and so more manageable.

The other issue for some people is the disconnect between the PBS and MBS safety nets which means their total out of pocket expenses can be quite substantial . There needs to be more work done on a combined PBS/MBS safety net that means people can afford both visits to the doctors and medicines

Recommendations

The $1 discount of co-payments should continue.

The PBS safety net should be monitored and administered centrally through Medicare.

The Government needs to look ways to improve the operation of the PBS Safety Net to smooth out medicines' co-payments.

Complementary Medicines and Vitamins /Supplements

Most community retail pharmacies stock a comprehensive range of complementary medicines, vitamins and supplements. Consumers are divided on whether or not this is appropriate and should continue.

The opponents claim that the placement in pharmacies is misleading for consumers as it gives the appearance of being on a par with other medicines. Consumers seek pharmacy staff advice on such products and trust the advice they are given. Complementary medicines and supplements do not have to meet the same level of evidence for efficacy that other medicines do and so the advice could be deemed to be misleading. Many consumers describe situations in which they have had to go past displays of these products to get to the prescription counter in the community pharmacy and that they sometimes feel pharmacy retail staff put pressure on them to buy these products.

Many consumers use complementary medicines and supplements and value being able to buy them from the pharmacy even when they could get them from a supermarket or on–line. They want to be able to talk to someone about the products medicines and in some cases discuss their use with prescription and other medicines. They argue that the products are cleared for sale by the TGA and so they should be available through pharmacies as well as elsewhere.

CHF has argued elsewhere that there should be clearer information on the limitations of the evidence for many such products. However they are legal products and the TGA has provided approval that they are safe for use so we believe the pharmacy needs to make a business decision on whether or not to stock the products which are approved for sale by the TGA. Pharmacists need to be aware that consumers trust the advice they give and ensure all their staff members are trained to give the advice in a way that is not misleading for consumers and does not abuse that trust. Community pharmacy owners need to make a judgement if selling such products is consistent with their desire to be part of the health care team and be seen as a source of trusted health advice.

One useful value add for pharmacy when selling these products is to make it protocol to tell people they should check on any interactions between what they are buying with prescription and other medicines they may be taking. This can be done through staff telling people or with prominent signage near the complementary medicines/supplements alerting people to the need to do this

In response to the consumer comments about placement and selling pressure community pharmacy should look at where in the retail space the prescription medicines section is placed and how to make it easier for people to find that. After all it is the existence of the prescription business which gives the pharmacy the local monopoly.

Recommendations

Community pharmacy seeling complementary medicines and supplements adopt a protocol on advising people of interactions with other medicines

Wholesaling Logistics and Distribution Arrangements

Consumers highly value the access that the current Community Service Obligation (CSO) provides which means they can access medicines within 72 hours regardless of where they live. This allows them to have confidence that the medicines they need will be provided when they need it. Any proposed changes to the CSO would need to give consumers the certainty that the current arrangements bring and a critical test of any reforms should be that there be no detriment to consumers.

The provision of medicines is a Government responsibility and the National Medicines Policy highlights the need for measures to ensure the whole supply chain is working effectively if there is to equitable access to medicines. This puts a responsibility on Government to ensure the supply chain which is delivering this key component of our health system is working effectively. It is not appropriate for Government to walk away from its responsibilities in this area and leave it up to the manufacturers or community pharmacists.

The possibility for moving to a tender system with a small number of wholesalers does not promote competition, if anything it decreases it and we know the competition that exists today has in part contributed to lower prices at least in some areas. Experience in other

sectors, for example grocery retailing, shows the potential problems with only have a small, one or two, number of suppliers.

Consumers have also expressed concerns that a move to tendering will reduce choice of medicines, both by the prescriber and the consumer. Consumers fear they may get their medicine switched simply because of a change in the tender arrangements e.g. the current arrangements for biologics/biosimilars in some hospitals without taking into account the potential therapeutic implications.

Recommendation
The Government should continue to have a specific role in regulating and remunerating pharmacy wholesaling and have an improved Community Service Obligations as part of any future community pharmacy arrangements.

Conclusion

Community pharmacy is an integral part of the Australian health system and many surveys by CHF and others consistently show the services it offers are valued by consumers, particularly people with complex and chronic needs. As noted in the discussion paper and throughout this submission it is being delivered in a rapidly changing environment and it needs to be able to respond to those challenges if it is to meet consumer expectations and needs.

The recommendations in this submission highlight the areas that consumers have identified as important and in need of change. We believe that if they were implemented they would lay a solid foundation for ensuring community pharmacy plays its role in the health system for the 21st century.

CHF looks forward to seeing the recommendations from the Review Panel and continuing to have input into the process.