

Neil Naismith Commemorative Lecture

Carol Bennett, 5 February 2013

Introduction

Thank you for that introduction. It is a genuine honour to be invited to deliver the Neil Naismith Memorial Lecture.

I never met Neil Naismith, but everything I have read and been told about him indicates that he was a very strong champion of pharmacy. Neil was prepared to create new opportunities and push back against some of barriers to good pharmacy practice. Given his commitment to improving pharmacy, I think that he would want me to challenge you, to question where pharmacy is now and where it is going. And that is what I intend to do.

This lecture really has four parts. Initially, I will be outlining what I see as some of the major challenges for pharmacy, then I will briefly talk about consumer expectations, and I want to spend some time highlighting the positives – the opportunities for pharmacy. I will then make some summative comments about how we might reconcile the challenges, the expectations and the opportunities in developing a positive future for pharmacy.

I should note that while I think I am going to challenge you, I am also hoping that this lecture will contribute to a more honest and open dialogue between consumers and pharmacy about our shared future. For this reason I am not going to talk at you for the whole hour. I am going to try and keep my opening address relatively short so that we can have time for questions and discussion.

As part of this dialogue, I think it's important that I provide you with some understanding of my background and where my perspective comes from.

For over 20 years I have worked in health policy, including roles in government, not for profit, peak bodies, health professional bodies and a for profit business. When I look back, much of this work has been focussed on medicines policy – from working as the Secretary of the Pharmaceutical Health and Rational Use of Medicines committee, working in the Pharmaceutical Benefits Advisory Committee secretariat,



and being contracted to undertake a national consultancy project with the Pharmacy Guild of Australia and Pharmaceutical Society of Australia on pharmacy and illicit drug services. Of course, more recently through my work at the Consumers Health Forum (CHF), medicines policy has been a key feature of our members concerns.

As the national peak body representing health consumers, CHF has over 2 million people in its network, many of whom use the health system and rely on medicines. Medicines policy is a key component of most of our consultations with our members.

Challenges

So now let me begin my discussion of the challenges facing pharmacy as we move into a more dynamic information age driven by on line interconnectedness, growing globalisation and changing roles for governments around the world. I think we have now reached the point where there is a mobile phone app for almost every human activity. Within this context there are many emerging challenges for pharmacy.

I hasten to make the point that there are probably many in this room who live and breathe the everyday challenges of community pharmacy. I am not here to tell you what you have to deal with each day – the staffing issues, rent and power increases, difficult customers, slow paying debtors, etc. My perspective is more about the role of pharmacy as a key part of our health service system.

In my two decades working in the health policy, I can honestly say I have always been aware of an ongoing debate about the role of community pharmacy and the tension between the need to run a profitable retail business and the need to fulfil the role of health professional.

While this debate is not new, I do think we are now approaching a perfect storm of issues and events that are bringing the debate to a new crunch point.

For me some of the important challenges now impacting on pharmacy.

We have better informed and more empowered health consumers than ever before - 85% of consumers obtain on line health information.

There are more options to obtain medications and advice

There is increased transparency and accountability for pharmacy (including price disclosure provisions and evaluation of Fifth Pharmacy Agreement (5PCA) which will



inevitably see a focus on health outcomes and consumer experience).

We have increasing globalisation leading to decreasing supplier competition.

There are greater levels of pharmacy discounting in the market – e.g. Chemist Warehouse, Priceline, etc.

There is a retail downturn with difficult business conditions, including challenges in obtaining and retaining good staff, meeting overheads, etc.

We have real competition from on line providers both in Australia and overseas.

We now have unprecedented pressure on government health budgets. Health expenditure is rising, and government income is declining.

There is increasing focus on patient-centred care, outcomes and ‘bang for buck.’

In May this year, I will be representing the International Alliance of Patient Organisations at the World Health Assembly. I can tell you from my discussions with many international colleagues that this issue of rising health expenditure and diminishing government income is front and centre of international health policy debate.

This pressure has led to a world-wide move to provide greater transparency and accountability for public funds, pressure to ensure health dollars are well spent through increased monitoring and measurement. We have seen this in Australia in the health sector with the proliferation of health information bodies such as the National Health Performance Authority, the Independent Hospital Pricing Authority, the Australian Institute of Health and Welfare, the COAG Health Reform Council, etc.

In Australia we also have the 5CPA. This is fundamentally an old and relatively inflexible model focused on input costs when ideally it needs to deliver new service approaches (such as the role of primary care, dispensing versus quality service focus, integrated services for chronic conditions, increased access, etc.)

There is still an ongoing tension about the role of pharmacy as a health provider or a retail outlet – this is exemplified in the selling of unproven over-marketed complementary medicines.



Australia operates a high cost Pharmaceutical Benefits Scheme with multiple drugs competing for subsidies. We also operate a high cost consumer model, with some of the highest out-of-pocket costs in the developed world.

This is quite a long list of challenges for pharmacy, and I am sure many of you could add to that list. So, let me now turn to another set of considerations a little closer to my day to day work - what consumers want from pharmacy.

Consumer Expectations

From everything I know about what consumers want from pharmacy, including CHF's more recent work on consulting with consumers on the 5CPA, there are a number of core themes and principles.

Cheaper products

Price is a critical factor. We have the highest out of pocket costs in the OECD, and a great deal of research demonstrating that consumers are putting off filling scripts due to cost.

Choice and convenience

Consumers would like a one-stop-shop, they support e-prescribing (but privacy a big concern), as well as locations of convenience, hours of convenience

Quality services

Consumers want health information and services, such as drug information, 'Pharmacist only' and 'pharmacy' medicines, clinical interventions (diabetes, asthma etc), medication management services (HMR), preventative care services for patients with chronic conditions (blood pressure checks, sun care, weight control), participating in therapeutic decisions (advice on postnatal care, ill children etc.)

I could go on talking about consumer expectations in more detail. In many ways it is my primary area of interest. But I do want to spend some of my limited time talking about the positives for pharmacy in Australia, the opportunities for pharmacy as we move forward.

Opportunities

It may come as a surprise to some in the room to know that I believe pharmacy is actually very well placed to deliver on some of these expectations. When I think of the opportunities and strengths of pharmacy, I think of how a good pharmacy works with its community and its consumers.



Pharmacy can provide co-ordinated and integrated services based on their knowledge of their consumers needs. A good pharmacist will maintain contact with doctors and hospitals, knows the issues facing their patients, etc.

Pharmacists can often provide an expanded range of health services for different groups in different settings – such as nursing home medication review, on site methadone, prevention and awareness campaigns, etc.

Importantly, the pharmacist can provide quality and trusted advice - not what I think of as quack remedies and not those that provide profit without health benefits.

Pharmacy can provide a safe supportive environment where people feel welcomed, where many consumers are able to develop a relationship with their pharmacist over time and be treated with respect.

Pharmacists who know their consumers well are well placed to measure the experience of their customers and to respond to their needs.

Reconciling these issues

I have talked about the challenges facing pharmacy, the consumer expectations and the opportunities for pharmacy.

So, the central question I think we need to answer is how do we reconcile these three factors? How do we address the challenges, fulfil the expectations and seize the opportunities?

I think there is only one answer.

Pharmacists need to move patient experience and better health outcomes to the top of their priority list, even if it costs them in the short term.

A pharmacy committed to serving the health needs of their consumers and their community actually has a much stronger business model in the longer term than the pharmacy committed to extracting as much money as possible from everyone who walks through their door. It's very difficult for pharmacy to compete on price alone – the big discounters have already demonstrated that they can make a loss to corner a market.



Think about what an invaluable health service a pharmacy would be if it could actually demonstrate that it improves medication compliance, reduces adverse events, reduces hospital admissions, improves the productivity (work time) of its customers and community, reduces the number of GP visits, reduces crime through drug therapies (buprenorphine, etc.), and provides preventative health programs that reduce the incidence of major chronic diseases?

This is the kind of pharmacy consumers want, governments want, the community needs.

Is this the kind of pharmacy we have? Is there any evidence to support pharmacy claims that this is what is being delivered? Is the evidence being collected? How?

Pharmacy is already ideally placed to provide quality health services to consumers when and where they live, to be responsive not just to their customers, but to their communities. But if pharmacy is doing good work, is it being measured, can it demonstrate real health outcomes?

For community pharmacy to thrive, it will need to act on years of debate about its role and choose not only to become valued health providers, but also collect evidence to show how it makes a difference. If it doesn't, I am not sure how it will weather the significant challenges created by a perfect storm of factors.

Consumers are already voting with their feet. They have greater access to information and service options than ever before, but they will choose quality services that can demonstrate they meet their needs, not just in price, but also through quality information and support.

Governments are already asking for the evidence about what health outcomes are being achieved for the very significant investment they make. Why should they invest in pharmacy? What are the benefits?

While these discussions are gaining traction with health stakeholders, there are some in the pharmacy policy space who insist it is still all about business models, retail and online, protection and control, subsidy and co-payments. Some of these pharmacy advocates seem to take a back room, secretive approach, hiding from public scrutiny, only really emerging to attack those seen as posing a threat to profits.



Conclusion

I want to end this lecture with a question for you: - given all we know about the challenges, the expectations, and the opportunities - what do you see as the future for pharmacy? I think it is clearly now up to you whether pharmacy as we know it in Australia will not only survive, but thrive.

I believe the older business model small retail driven pharmacy is on the way out. The old model protectionist pharmacy advocate is also on the way out.

If pharmacy recognise this and seize the wonderful opportunity pharmacy has to be a collaborative and critical part of quality health care in this country, then I think, not only pharmacy, but all of us – consumers, governments, pharmacists and our communities - will be better off.

Pharmacy can realise its place as a critical part of primary and preventative healthcare, and as a major provider of effective treatment, quality professional advice and support for health consumers, and for the communities in which they operate. This is what I want for pharmacy, and I am sure it is what great pharmacy advocates like Neil Naismith would also want.

Let me conclude by again thanking you for the opportunity to be here tonight and to be able to honour the work of Neil Naismith in this way.

I also want to thank you for listening and say that I am looking forward to ongoing discussions and debate about these critical issues.

Thank you.