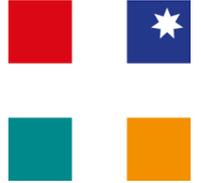


Review of Pharmacy Remuneration and Regulation
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Australian
Private Hospitals
Association



PBS Review – Response to Interim Report

28 July 2017

Australian Private Hospitals Association ABN 82 008 623 809

Contents

Contents.....	2
Introduction	3
Private Health in Australia	4
The Australian Private Hospitals Association	4
Response to Specific Recommendations	5
PBS Safety Net (Option 2-3).....	5
Labelling (option 2-4).....	5
Consumer Medicines Information (option 2-6)	5
Electronic Prescriptions (option 2-7).....	5
Electronic Medications Record (option 2-8).....	5
Managing Medicine Risks for Patients Upon Discharge (option 2-10)	5
Community Pharmacy Remuneration	6
Sources and Transparency of Pharmacy Remuneration (Option 4-1, 4-2, 4-3, 4-4).....	6
Harmonising Pharmacy Legislation (Options 5-1 to 5-11).....	6
Distribution of Medicines to Community Pharmacy (option 6-1).....	7
Supply of High-Cost Medicines – Option 6.2).....	7
Future Community Pharmacy Agreements (options 7-1 to 7-4).....	7
Health Programs Offered by Community Pharmacy (Options 8-1 to 8-2)	7
Section 100 Highly Specialised Medicines (Option 10-1)	7
Chemotherapy (options 10-3, 10-4)	8

Introduction

The APHA welcomes the opportunity to make a submission in response to the interim report of the Pharmacy Review.

Overall while APHA welcomes a number of recommendations particularly in regard to the funding of chemotherapy, APHA is concerned that the Review has not taken account of the particular challenges and capabilities of hospital based pharmacy.

APHA is strongly of the view that if pharmacy services are to be provided in a way that promotes, efficiency, safety, quality and continuity of care, then specific attention must be paid to the way in which pharmacy services operate in the hospital sector and the way in which innovations could be supported that would better serve consumers as they move in and out of the hospital sector.

We note that hospital based pharmacy is at the forefront of managing highly specialised drugs. We note too that in order to meet the needs of the growing number of consumers with chronic conditions and consumers at high risk of avoidable hospital admissions, the expertise embodied within hospital based pharmacists will become more and more important.

We view hospital based pharmacy and community based pharmacy as complementary modes and we also submit that the time is ripe to enable a diversity of new models including hospital based pharmacies that meet the needs of consumers both as in-patients and in the community so that services can be implemented that truly meet their needs.

We note that the Department of Health has initiated a review of hospital based pharmacy and we suggest that it is essential that the outcomes of that work is considered as the Pharmacy Review prepares its final report.

APHA is disappointed that recommendations regarding the scope of future community pharmacy agreements appear not to have recognised the lack of representation given to hospital based pharmacy services. This is despite the fact that the private hospital sector provides 40% of all hospital separations in Australia and the pharmacy services supporting the private hospital sector rely almost entirely on the PBS for their revenue. Furthermore hospital base pharmacy is a specialised sector accounting for the majority of expenditure on high cost drugs; the fastest going area of PBS expenditure.

Outcomes of the Sixth Community Pharmacy Agreement with respect to chemotherapy show that lack of specialised input from the hospital based pharmacy sector can result in agreements that are poorly thought out and impractical to implement.

If on the other hand it is the intention of the Review to recommend that future agreements be concerned solely with the remuneration of community based pharmacy, then the Federal Government should immediately commence consideration of a process whereby the remuneration of hospital based pharmacy can be separately considered.

Private Health in Australia

The Australian private hospital sector makes a significant contribution to health care in Australia, providing a large number of services and taking the pressure off the already stretched public hospital system.

According to the more recent data available it treats:

- 4.33 million separations a year.

It delivers:

- More than a third of chemotherapy
- 60% of all surgery
- 76% of rehabilitation
- 73% of eye procedures
- Almost half of all heart procedures
- 72% of procedures on the brain, spine and nerves.

Australian private hospitals by the numbers:

- Almost half (47%) of all Australian hospitals are private
- 630 private hospitals made up of:
 - 289 overnight hospitals
 - 341 day hospitals
- That amounts to: 33,074 beds and chairs (29,922 in overnight hospitals and 3,152 in free-standing day surgeries)
- Employs more than 66,000 full time equivalent staff.

The Australian Private Hospitals Association

The Australian Private Hospitals Association (APHA) is the peak industry body representing the private hospital and day surgery sector. About 70% of overnight hospitals and half of all day surgeries in Australia are APHA members.

Response to Specific Recommendations

PBS Safety Net (Option 2-3)

APHA is supportive of establishment of an electronically managed PBS Safety Net with the proviso that to be effective this approach must be implemented across both community and hospital based sectors.

Labelling (option 2-4)

The requirement that all PBS medicines provided to patients should be appropriately labelled and dispensed makes sense in a community pharmacy setting. It is less clear how the Review intends such requirements should be met in a hospital setting.

Consumer Medicines Information (option 2-6)

The requirement that consumer medicines information should be provided to patients makes sense in a community pharmacy setting. It is less clear whether the Review intends such requirements should be met in a hospital setting.

While APHA recognises that the provision of information is an essential part of the pharmacist's role, hospital and community settings may require different mechanisms and processes.

Electronic Prescriptions (option 2-7)

APHA supports the recommendation that governments should initiate an appropriate system for integrated electronic prescriptions and medicine records. This system should be implemented across community and hospital sectors.

It is important that this initiative align with other digital health initiatives impacting pharmacy in the private hospital sector including the implementation of electronic medical records, prescribing of the medical chart and electronic billing.

Electronic Medications Record (option 2-8)

APHA supports introduction of an electronic medications record.

Managing Medicine Risks for Patients Upon Discharge (option 2-10)

APHA has always acknowledged the risk of medication related complications for patients immediately post discharge. This issue is already addressed in the National Safety and Quality in Health Service Standards (NSQHSS).

It is unclear what is meant by 'consistent policies and procedures' beyond the requirements already set out in the NSQHSS regarding discharge and continuity of care.

APHA would contend that the NSQHSS already provides an appropriate framework.

Community Pharmacy Remuneration

Sources and Transparency of Pharmacy Remuneration (Option 4-1, 4-2, 4-3, 4-4)

It is unclear whether the Review intends that Option 4-1 should also be applied to hospital based pharmacies. If the intent is to determine a 'best-practices benchmark cost' then APHA would contend that it is essential to examine specifically the costs of hospital based pharmacy services noting that the complexity and range of pharmaceutical services provided in a hospital context is substantially different from that provided in a community based pharmacy.

APHA also notes that the Department of Health has commissioned a separate review of hospital based pharmacy and the outcomes of this review should be taken into account in framing the Pharmacy Review's final report.

APHA notes with disappointment that the Review appears not to have addressed the concerns raised by the APHA concerning differences in remuneration for Section 90 and 94 licences pharmacies. In our discussions with the Review panel and our subsequent submission, we stressed that this issue was a point of major concern particularly as it was a barrier not only to financial sustainability but also to the provision of responsive consumer centred care.

APHA is concerned that overall the Review appears not to have paid sufficient attention to the particular issues facing hospital based pharmacy. APHA is strongly of the view that hospital based pharmacy is particular both in the challenges involved and the capabilities that it provides. These capabilities are complementary to the strengths provided by community based pharmacy.

APHA was also keen to emphasise in its submission that remuneration and regulatory arrangements need to facilitate innovation particularly where this innovation is designed to better meet the need of people with chronic conditions and those at high risk of avoidable hospital admissions. Innovations such as models that would allow hospital based pharmacies to dispense to members of the public and provide medication reviews are key to ensuring efficient and responsive continuity of care.

Harmonising Pharmacy Legislation (Options 5-1 to 5-11)

APHA strongly supports the harmonisation of pharmacy legislation and the establishment of a single regulator.

APHA would also strongly support review of legislation regarding ownership as part of this harmonisation process particularly with regarding to the anomalies with exist with respect of ownership and licencing of pharmacies located within hospitals.

Distribution of Medicines to Community Pharmacy (option 6-1)

APHA supports further consideration of the three alternative reforms outlined for the pharmacy supply chain and requests that the application of these arrangements to the hospital sector be further investigated before a final recommendation is made.

Supply of High-Cost Medicines – Option 6.2)

APHA supports further consideration of the application of a cap to the community pharmacy contribution to the cost of high cost medicines and requests that the application of such a cap to the hospital sector be further investigated before a final recommendation is made.

Future Community Pharmacy Agreements (options 7-1 to 7-4)

APHA is disappointed that recommendations regarding the scope of future community pharmacy agreements appear not to have recognised the lack of representation given to hospital based pharmacy services. This is despite the fact that the private hospital sector provides 40% of all hospital separations in Australia and the pharmacy services supporting the private hospital sector relay almost entirely on the PBS for their revenue. Furthermore hospital base pharmacy is a specialised sector accounting for the majority of expenditure on high cost drugs; the fastest going area of PBS expenditure.

Outcomes of the Sixth Community Pharmacy Agreement with respect to chemotherapy show that lack of specialised input from the hospital based pharmacy sector can result in agreements that are poorly thought out and impractical to implement.

If on the other hand it is the intention of the Review to recommend that future agreements be concerned solely with the remuneration of community based pharmacy, then the Federal Government should immediately commence consideration of a process whereby the remuneration of hospital based pharmacy can be separately considered.

Health Programs Offered by Community Pharmacy (Options 8-1 to 8-2)

Although the focus of the program has traditionally community based, APHA contends that it is counterproductive not to also consider the role of hospital based pharmacy services in providing programs, particularly programs targeted at people living with chronic conditions and people at high risk of potentially preventable admission/readmission to hospital

Section 100 Highly Specialised Medicines (Option 10-1)

Pending further modelling of the impact on the hospital pharmacy sector, APHA is tentatively supportive of the removal of the distinction between section 100 (Community Access) and other medicines listed within the section 100 HSD arrangements including the harmonising of access and fees regardless of where the medicine is dispensed.

It is noted however that S100 Highly Specialised Drugs entail and heavy administrative burden for private hospital pharmacists, a burden which we understand is not experienced in the public sector or the community sector to the same extent.

Chemotherapy (options 10-3, 10-4)

The recommendation (option 10-3) regarding a clear uniform set of minimum standards is welcomed. In particular it is welcomed that compounding facilities not be required to meet the TGA licensing requirements and that the standards should recognise that chemotherapy compounding is appropriately performed in a variety of settings.

Option 10-4 specifically mentions public hospitals. Consideration should also be given to allowing such models in the private sector particularly noting that there are a number of major providers of integrated cancer care in the private sector and that the private sector also plays a significant role in delivery of cancer services to regional centres.

