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6CPA IMPLEMENTATION

COMMUNITY PHARMACY STAKEHOLDER FORUM
15 November 2016



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Overview of 6CPA Implementation

- 6CPA commenced on 1 July 2015
- Stakeholder groups were consulted and provided input
- \$18.9 billion in remuneration for community pharmacy and to support the pharmaceutical supply chain.
- \$372 million for chemotherapy compounding fees.



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Three key funding elements:

- Community pharmacy remuneration;
- Community Service Obligation; and
- Community pharmacy programs



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Other components

- Pharmacy Location Rules;
- Governance arrangements;
- Chemotherapy arrangements; and
- Review of Pharmacy Remuneration and Regulation.



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Community Pharmacy Programs

- The total funding - \$1.26 billion:
 - **\$613 million** for continuing community pharmacy programs
 - **\$50 million** for pharmacy trial program
 - **\$600 million** for new and/or expanded programs



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6CPA - Key Achievements

Administration, Handling and Infrastructure fee (AHI)

- 1 July 2015 - AHI replaced the former six tier retail mark-up
- AHI supports the ongoing viability of pharmacies
- Timely implementation including initial interim arrangements
- AHI - 6% increase in funding to pharmacy (2015/16).



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Discounting of the PBS Patient Co-Payment

- PBS general and concessional co-payments discounted by up to \$1
 - General - \$37.30
 - Concessional - \$5.20
- At the pharmacist's discretion
- At the pharmacy's own cost



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Continuation of the Premium Free Dispensing Initiative (PFDI)

- \$655M allocated for PFDI
- Encourages increased use of generic medicines
- Fee for 2016-17 is \$1.74 (indexed annually)

New Chemotherapy Compounding Arrangements

- From 1 July 2015 – new two-tiered fee structure:
 - \$60 payable where an eligible PBS EFC item is compounded at a TGA-licensed compounding site.
 - \$40 paid to approved suppliers as part of the 'preparation fee' where an eligible PBS EFC item is compounded at any other site (i.e. non-TGA- licensed)



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CSO / NDSS Administration

ITA to appoint eligible distributors of pharmaceuticals and NDSS products

- released on 27 September 2016 and closed on 3 November 2016
- submissions being assessed
- successful applicants informed before the end of this year

RFQ to appoint a CSO administrator

- issued on 24 October 2016, and closes on 28 November 2016
- successful tenderer informed before the end of this year



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National Diabetes Services Scheme (NDSS)

- 1 July 2016 – new supply and delivery arrangements for NDSS products
- Improved access to NDSS through community pharmacy.

Subsidised Continuous Glucose Monitoring Technology

- Formal Advisory Group has been established.
- Process commenced for engagement of suppliers.
- Access arrangements for patients are being planned.



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Review of Pharmacy Remuneration and Regulation

- Recommendations on:
 - future remuneration
 - future regulation
- Members of the Independent Panel for the Review
- Professor Stephen King (Chair),
- Ms Jo Watson, and
- Mr Bill Scott.



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Review - Next Steps

- The Panel are developing draft recommendations for Interim Report.
- Seeking external expert advice via:
 - literature review
 - targeted survey to obtain financial data
 - consultation



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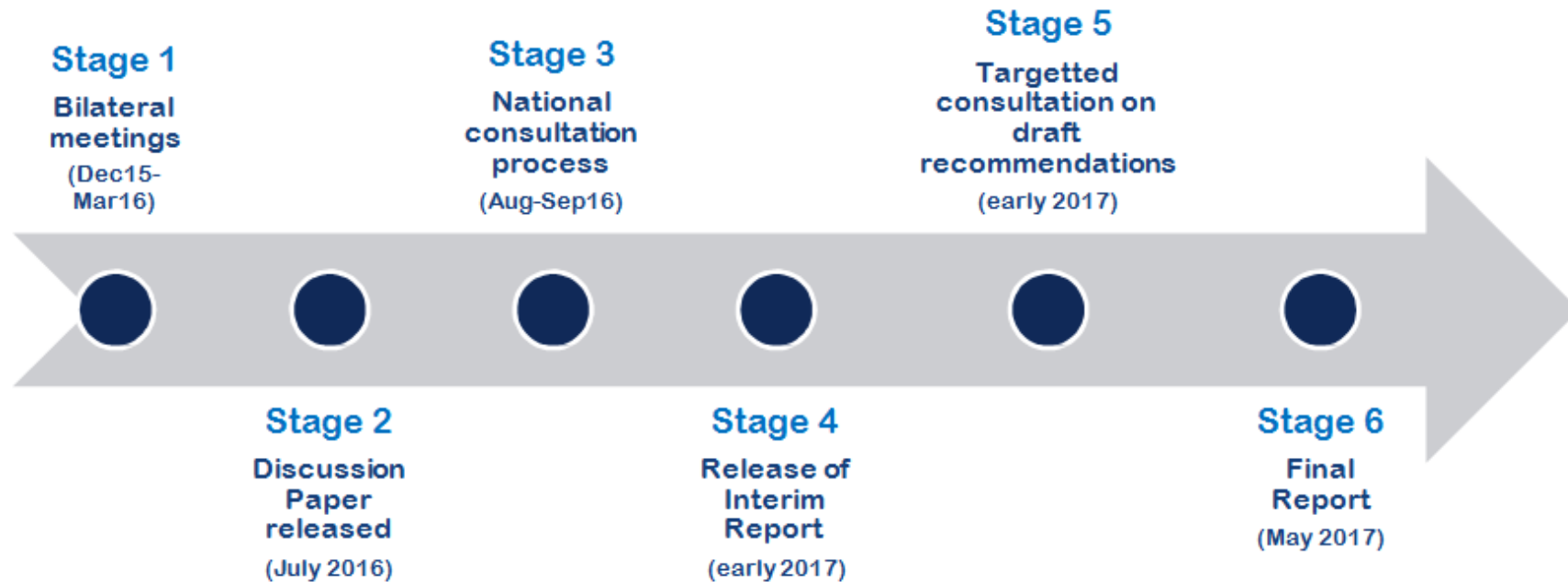


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Review Timeline





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Reviews - Continuing Community Pharmacy Programs

- Reviews of all continuing community pharmacy programs and services - required under the 6CPA
- Purpose - to determine whether programs are cost-effective in delivering health outcomes
- March 2016 - Medical Services Advisory Committee (MSAC) directed the Department to undertake full reviews of each of the programs.
- Cost-effectiveness reviews of the continuing community pharmacy programs are progressing.



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Pharmacy Trial Program (PTP)

- First tranche of PTP was announced by the Minister in March 2016 and includes the following trials:
 - Pharmacy-based Diabetes Screening and Referral;
 - Improved medication management for Aboriginal and Torres Strait Islanders through pharmacist advice and culturally appropriate services; and
 - Improved continuity in the management of patients' medications when they are discharged from hospital.
- The second tranche to the PTP has commenced through an Approach to Market, which closes on 15 December 2016.



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Conclusion

- A lot has been achieved over a short period but there is still much to do.
- We are focusing on cost-effectiveness, transparency and evidenced-based outcomes for consumers for all publicly funded programs.
- The Department and the Guild continue to work co-operatively in achieving the delivery of improved health outcomes for patients in partnership with all stakeholders.