6CPA IMPLEMENTATION

COMMUNITY PHARMACY STAKEHOLDER FORUM

15 November 2016

# 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.

# Three key funding elements:

* + Community pharmacy remuneration;
  + Community Service Obligation; and
  + Community pharmacy programs

# Other components

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

# 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

# 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).

# 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

# 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)

# 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

# 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.

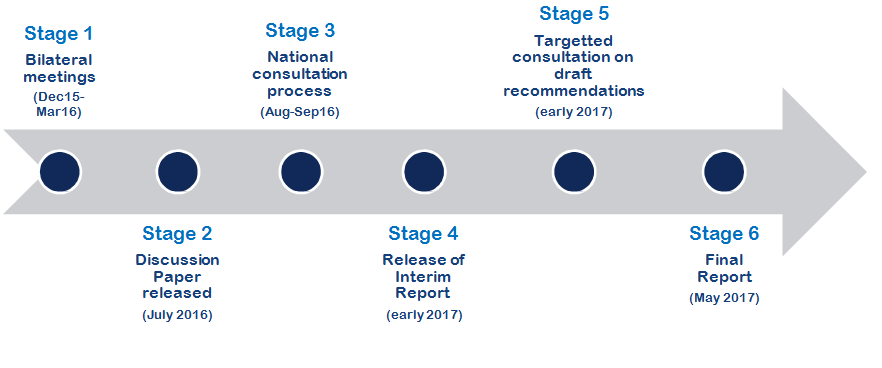
# Review of Pharmacy Remuneration and Regulation

* 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.

# 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

## Review Timeline



## 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.

## 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.

# 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.